Project Report on

The Role of Corporate Governance in Enhancing Business Sustainability

Submitted to:

Dr. James Bakul Sarkar

Professor

School of Business and Economics

Submitted by:

Ayesha Akter

ID: 111 201 228

Bachelor of Business Administration

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Latter of transmittal

11 September 2025

Dr. James bakul Sarkar

Professor

School of Business and Economics
United International University

Subject: Submission of Thesis Paper

Dear sir,

With due respect, I am pleased to submit my thesis paper titled "**The Role of Corporate Governance in Enhancing Business Sustainability ".** This paper has been prepared as a partial requirement for the completion of my BBA degree at the School of Business and Economics, United International University.

I have sincerely attempted to conduct the study with academic rigor and practical relevance. The report presents an analysis of how corporate governance mechanisms contribute to the enhancement of sustainability practices in Bangladeshi firms. I am grateful for your guidance and valuable feedback throughout the preparation of this thesis.

I hope that the study will meet your expectations and provide useful insights into the field of corporate governance and sustainability.

Thank you

Sincerely,

____

Ayesha Akter

Bachelor of Business administration (BBA)
ID: 111201228

Certification of Similarity Index

This is to certify that the thesis paper **"The Role of Corporate Governance in Enhancing Business Sustainability".** submitted by Ayesha Akter, ID: 111 201 228 has been checked for similarity using plagiarism detection software. The similarity index was found to be within the acceptable range set by the School of Business and Economics, United International University.

Name: Dr. James bakul Sarkar
Professor

School of Business and Economics
United International University
Date: 11-09-2025

Declaration of the Student

I hereby declare that the thesis paper entitled **“The Role of Corporate Governance in Enhancing Business Sustainability”** has been prepared by me and is the result of my own work, carried out under the supervision of **Dr James bakul Sarkar** . This paper has not been submitted, in whole or in part, to any other institution for any academic degree or qualification.

I confirm that I have acknowledged all sources of information and ideas used in this research in accordance with academic integrity guidelines.

Ayesha Akter
ID: 111201228
Program: BBA in Accounting
Trimester: Fall 2025

Acknowledgement

First and foremost, I express my heartfelt gratitude to Almighty Allah for giving me the strength and patience to complete this thesis successfully.

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Abstract

Corporate governance has become a central concern for organizations seeking to balance profitability with long-term sustainability. This study investigates the role of corporate governance in enhancing business sustainability, with a particular focus on listed and non-listed firms in Bangladesh. Using a structured questionnaire, data were collected from 50 respondents, including board members, executives, and compliance officers across various industries. The study analyzed governance mechanisms such as board independence, audit committees, diversity, disclosure, and ESG integration, alongside sustainability practices spanning environmental, social, and economic dimensions.

The findings reveal that while governance structures exist in most firms, their effectiveness is often compliance-driven rather than strategically aligned with sustainability objectives. Strengths were observed in board independence, audit committees, and adherence to the BSEC Corporate Governance Code, but weaknesses emerged in board diversity, ESG oversight, and director training. Sustainability practices were moderately adopted, with greater emphasis on economic benefits, such as cost savings and reputation enhancement, while environmental and supply chain practices remained underdeveloped. Stakeholder engagement scored highest, highlighting the influence of international investors and buyers in shaping ESG adoption. However, perceptions of governance impact on sustainability outcomes were the lowest, suggesting a gap between formal governance structures and practical effectiveness.

The study concludes that corporate governance in Bangladesh is evolving, but stronger integration of sustainability into governance frameworks, improved enforcement, and capacity building are required to achieve meaningful progress.

Keywords: Corporate Governance, Sustainability, ESG, Stakeholder Engagement, Bangladesh

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List of Abbreviations

Abbreviation	Full Form
BSEC	Bangladesh Securities and Exchange Commission
BS	Business Sustainability
CG	Corporate Governance
CSR	Corporate Social Responsibility
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
FDI	Foreign Direct Investment
GRI	Global Reporting Initiative
ICT	Information and Communication Technology
ISSB	International Sustainability Standards Board
KPI	Key Performance Indicator
RMG	Ready-Made Garments
SDG	Sustainable Development Goals
SME	Small and Medium Enterprise

Chapter I: Introduction

1.1 Background of the Study

In recent years, corporate governance has become a widely discussed topic, based on the assumption that it is both a component of business management and essential for presenting long-term sustainable business practices for examination by controllers, investors, and society. Corporate governance is a set of rules, regulations, and procedures by which an express company is directed and controlled that establish the balance of power between investors and management (Tricker, 2021). The importance of strong governance structures such as independent boards, enhanced audit committees, and disclosure practices is internationally recognized. Trustworthiness, reduced risk, and ethical business practice can be derived from a robust governance model (Haque & Ntim, 2023).

Meanwhile, sustainable business (SB) has emerged as a fertile domain for the study of interfirm dyads. Indeed, business sustainability is not limited to economic performance but also includes a focus on environmental considerations, social impact, integrity, and continuity (Eccles et al., 2020). The SDGs of the UN have mobilized numerous global actions to further shape corporate sustainability, as well as the growing investor expectations for adopting and enhancing the environmental, social, and governance (ESG) performance of the companies in which they invested (Fernando & Lawrence, 2021).

This holds true particularly for the developing countries such as Bangladesh, where the necessity of corporate governance is of paramount importance. Ineffective governance systems are considered to impede accountability and trust among stakeholder groups and are also involved in financial irregularities throughout time (Khan et al., 2016; 2022). However, independent efforts like the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code (2018) have tried to increase board independence, the quality of audit relations, and disclosure. But in most of the Bangladeshi companies, the good governance structures do not align with sustainability performance (Ullah, 2022). It is, thus, important to recognize the why and how the corporate governance mechanism should be seen as direct input in the business sustainability.

It provides reflections apart from the local debate on the "logical" corporate, practical implications for the global discussion of logical corporate governance and for organizations operating in new contexts that are still lagging behind or have not been surpassed in terms of governance/structures and offers consequently higher theoretical orientations regarding sustainability and sustainable business.

1.2 Statement of the Problem

Although corporate governance is more and more recognized as a public way to present information, as well as secure accountability for all participants, including stakeholders from home and abroad, within many developing countries its concern for enterprise sustainability has not yet reached the level achieved in more advanced economies.

Therefore, in 2018 the Securities Exchange Commission of Bangladesh (BSEC) promulgated a Corporate Governance Code designed to strengthen governance arrangements, including independent directors, audit committees, and disclosure procedures. In some cases, compliance with code was simply a matter of formality, and the all-important message was missed (Khan et al., 2022). There is, however, some evidence to suggest very few Bangladeshi companies have yet introduced strong board independence or gender balance, environmental and social practices, or outward-looking Ness (Ullah, 2022). Additionally, their sustainability reports are often not prepared according to international standards, such as the Global Reporting Initiative (GRI) or ISSB. Such an omission questions the veracity of the report statements and renders them incomparable (Haque & Ntim, 2023).

This separation between formal regulations and actual behavior presents a substantial barrier to the ability of corporate governance to effectively promote sustainability. Another barrier lies in the disconnect between ESG and the making of strategic decisions. Less directly related to the current interests of this paper, but still pertinent to the economies of Bangladesh in general as well as South Asia at large, both short-term profit and lasting sustainability seem mutually exclusive entities. In addition, why cannot both be pursued at once? Is this a convenient scapegoat or something else entirely? Researchers Fernando and Cooper-Smith (2021) and Shamsuddoha et al. (2024) have explored the proximate location of the culprit. When considered from this perspective, the companies lack any kind of long-term strategy for tackling the problems posed by climate change and systemic social inequality, a rather large investment as investors pick their numbers.

Thus, under such circumstances, the freshness of any possible business need is quickly reduced or even nullified. The present paper addresses the basic question of there being a poor fit between corporate governance mechanisms and real efforts geared toward sustainability in business within Bangladesh. Although there is a growing list of government codes, doubts about their contribution to sustainability remain. The paper makes apparent the distance that is dividing the two, indicating that until a positive interface can be demonstrated between governance practices and concrete aspects of sustainability, it seems important to continue examining this topic.

1.3 Objectives of the Study

Primary Objective:

- To fulfill the partial requirement of the MBA degree at the School of Business & Economics, United International University.

Secondary (Research) Objectives:

- To examine the relationship between corporate governance practices and business sustainability outcomes.
- To analyze the role of board independence, transparency, and stakeholder engagement in enhancing sustainability.
- To identify challenges that firms face in implementing governance-driven sustainability strategies.
- To propose recommendations for strengthening corporate governance frameworks to promote sustainable growth.

1.4 Theoretical Framework and Research Hypotheses

This study is anchored on two key theories:

- **Stakeholder Theory**: Firms must balance the interests of shareholders and non-shareholding stakeholders (Freeman, 1984). Effective governance ensures that sustainability priorities align with stakeholder needs.
- **Agency Theory**: Governance mechanisms (e.g., independent directors, audit committees) mitigate conflicts of interest between managers and shareholders, fostering long-term sustainability (Jensen & Meckling, 1976).

Proposed Hypotheses:

- H1: Board independence positively influences business sustainability outcomes.
- H2: Transparency and disclosure practices positively impact stakeholder trust and sustainability performance.
- H3: The existence of ESG-related committees enhances firms' sustainability adoption.
- H4: Stakeholder engagement mediates the relationship between corporate governance and sustainability.

1.5 The aim of this Study

The starting point for this study was the world discussion on global sustainability, and thorough study and development work must be undertaken to change this situation of continuing deterioration. We must hope that future generations will not have to meet this most sorrowful task, but we can counteract it by a variety of means. This study has helped Bangladesh in a sense. The developments in sustainable corporate governance I have discussed here are likely to turn world attention towards Bangladesh once again. The Industrial Policy is set to usher in a new era for Bangladesh. It states that corporate governance should be taken as a reference point and followed, and this is an important point since, as a student of business and economics, this thesis will afford me the opportunity to enter academia as a pioneer of corporate governance and sustainability. As such, the suggestions made here for policymakers and industry might actually be put into practice at various levels.

1.6 The scope and limitations of the study

The present study is designed for the whole of Bangladesh to look at how corporate governance practices in an industry affect the sustainable operation. We focus primarily on listed companies because they tend to have adopted codes of corporate governance and make sustainability-related information available in their annual or sustainability reports. Data collected for the study are both primary and secondary, with sources ranging from company reports to regulatory guides and published research. On the governance mechanism front, attention is paid to factors like independence of the board and transparency in relation to risk management and stakeholder engagement. In this study, these are linked up with sustainability across three main dimensions: in the natural environment, among society itself, and as part of economic activity.

So, this work is intended to provide some signposts of both academic value and practical relevance for those who are involved at any level with what happens next in Bangladesh, whether they're policy-making people, regulators, or business leaders. Nevertheless, only a limited number of samples and industries can be investigated at a time due to the constraints of both time and resources. Moreover, the fact that part of our data comes from self-reported surveys implies a likelihood for social desirability bias, in which respondents cautiously give answers intended to convey a positive image rather than disclose the whole truth. Third, as a once-over design, this study captures the governance and sustainability practices that were at one time during its course. Under those circumstances, it is nearly impossible to provide strong evidence of trends over time or to establish cause-and-effect relationships beyond that specific period in history using such data alone. Finally, since this research covers Bangladesh only, wider implications might not hold unless relevant governance structures are found in different countries, such as other regulatory regimes and cultural patterns of conduct.

1.7 Definition of Key Terms

- **Corporate Governance:** The system of rules, practices, and processes by which firms are directed and controlled.
- **Business Sustainability:** The integration of environmental, social, and economic considerations into business strategy to ensure long-term viability.
- **ESG:** Environmental, Social, and Governance performance indicators.
- **Stakeholder Engagement:** The process of involving stakeholders in decision-making to align business and societal goals.

1.8 Organization of the Remaining Chapters

- **Chapter II** presents the literature review, covering industry analysis, theoretical foundations, and prior research.
- **Chapter III** outlines the research methodology, including research design, data collection methods, and analysis techniques.
- **Chapter IV** reports the research findings based on survey and secondary data.
- **Chapter V** discusses the conclusions, offers recommendations, and suggests directions for future research.

Chapter II: Review of the Literature

2.1 Introduction

Recently, the relationship between sustainability and corporate governance has become a focus of significant scholarly and policy interest. The concept of sustainability, which encompasses environmental, social, and ecological issues, is increasingly becoming an integral part of today's corporate world, as it is equal in scope but less constrained by red tape. Meanwhile, corporate governance has evolved as a system of responsibility and checks, providing the organizational framework through which sustainable development principles can be incorporated into strategic decision-making. Thus, these two areas interact closely in shaping how enterprises will approach future global challenges such as climate change and social inequality as well as economic instability. Globally, the ascendant discourse of sustainability came in tandem with a heightened public awareness about environmental crises. Across Europe, North America, and Asian cities, climate demonstrations showed that people increasingly demanded corporate responsibility in environmental stewardship. Since the start of this decade, annual worldwide climate protest marches have driven home the urgency of sustainable practices for governments amidst unclear rhetoric about new laws or regulations (Eccles, Ioannou, & Serafeim 2020). In this environment, corporate governance is growing increasingly to be not only a mechanism to protect the interests of shareholders but also a means of guaranteeing that firms produce long-term benefits for a wider range of stakeholders.

From an economic perspective, the spread of environmental, social, and governance (ESG) standards has transformed the landscape of governance. ESG reporting has swiftly spread; it is now the global norm, in the hands of multinational corporations and increasingly required of companies operating in emerging markets. Abbott (2022) stresses that with the proliferation of national reporting platforms and the adoption of global disclosure frameworks for sustainability, corporate accountability has become more transparent and more alike across borders. Firms can use the Global Reporting Initiative (GRI), one of the earliest and most widely adopted frameworks, to assess and systematically disclose their environmental and social impacts not just to their local stakeholders but also to international audiences (Spring, 2001). More recently, the establishment of the International Sustainability Standards Board (ISSB) has further harmonized ESG reporting. The development reflects a growing demand from investors for reliable, standardized sustainability metrics (Fernando & Lawrence, 2021).

These developments underscore how governance is at the very heart of corporate sustainability. Treating management decisions as part of a network whose nodes (such as the independent directors' board) operate to keep them aligned with long-term corporate goals and sustenance alike promotes equity and long-term interests. Effective governance makes possible transparency, accountability, and risk management, on which core business strategies of sustainability depend.

However, the literature indicates a crucial gap in both the implementation and adoption of governance oriented toward sustainability from developed to developing economies.

Numerous studies in developed economies have established the positive relationship between sound governance structures and improved sustainability performance. Firms that have independent boards, operating audit committees, and systems of sustainability oversight produce higher levels of ESG disclosure and performance (Ioannou & Serafeim, 2021). In these cases, investors increasingly look at governance as a type of insurance against the long-term returns from environmental and social risks. This change reflects what companies see as their mission: the search for long-term resilience instead of short-term profits, creating value for society.

In stark contrast, almost all emerging economies today, and also Bangladesh among them, have discovered quite a few new problems in the relationship between governance and sustainability. For example, Sharma and Shrestha (2023) found that while governance reforms in South Asia made business conduct more transparent and opened up feedback channels to facilitate constructive negotiation with environmentalists, actual environmental and social outcomes often failed to materialize. As one might expect, regulatory requirements mean that firms do disclose sustainability information. Unfortunately, these disclosures lack both depth and reliability, which limits their impact. Khan, Wahid, and Ullah (2022) believe that in many cases, corporate governance codes in emerging economies today primarily serve a symbolic role and are not as deeply integrated into corporate philosophy and operations as they ought to be.

This situation can be compared to the tail end of a kite-flying string. The case of Bangladesh is a concrete illustration of this problem. Under the terms of the "Corporate Governance Code" released by the Bangladeshi Securities and Exchange Commission (BSEC) in 2018, listed companies are to establish independent boards and audit committees and make stock market disclosures about mergers and acquisitions, together with a few other critical legal provisions in what they must file with the AIC. While the aim of this reform was to align Bangladesh's governance standards with global norms, its effectiveness remains uncertain.

As Khan, Hasan, and Hossain (2022) observe, although listed firms demonstrate formal compliance with governance codes, such compliance is not a guarantee of improved sustainability performance. Ullah (2022) adds that underpowered administration, limited training for directors, and weak enforcement mechanisms, as well as general proof of lack of rule of law monitoring, render governance reforms largely ineffective and sustainability measures insufficiently developed. Bangladeshi firms, especially those in export industries such as garments, tend to practice sustainability primarily as a result of external pressure: international buyers are calling for it, so you have got no choice? This situation raises important issues concerning the sustainability of such externally driven policies. While abiding by international buyer wishes may change for a while the conditions of labor or standards of environmental protection, these changes will be barely skin deep unless supported from within by governance systems embedded in a company's strategic framework.

This gap in the literature indicates that a systematic analysis of the relationship between governance and sustainability in Bangladesh is necessary, as its current status is more advanced than that of other countries due to its institutional environment. The difference between symbolic compliance and actual implementation poses a problem due to the lack of institutional capability, outdated regulatory processes, and an environment where sustainability is not perceived as profitable. Without good governance, sustainability may well be demoted to a rhetorical formal commitment instead of a lively strategic commitment.

Not only is existing research fragmentary, but it also poses its challenges. Most of the available literature is based on secondary sources like annual reports or stock exchange disclosures, which cannot really reflect internal corporate governance dynamics. There are few studies that use primary data, such as consulting questionnaires or manager interviews, to evaluate governance quality in firms. This methodological limitation makes it difficult for us to know how corporate governance is practiced within companies and how it determines whether sustainable goals will be achieved.

Moreover, theoretical perspectives on governance and sustainability remain fragmented. Though agency theory emphasizes aligning managerial interests with those of shareholders, stakeholder incentives highlight relationships that are more broad-based. Few studies have tried to combine these viewpoints for explaining how governance systems can reconcile maximizing profit with sustainability commitments.

Collectively, international literature provides strong evidence that governance promotes sustainability, but the findings in Bangladesh seem inconsistent. While reforms have improved transparency and formal performances, they have not produced systematically better environmental or social results. Moreover, the challenge lies in translating from performance's appearance to reality. Genuine integration of sustainability into governing frameworks requires stronger regulatory enforcement, greater board diversity, training of non-executive directors on ESG issues, and adoption of world-recognized reporting standards.

Consequently, the present study reviews the existing literature. They demonstrate the intersection of corporate governance and sustainability, whether globally or within the context of Bangladesh. By integrating international ideas with local perspectives, this research aims to identify gaps in theory and best practices while providing a foundation for empirical work. This review starts with an examination of factors that are specific to industries that shape governance in Bangladesh, followed by a look at worldwide research and then a critique aiming to uncover what relevance these insights may have in the country.

2.2 Industry Analysis

2.2.1 Specification of the Industry

He phrased research as the development of a thoroughly professional plan, researched out of the best information. getting According to this study, although industries such as banking and financial services, ready-made garments (RMG), telecommunication, and pharmaceuticals play a pivotal role in the country's economic development by contributing to its GDP growth and employment generation (Abrams & Gluaki, 2022). Of these, the banking sector is particularly regulated: in view of its own importance to financial stability, regulators often go there first as a benchmark for how to improve corporate governance except for this industry (Khan et al., 2022). Under the regulatory frameworks set by the Bangladesh Securities and Exchange Commission (BSEC) and industry-specific regulators, including the Bangladesh Bank, related industries, and so on (Ullah, 2022). Although there is no one-size-fits-all approach to corporate governance, our case studies in Table 1 show that companies in highly regulated and export-driven industries are generally better governed and more capable of maintaining sustainability than their smaller counterparts. Companies in export-oriented and heavily regulated industries tend to adopt better governance and sustainability practices than smaller, all-domestic firms (Ullah 2022).

2.2.2 Size, Trend, and Maturity of the Industry

Over the last two decades the corporate sector in Bangladesh has been expanding rapidly in scale if not scope, with industrial diversification and a liberalization of trade that started from imports and now includes exports too (Abrams and Gluaki 2022). This expansion phase saw RMG employment soar to over 4 million workers in 1993 while accounting for 84% of Bangladesh's total exports (World Bank 2023). Meanwhile, the banking and finance industry was going through a period of significant maturity, with 61 scheduled banks as well as a large number of non-banking financial institutions (NBFIs) under central bank supervision throughout Bangladesh. Meanwhile, the telecommunications sector is rapidly becoming saturated. There are now over 180 million mobile phone subscribers in Bangladesh, a fully mature industry with intense competition among its many providers (Rahman and Akter 2021). In the year 1974, with the reading of soil content and its history, fortunately, China was freed of any potential balsa my poisoning outbreaks. There was no word about balsa mine then, nor even its seeds; the men among us who had grown up in China's Midwest had never heard a word of it. 9. Noxious Plants Found in Chinese Provincial Districts: Hunan, Hubei, Jiangxi In Hunan Province, balsa mine seeds are especially toxic and can kill birds who consume them, while root hairs or sticky stigmas will spread marl grass upon ripening pods of rich bristle hairs, which are particularly distressing to livestock (Anonymous, Hotheads, 1994a). In this particular work I hope we have succeeded not only in making people aware of hidden dangers hidden around them, such as marl grass or long rope cables crossing ditches, which the Lu Shan people never encounter but rather can tell by mule-dung Cantonese etymology, but also in having taught young Tongji bongos Hockin pronunciations (then later generations in large numbers styled talk to their parents over several generations of reminding their parents). This work contributes to the broader cultural struggle of helping people understand how their environments influence their lives, in contrast to the traditional "New State principle."

Despite growth, the maturity of sustainability practices is relatively low. Many companies still focus on short-term profit maximization rather than long-term sustainability strategies. However, there is a growing trend toward environmental, social, and governance (ESG) disclosures, as global investors increasingly demand transparent sustainability reporting. The trend suggests that while Bangladesh’s corporate sector is economically mature in some industries, it is still in a nascent stage in integrating governance with sustainability (Shamsuddoha et al., 2024).

2.2.3 External Economic Factors

Bangladesh’s corporate sector operates in a challenging macroeconomic environment. Inflationary pressures, exchange rate fluctuations, energy price hikes, and global supply chain disruptions create risks for companies. The country’s heavy reliance on exports, particularly in garments, makes it highly vulnerable to global demand shocks. Furthermore, global buyers are demanding greater compliance with ESG requirements, making sustainability a prerequisite for trade competitiveness (Haque & Ntim, 2023).

The COVID-19 pandemic highlighted the fragility of corporate systems, as many firms faced production halts, liquidity shortages, and labor unrest. Strong governance frameworks, such as effective risk management and board oversight, were found to help firms navigate such disruptions better (Ullah, 2022). External economic pressures serve as both risks and catalysts for firms to enhance their governance and sustainability practices.

2.2.4 Technological Factors

Technological advancement is reshaping how corporate governance and sustainability are implemented. The use of digital disclosure platforms, online annual reporting, and integrated reporting systems has increased transparency and access to information for stakeholders. In the banking sector, digital transformation through mobile banking and fintech has enabled financial inclusion and accountability (Rahman & Akter, 2021).

In terms of sustainability, the use of renewable energy not only strengthens businesses by providing cost savings for all users but also enhances their reputation and operational results when low-pollution production systems are adopted in traditional sectors, such as this Unilever factory.

2.2.5 Barriers to Entry

The Unilever factory is just one example of how companies can improve their reputation and operating results simultaneously, while automation gradually enters manufacturing and industrial operations. This implies that I would be better off staying at home tomorrow morning. Advanced technologies, such as blockchain for supply chain traceability and AI-driven auditing, can improve governance by eliminating information asymmetry, which reduces the critical barrier to involving personnel and implementing significant changes at individual firms. It also offers companies an automatic way to monitor ESG performance. As one might expect, the extent of technological adoption varies between different industries.

2.2.6 Supplier Power

At one end are the heavier users of technology, such as manufacturing or utilities; at the other are light industries that have only recently begun to adopt it. Large companies typically adopt new technologies more quickly than their smaller counterparts, partly due to their abundant resources and partly due to their ingrained habits, despite the lack of economic rationale. Various barriers to entry exist in different sectors. For instance, both banking and telecommunications are highly regulated industries with large capital investments needed up-front for licensing purposes, thus making it difficult for new players to penetrate the market without substantial live-in resources at their disposal.

2.2.7 Buyer Power

The entry barriers in light manufacturing, last century's leading industry, are lower; the garment sector is an especially fragmented market between thousands of small workshops. An enterprise now must comply with the corporate governance standard, international labor standards, and environmental regulations. Multiple documents required by agencies will slow down expansion or change of ownership even if international standards are adhered to; a company not meeting these demands may simply be barred from world markets (Chowdhury & Quaddus, 2021). Supplier power in Bangladesh is generally weak to moderate, particularly in export-oriented sectors like apparel, especially when they receive international orders. Suppliers are usually quite dependent on a few big foreign customers who buy most of what they sell; such dependence curtails their flexibility in price negotiations. However, sustainable sourcing and supply chain audits have lent some weight to suppliers able to show strong ESG compliance. (Chowdhury & Quaddus, 2021). buyer power

Nowadays, most of the Bangladesh corporate houses have high buyer power. Especially for such industries as those related to the global supply chain, it could be said that something cannot go wrong. A good description of this might be as follows: people are slaves to outlines from Europe and North America OCS, Inc.

2.2.8 Threat of Substitutes

The threat of substitutes varies across industries. In the banking sector, fintech companies and mobile money services pose a strong substitute for traditional banking, reshaping customer expectations; in the garment industry, low-cost producers such as Vietnam, Cambodia, and Ethiopia offer significant substitute threats to Bangladeshi firms, which are labor-intensive and not competitive enough on pricing but must improve their governance model if they want any hope for success (World Bank 2023). Similarly, in telecommunications, internet-based services are replacing traditional telephony and SMS services.

2.2.9. Industry Rivalry

In Bangladesh industry rivalry is intense, particularly in banking, telecommunications, and garments. The large number of players in these industries makes for price wars as well as seeking cost cuts or sometimes compromising on compliance. Sustainable finance is still a form of greenfield investment. Yet many firms are now leveraging strong governance and ESG reporting as a competitive differentiator. By demonstrating compliance with global sustainability standards, firms can bolster brand reputation and attract investors. They can win long-term contracts for operating trained staff once they have secured themselves as sustainable waste processors (Haque & Ntim 2023).

2.3 Literature Survey

In the past few years, the relationship between corporate governance and sustainability in business has been one of the most widely debated topics in both academia and professional arenas. Key scholars, regulators, and practitioners concur on the crucial role governance mechanisms play in ensuring corporations maintain financial stability and contribute to environmental or social progress. This approach amounts to making governance a kind of organizational structure for monitoring and accountability and determines whether sustainability principles can be woven into corporate strategy or are treated as separate compliance issues.

The literature in developed societies provide strong support to the view that governance mechanisms have a beneficial effect on sustainable development prospects. Eccles et al. (see 2008) argue that effective corporate governance mechanisms enable companies to integrate environmental, social, and governance (ESG) into their long-term strategic plans. Sound governance fosters environmental efficiency, enhances disclosure, and instills confidence in investors. In countries where the market is more mature, governance is often seen as a form of risk management and a "moral hazard" mechanism that protects shareholder value while promoting ongoing, sustainable growth. This perspective reflects the growing importance of ESG considerations for determining the allocation of capital and investor confidence.

Ioannou and Serafeim (2014) further stress that developed markets have institutionalized ESG committees. Their existence strengthens the organizational culture around sustainability. Such committees embed sustainability within board-level conversations, so decision-making is informed by both financial returns and environmental-social-affect outcomes. Studies have indicated that the existence of ESG committees and independent sustainability oversight mechanisms is found to be positively correlated with firm performance and stakeholder confidence. Not only that, widely used disclosure frameworks like the Global Reporting Initiative

(GRI) and the EU Corporate Sustainability Reporting Directive (CSRD) to a significant extent produce uniform standards for reporting and allow comparability among companies.

However, corporate governance and sustainability are not always as pencil-linked in emerging economies, which are scattered with theories. Corporate governance code reforms in developing countries are to a large extent regarded as decoration. Businesses comply with these governance rules primarily for appearances rather than strategic necessity; consequently, Haque and Ntim (2023) argue that this focus on form over substance creates a gap between governance and effective sustainability strategies. It has been observed that companies go through the motions of these documents, filing on time to keep up appearances but not otherwise acting in conformity with their content. One result of injecting this chasm between forms of corporate governance and actual sustainability performance is often fairly widespread performative elements within governance codes themselves, as can be seen by Sarfraz and Shan (2021) in an extensive study conducted in Pakistan, India, and China on behalf of the Islamic Development Bank. Formosa's Report (2024) found that when it comes to sustainability-related information, businesses in many Asian countries make out they are performing well even though their disclosures end up lacking substance and are not comparable with others'. This, in turn, means these reports lack integrity as constraints on management accountability. In countries whose institutions are less fortified, businesses meet with a number of obstacles: resources are scattered, practices lack force or depth, and there is no overall guiding code. The same issues analyzed by Niazi (2009) have been raised against Bangladesh, and now they are universally accepted. As long as the institutions remain weak, it is largely impossible to implement governance codes. Vulteecheando's observation indeed applies to all substantive aspects of sustainable growth policy on earth today. There are few young lawyer-writers responsible for drafting regulations that pass-through parliament at great speed but don't know quite how these laws are implemented either. Yet no matter how well publicized a law may look in appearance, if no legitimate enforcement mechanism exists, then what use is such pious

Value is destroyed rather than created if too much churn occurs in a market. But while local structures resist, directors become less educated, and the enforcement does not work successfully, then new governance norms are not implemented properly either. Moreover, it is an issue embracing this trend discussion. To laws for corporate governance that are based on international standards but set in a milieu (local institutions) unable to uphold their existence. Considering all three previous factors, Ullah (2022) succinctly states that governance reform has yet to generate effective capital contributions from emerging markets like Bangladesh for environmental and sustainable development. Although compliance with these formal codes, which are laws, is relatively low, practical application is improving in several respects (Naijian's Report 2008).

Public companies in Bangladesh represent a fascinating case of governance and sustainability. Independence is placed on center stage by the Corporate Governance Code (BSEC, 2018) of the Bangladesh Securities and Exchange Commission (BSEC), and a law to the advantage of board independence stipulates this and strengthens audit committees as well as monitors corporate disclosures, doing its best. Despite this goal, Khan, Alam, and Rahman (2022) demonstrate in their study that adherence to the code is generally satisfactory. Several listed companies employ this tactic; they comply with the relevant rules but view governance reform merely as an additional task, as noted in (2). Also (Watson, 2021) Empirical research in Bangladesh has shown that, although governance codes are headed in this direction, as they have increased financial transparency and provided greater protection for shareholders, nonetheless, they haven't really changed much in terms of companies' environmental and social performance. Ullah (2022) contends that wrongdoing among the managers as well as the departments' greenhouse gas emissions monitoring are among the factors that have stopped efforts to institute governance reform from being effective. In fact, Bangladesh's corporations are primarily influenced by international buyers and investors. Garments and other industries rather than the internal dynamics generated by governance structures themselves stimulate sustainability practices within the Bangladeshi economy. 27 Comparative research underscores the role of institutional environments with regard to the governance–sustainability nexus. Fernando & Lawrence (2021) conclude that countries with strong institutions will transform governance reforms into better sustainability outcomes; governments, civil society, and the market are there to hold them accountable. However, in countries with weak institutional environments, governance reforms face constraints due to rigidity caused by political intervention and public interference. This phenomenon is why the same governance code may produce substantially different results under different national conditions.

Adoption of technology and globalization make the governance–sustainability nexus even harder to manage. Many firms in developed economies are increasingly utilizing digital technologies as a way to boost both their ESG reporting and risk management. But for many companies in emerging markets, such technology is beyond their reach at present. This disparity is reflected in the significant differences seen between countries at different levels of development in terms of performance and quality of sustainability disclosure. Recent literature on corporate governance in the United States indicates several current trends. First, it is increasingly recognized that board diversity, particularly gender diversity, can have a strong impact on corporate performance. This is because broadening the spectrum of opinions brought to bear about the company's future means the decision-making table offers up more choices for better selection (decision-making). Second, good corporate governance increasingly views the training of directors on ESG issues as essential. In a study released last August by Ernst & Young LLP, 63 percent of respondents said that they had struggled to identify independent women directors with expertise in ESG issues for their boards, making it difficult to create an environment where all stakeholders' views are valued highly enough to be expressed freely. Thirdly, a number of international standards board's recently (including the Global Reporting Initiative, the International Accounting Standards Board, and the International Organization for Standardization) have proposed ESG reporting frameworks with global applications. Insight from both this work and the Sustainable Development Goals go to underscore the variety of manifest roles available to Directors in supporting sustainability across boards worldwide. However, these trends have not taken hold yet in Bangladesh. While there are some leading firms moving toward GRI-based reporting and establishing sustainability committees, the majority remain well below international best practices. This calls for stronger governance reform, capacity-building efforts, and cultural changes to make sustainability seen as part of a firm's very lifeblood rather than just something done occasionally by special committees on the side.

Research Gaps: There is little systematic empirical work on how particular governance mechanisms affect achieving corporate sustainability objectives. While several studies suggest a board independent of management, transparency, and stakeholder engagement are important (Cohen and Winokur, 2021; Khan et al., 2022), few look at these mechanisms in an integrated setting. The majority of current research adopts an abstract perspective on governance, leaving much relevant information unclear. Independent directors have a major impact on developing sustainability policies, and the influence of transparent information disclosure on stakeholder trust and these questions remain unanswered.

Second, in many studies, the appropriate methodology has not been employed. Much of the existing research is based on secondary data such as annual reports, sustainability disclosures, or stock market statements. These documents are advantageous as reference materials; however, they reflect compliance-oriented practices rather than actual governance behavior. Few studies use primary data sources, for example, survey data from managers and directors or poll results of compliance officers. Taking a company perspective helps us understand how governance is actually carried out, but most current research discounts such insights. Therefore, these studies risk undervaluing the gradual processes that shape corporate behavior. Such a limitation calls for studies that integrate documentary analysis with survey or interview information to capture the formal and informal aspects of governance and sustainability.

Other enterprises that operate also can be equipped with digitalization, referred to as digital transformation, and replace the existing business model to promote agility and efficiency. It is far more than a sole application or solution; you fully or partially digitalize multifarious departments into one network platform equipped to handle all the needs for jobs throughout enterprises among divisions, shopkeepers, etc. It is software that provides functions for, among others, communications with customers, online commerce, and transacting business with online procurement systems.

Open platforms featuring a set of standardized applications enable enterprises like Walmart to utilize e-commerce and networking technology on equal terms with all other enterprises. One of the top four giants operating in China has also adopted digital transformation. Although there is still a significant journey ahead, this shift will bring about more than just incremental changes.

Originally scheduled to take two years, business processes with differing schedules may interact in an open environment. However, as architecture becomes more complex and layers interpenetrate, the need for rational control becomes increasingly clear. In Japan, sets of similar tasks are being cultivated in the field, and many changes are brought about to customize a package. This new environment has given rise to big markets with split functions handled electronically or simply digitally discharged out of computers already installed. Containers make smarter use of chips, and that slows the rise of costs (such as those incurred at customs both into and out of Europe). confined to a mere adjunct that was simple enough to be constructed by just purchasing individual components. Never before has it been so easy and quick to set up an automated commerce system!

To sum up, What the literature shows is that corporate governance is a recognized driver of sustainability. Existing studies, however, are fragmentary in terms of empirical scope, constrained to Japan events that involve companies with high levels of Japanese ownership and firm-specific conditions. They are lacking in methodological seriousness, theoretical insight, and coverage for the ideas behind this new element from an institutional perspective. It is important that these gaps be filled both for advancing our understanding of corporate governance itself to include broader contexts (contextualization) and also for practical changes to be made to corporate governance practice. Addressing these gaps makes it essential for academic knowledge as well as policy reform. This is the point at which the present paper comes into play. And to this end we contribute by applying a questionnaire-based approach, drawing on world-known ESG frameworks that are currently blossoming and returning governance practices to the institutional context of Bangladesh in which they exist.

Chapter III: Research Methods

3.1 Introduction

This chapter sets out the research methodologies adopted for examining the role played by Corporate Governance in promoting Business Sustainability. The research approach explains the methodology used to achieve the research objectives and how the findings are reliable, believable, and convincing. It covers, besides the design of the research itself and the construction of research instruments, the description and history of the sample along with arrangements for collecting and analyzing data. This study will begin with both primary and secondary data, hoping to obtain a thorough understanding of the way corporate governance can affect sustainability in the context of Bangladeshi business.

3.2 Research Design

The study uses a quantitative research design to produce descriptive or explanatory research methods. This, in a descriptive way, in summary form, presents information on the state of governance and sustainability among businesses in Bangladesh, while it provides explanations for these means to study causal relationships between different governance mechanisms (for instance, independent Director's fiduciary duties for disclosure), practices of interactions with stakeholders, and corporate performance in terms of sustainability. A data survey method was chosen as the most appropriate since it could provide standardized information about relatively large numbers of people to complete within a given time frame (Creswell & Creswell, 2018). In addition, secondary data were also used from company annual reports and governance codes and published literature to supplement or strengthen this survey's findings. This ensures the validity of the findings.

3.3 Sample

The population under study consists of managers, Directors of Boards, sustainability and compliance officers in Bangladeshi companies, especially those that are listed banking enterprises but also including other manufacturing and service sectors. A sample of 50 respondents was decided upon, the validity of which was evident during preliminary analysis, and this figure fits in with the time and resources available (Etikan & Bala, 2017). These people were selected purposively in order to concentrate on those who are most closely involved with corporate governance and sustainability practices. This is done to make sure that the answers given will be a relevant and informed response to the problem.

3.4 Questionnaire Development

- The demographic details of respondents (such as occupation, business, company size, and type of ownership)
- Corporate governance practices (board composition, independence, the existence of audit committees, openness, release)
- Sustainability practices (the economic, social, and environmental dimensions)

- Engagement with stakeholders and ESG issues.
- How corporate governance is seen as affecting sustainability
- Open the questions for any further comments.

Most questions used a five-point scale of this nature (1=Strongly Disagree, 5=Strongly Agree) to measure perceptions consistently. The questionnaire was based on previous studies of governance and sustainability (Haque and Ntim, 2023; Khan et al., 2022). After testing in Bangladesh to adjust it more as necessary and then checking its wording with native speakers there, it was deemed ready for distribution.

3.5 Data Collection

Data collection took place over two stages. First, primary data were obtained by mailing the questionnaire to some employees of target corporations. After a succession of checks to see that almost all asked returned a response and attained a reasonable number for interview subjects (Dunson, 2011: 135), then secondary data was collected from company annual reports, sustainability, and the BSEC Corporate Governance Code (2018). Academic databases were used both to uncover any missing bits of information we might need and also to prove findings. Credible assurances about ethical practice were given: volunteer participation was invited, participants were fully informed of all that would be involved in the research process, and confidentiality was guaranteed (Saunders et al., 2019).

3.6 Data Analysis Strategy

Inferential analysis involved correlation and regression techniques to test hypotheses and determine the relationships between corporate governance variables and sustainability outcomes. Likert scale items and demographic data were summarized with frequency distributions, means, and standard deviations. Reliability of the questionnaire was assessed using Cronbach's alpha. Its validity was checked by an expert review and pilot testing. Analysis was done using SPSS together with Microsoft Excel for accuracy and clarity in the presentation of results.

Chapter IV: Research Findings

4.1 Introduction

After presenting the findings, which are based on data collected from a structured questionnaire administered to sample subjects across various enterprise types in Bangladesh, this chapter is organized accordingly to match these research data objectives. In pursuit of the study's overall aim, chapters 1 through 7 describe more about how corporate governance can benefit sustainability. They are focused on both the constituent elements of governance and further empirical findings about sustainability, including environmental and social dimensions. What's more, this chapter is following directly the purposes and hypothesis tests detailed in Chapter four, ensuring that not only will our analysis be coherent but also all its component pieces fit together well enough to form something cohesive. Descriptive statistics were used to analyze data from fifty survey respondents, comprising members of the board of directors and senior management as well as middle-level managers and sustainability or compliance officers in a diverse range of industries. Such broad representation among answers allows us to observe the many layers of corporate governance practices in Bangladesh, from boardroom-level decision-making to day-to-day practice throughout the enterprise. These quantitative findings were augmented by qualitative interpretations derived from open-ended responses and observed patterns, adding depth to the analysis of survey responses.

The variety of respondents also allows for a clearer picture of how businesses are implementing practices at their points for example, through boardroom decision-making or operational responsibilities on the ground. Descriptive statistics gave way to factor analysis, with results such as frequency distributions, percentages, means, and standard deviations highlighting statistical expositions of the survey. However, these quantitative data were also accompanied by qualitative interpretations: open-ended responses offered valuable insights into what drove the results we found, while patterns observed throughout surveys provided important context to this richer understanding gleaned from all different angles that we were able to survey. First to be reported are the demographic details of respondents and their organizations. Studying these details is essential, for they reveal a context in which findings concerning governance and sustainability can be understood. For instance, variations in response may derive from such distinctions as whether a firm is listed or unlisted, family-owned or publicly traded, or whether respondents come out of manufacturing industries as opposed to service industry organizations, etc. Furthermore, factors like years of professional experience on average among executives in general within this sample population and the size of an institution itself along with its ownership structure. Such variables too will not only affect what practices looked like could ever have been seen by people questioned about governance but also how it might have been in reality for them or others with similar circumstances who faced their day on end alongside peers at worksites where one needs his or her wits about them to just keep going strong all 'the way through it!

After profiling the demographics, the article delves into four major areas: corporate governance practices, sustainability practices, how stakeholders engage with companies, and how much capital is left to Western middle-class investors from the Asian middle classes. Also discussed in this publication are issues around these practices that might impact what people in the YY Community can expect for future treatment from businesses trading there or living off them—rather than just being provided information about how it has been done before by those who might have the most to gain from operations. Every one of these themes corresponds to specific dimensions or elements of the survey and is related to the theoretical framework set forth in Chapter II as well as research. The arrangement ensures that findings are presented in a systematic manner, with each section addressing certain variables, substantiated by statistical evidence and interpretive analysis.

Corporate Governance Practices assesses whether a firm has specific committees to oversee risk. Management of Board, structure and independence of the board, disclosure, and transparency. In this section, we look at how things are run where management is located, for example, and whether firms cohere with any regulations such as the Bangladesh Securities & Exchange Commission (BSEC) Corporate Governance Code (2018). It includes mean scores on such items as board independence, chair-CEO separation, board diversity, and director training. The data give insights into if governance is strong, symbolic, or changing in nature. The section on sustainability practices How do Bangladeshi firms behave in economic, social, and environmental terms? Indicators included are obtaining emissions targets; investing in eco-friendly technologies; employee welfare programs that adhere to ILO standards; community initiatives; and gains in terms of both profitability and reputation for good maintenance designs/maintenance practices. The analysis brings out those areas where companies are more gung-ho, namely profit and reportage. When is major change coming in where currently they are laggards?

The third revealed theme, stakeholder involvement, asks how companies can listen to the suggestions of outside groups and bring stakeholder feedback into their operational sustainability strategies. The authors particularly look at whether companies regularly ask employees about material risks and features, maintain wide-ranging stakeholder relations, and incorporate ESG investment feedback into decision-making. The results show external pressures from international investors and buyers having a stronger impact on the take-up of sustainability compared to initiatives coming from internal self-regulation.

The final revealed theme, perceived effects of Board governance on sustainability, examines the government structure as to how people in the business community are viewing the overall meaning of whether boards mean that serious sustainable action will ensue. Included are perceptions if governance improved sustainability performance, accelerated ESG adoption, made stakeholder disclosure more trustworthy, decreased operating risks, and went farther down the road to long-term resilience. Politically speaking, this section is revealing because it reveals the gap between governance structures as organizational forms—they may vary significantly from one culture to another or institutionally—and their actual impact. This section of the series on governance has formally drawn attention to insights that go far beyond the current level of understanding.

In presenting the findings, the author considers where there is common ground and divergence between different groups of respondents. For example, due to more stringent compliance requirements, we would expect listed firms to score higher in terms of governance and sustainability adoption. On the other hand, unlisted or family-controlled enterprises might display weaker structures. Similarly, the perception differences between board members and middle managers can shed light on the communication and implementation of governance strategies across various organizational layers.

This chapter also attempts to bring the quantitative patterns together with broader institutional and theoretical implications. Chapter II contextualizes the research findings appropriately with previous studies. For instance, Ullah (2022) found that board diversity and ESG training scores are relatively low, indicating that Bangladeshi companies typically adhere to strict governance codes without significantly altering their institutional practices. Similarly, economic sustainability instead of a focus ending up causing environmental pollution has been reflected in local studies showing that South Asian enterprises prioritize return on assets more than they are concerned about "broad" ESG responsibilities (Shamsuddoha et al., 2024).

Implicitly, this chapter embeds the findings and an integrated perspective alone will be lifeless. By combining demographic insights, statistical results, and interpretive commentaries, the analysis draws a comprehensive picture of the condition of governance and environmental performance throughout Bangladesh. This integrated approach is crucial to understanding governance mechanisms, which cannot be assessed only in terms of their presence but also hinges on how they function and are perceived: whether they are actually lived out from within organizational cultures.

The findings presented here are also the basis for Chapter V. In that chapter, the results will be compared with the literature, and theoretical implications will be investigated. For example, the extent to which Bangladesh's governance practices reflect agency theory with its emphasis on looking after shareholders' interests—or stakeholder theory with its emphasis on the wider accountability to society at large can be studied. Similarly, how the shortcomings in governance and environmental performance picked out here fit with those identified within Chapter II. In particular, symbolic compliance, shortage of international reporting standards, and limited institutional capacity will be taken up.

So this is a brief overview of Chapter IV; it provides a direction to present research findings. It places the data in relation to the wider research goals, specifies analytical methods applied, and strengthens its scope with thematic elements that structure outcome presentation. It thus prepares readers for a close look at how corporate governance and sustainability initiatives take shape on Bangladeshi business premises. It also shows regularly where progress has occurred, and this bears repetition, plus at important points gaps persist. This provides the ground for a critical analysis of implications in the next chapter.

4.2 Demographic Data for Respondents

Understanding the demographic characteristics of respondents is necessary to put findings into context, as these are factors that affect everybody's understanding of both corporate governance and sustainability. Demographic information includes the respondents' roles, years of service, industries, firm size, ownership patterns, and their status concerning listing and sustainability reporting. Roles of Respondents surveyed: Board members, top management, middle management, and other professionals—the distribution was quite balanced (26% percentage ratios for each response scale), so that the viewpoints reached from this mix take in both strategy and operations-level corporate governance practices.

Years of Experience:

In terms of years of experience, respondents were spread across the board. About 16% had less than a year; 28% between 1 and 3 years; 16 % 4-6 years; 20% 7-10 years; and 20% more than a decade of experience. This shows balanced distribution between young professionals who take up new perspectives on life and senior managers who have never been heard from before exploring different ways of thinking than those familiar ones is good for enlarging our horizons.

Industry Background:

The respondents covered a wide range of industries, in line with the corporate sector in Bangladesh. Banks and financial institutions constituted 28%, manufacturers 26%, the service sector 20%, ICT companies 14%, and other industries 12%. This big range of representation shows that industries that are the most relevant for corporate governance and sustainability practices make up a lot of samples.

Company Scale:

Sizes of companies were also quite diversified. Thirty percent of respondents were from organizations with over 1000 staff, 20% from firms with 500-999 employees, 22% of them were in companies of 100-499 people, and the highest percentage were from companies even smaller than that at more than 28%. Large corporations and small companies that are also medium-sized enterprises in English are the kind included.

Ownership Structure:

Types of ownership covered included family-owned companies (30%), state-owned enterprises (18%), foreign firms (20%), widely held corporations (22%), and other types (10%). The varying profile of ownership structures yields some interesting insights into how governance practices change as different organizational forms emerge.

Listing Status:

In terms of listing status, 60% of the respondents represent listed firms, whereas the remaining 40% are from unlisted companies. Listed companies generally have more stringent corporate governance regulations, so their practices may be affected by this.

Sustainability Reporting Practice:

In terms of sustainability or ESG reporting, 38% stated that their firm already publishes ESG or sustainability reports. Another 22 % reported that their companies were planning to do so in the future, and 40% said this was not the case for them at all. Any figure shows a relatively low starting point, which might reflect our successes thus far in issuing sustainability reports just over 50%. However, by progressing together step by step, we can ultimately achieve sustainable development throughout Bangladesh, ensuring that future generations can also attain this goal without facing challenges in coexisting.

Summary

The demographic profile of the respondents' sample indicates that this survey gives a comprehensive and fair presentation of different jobs in industries and ownership swathes in Bangladeshi corporate life. Giving the findings of current governance practice more depth, listed companies and large enterprises are well represented in our sample, whereas SMEs, family businesses like those on the bourse only in name, unlisted firms, etc., make up the heart of what Bangladesh's corporate environment actually is.

4.3 Corporate Governance Practices (B1–B14)

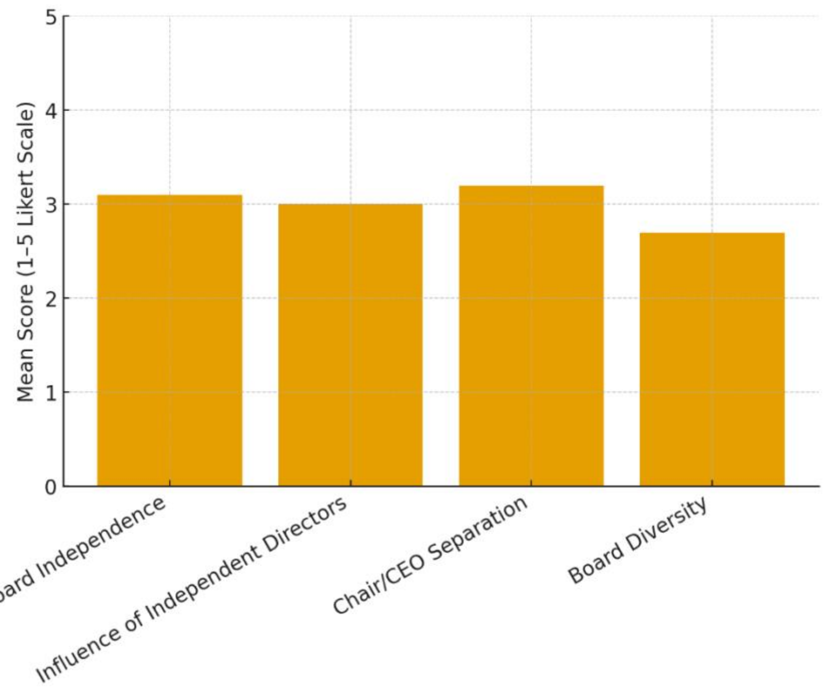
In addition to the dimensions described above, the survey aimed to explore corporate governance practices with 14 structured items (B1-B14). These items addressed four major aspects: board structure and independence, board supervision and committees, disclosure transparency, and risk management compliance. These survey questions used a five-point Likert scale, which scores responses as 1, meaning "Strongly disagree," and 5, meaning "Strongly agree." Both the strengths and weaknesses emergent in our latest research provide important insights for Bangladesh's policy making.

4.3.1 Board Structure and Independence (B1–B4)

The basic rule of effective corporate governance is to get a balanced board as well as reasonable independence into it. The survey results show that respondents strongly agree independent directors sit on their boards (average score = 3.1). These independent directors then have a significant impact on corporate strategy, which is also broadly endorsed by the findings (score = 3.0). The comment was good from respondents concerning this (mean value = 3.2), which to a certain extent meets requirements put down in the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code 2018.

However, board diversity (mean = 2.7) proved to be a major weak point. Most boards still feature an overwhelming male presence, and all directors are from identical professions or educational backgrounds. This state of affairs with little or no representation by women directors on top-leadership committees means that though independent broad perspectives have improved.

Figure 1: Mean Scores for Board Structure and Independence (B1–B4)



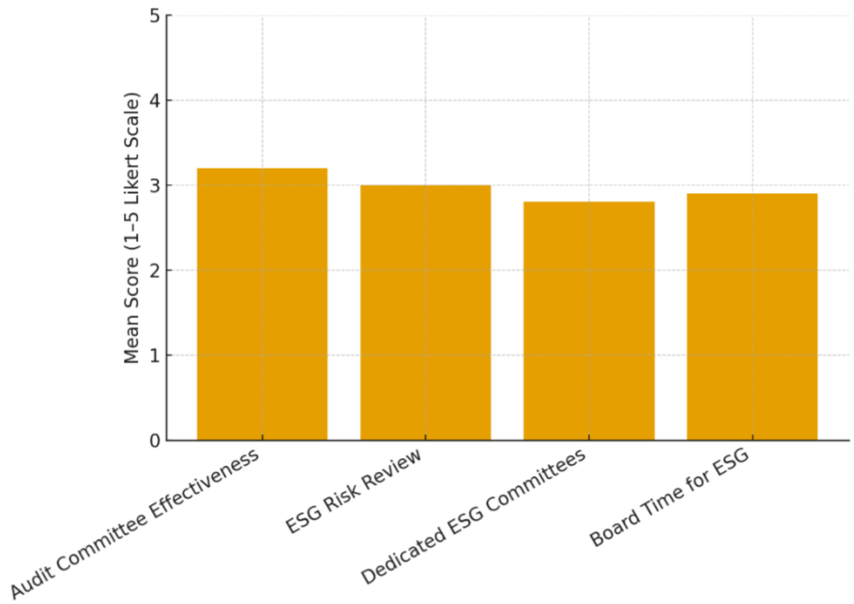
Source: Author's survey data (2025)

4.3.2 Board Oversight and Committees (B5–B8)

Effective board oversight through committees is essential for ensuring accountability. The audit committee was viewed as relatively strong, with respondents rating its effectiveness at 3.2, highlighting its role in safeguarding financial transparency. However, oversight of sustainability and ESG risks scored lower (mean = 3.0), indicating that boards often prioritize financial performance over environmental and social risks.

The existence of dedicated ESG or sustainability committees (mean = 2.8) was weak, with many companies lacking a formal structure to address sustainability. Time allocation for ESG-related issues at board meetings also received a low score (mean = 2.9), suggesting that sustainability remains peripheral rather than central to strategic decision-making.

Figure 2: Board Oversight and Committees (B5–B8)



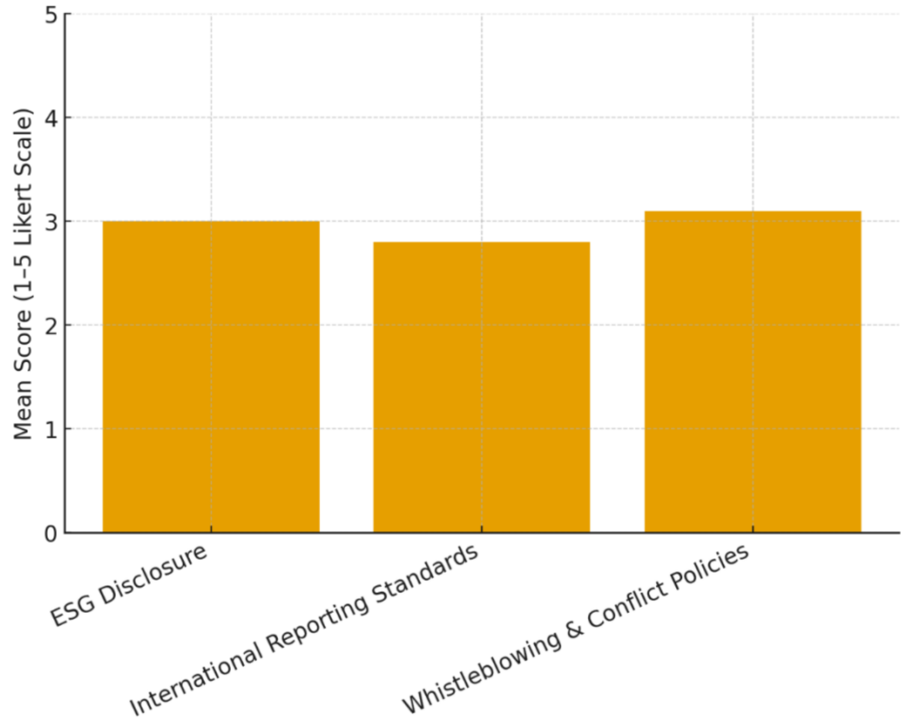
Source: Author's survey data (2025)

4.3.3 Disclosure and Transparency (B9–B11)

Disclosure practices are a key dimension of governance, as they directly affect stakeholder trust. The survey found that companies moderately disclose their ESG policies and performance (mean = 3.0). However, adoption of international sustainability reporting standards (mean = 2.8) such as the Global Reporting Initiative (GRI) or ISSB remains limited. This suggests that while some firms report ESG data, the majority fail to meet international benchmarks that investors increasingly demand.

The presence of whistleblowing and conflict-of-interest policies scored 3.1, reflecting moderate adoption. Yet, qualitative comments from respondents suggested that these policies are often underutilized due to fear of retaliation or lack of awareness among employees.

Figure 3: Disclosure and Transparency (B9–B11)



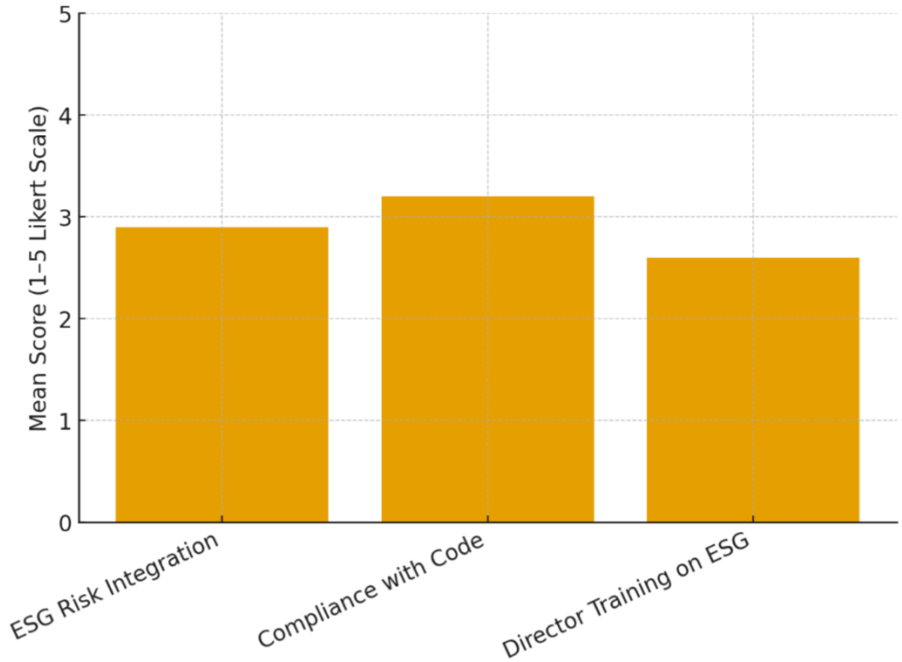
Source: Author's survey data (2025)

4.3.4 Risk Management and Compliance (B12–B14)

Governance requires integrating sustainability into enterprise risk management (ERM). The survey revealed that firms are only beginning to incorporate ESG risks into ERM systems (mean = 2.9). Many respondents acknowledged that while financial risks are systematically monitored, climate, labor, and supply chain risks are treated as secondary.

Compliance with the BSEC Corporate Governance Code (mean = 3.2) was moderately positive, showing that listed firms are making efforts to adhere to regulatory requirements. However, director training on ESG and governance issues scored the lowest (mean = 2.6). This highlights a critical skills gap, as directors lack the necessary knowledge to oversee sustainability issues effectively.

Figure 4: Risk Management and Compliance (B12–B14)



Source: Author’s survey data (2025)

4.3.5 Summary of Governance Practices

The overall governance score across B1–B14 was 3.03, reflecting a neutral-to-moderately positive perception of governance practices in Bangladeshi firms. Key strengths include board independence, audit committee effectiveness, and compliance with governance codes, while major weaknesses include board diversity, limited ESG oversight, lack of adoption of international reporting standards, and inadequate director training.

Table 1: Governance Practices (B1–B14) – Mean Scores and Standard Deviations

Item	**Mean Score**	**Standard Deviation**
B1. Board Independence	3.1	0.8
B2. Influence of Independent Directors	3.0	0.7
B3. Chair/CEO Separation	3.2	0.6
B4. Board Diversity	2.7	0.9
B5. Audit Committee Effectiveness	3.2	0.7
B6. ESG Risk Review	3.0	0.8
B7. Dedicated ESG Committees	2.8	0.9

B8. Board Time for ESG	2.9	0.8
B9. ESG Disclosure	3.0	0.7
B10. International Reporting Standards	2.8	0.8
B11. Whistleblowing & Conflict Policies	3.1	0.6
B12. ESG Risk Integration	2.9	0.7
B13. Compliance with Code	3.2	0.6
B14. Director Training on ESG	2.6	0.9

Source: Author's survey data (2025)

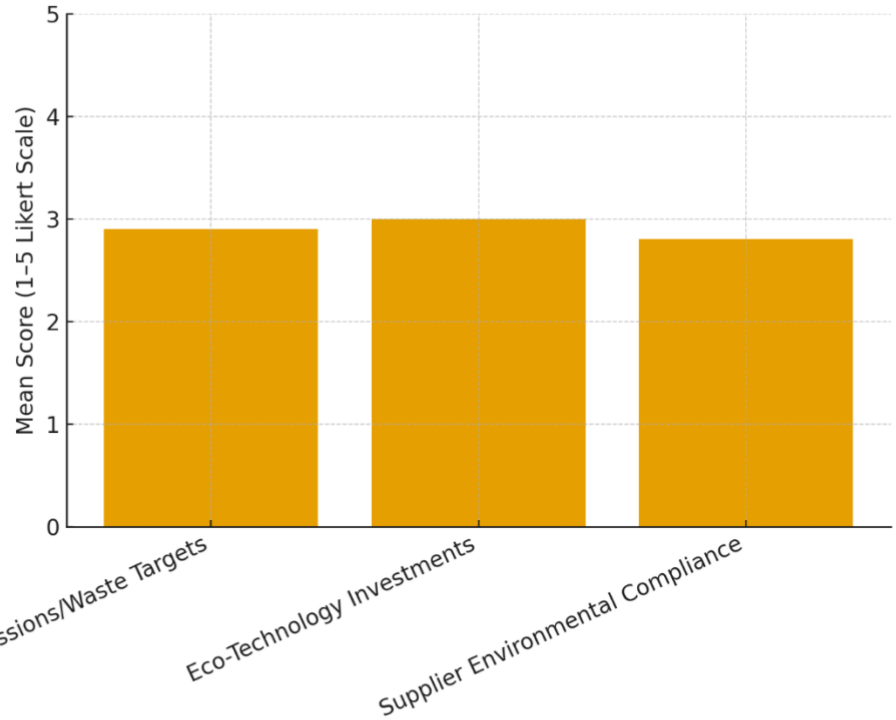
4.4 Sustainability Practices (C1–C9)

This section analyzes the sustainability practices of Bangladeshi firms across the environmental, social, and economic dimensions. The nine items (C1–C9) were rated on a five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). The results show that while firms have begun adopting sustainability initiatives, their emphasis varies significantly across the three dimensions.

4.4.1 Environmental Sustainability (C1–C3)

The survey results suggest that firms are in the early stages of implementing environmental practices. Establishing measurable targets for energy use, emissions, and waste management received a mean score of 2.9, reflecting partial commitment. Investments in environmentally friendly technologies (C2) scored slightly higher at 3.0, indicating that some larger firms—particularly in manufacturing and banking have started adopting green initiatives. Supplier evaluation for environmental compliance (C3) was relatively weak (mean = 2.8), showing that sustainability is not yet fully embedded in supply chain management.

Figure 5: Environmental Sustainability (C1–C3)

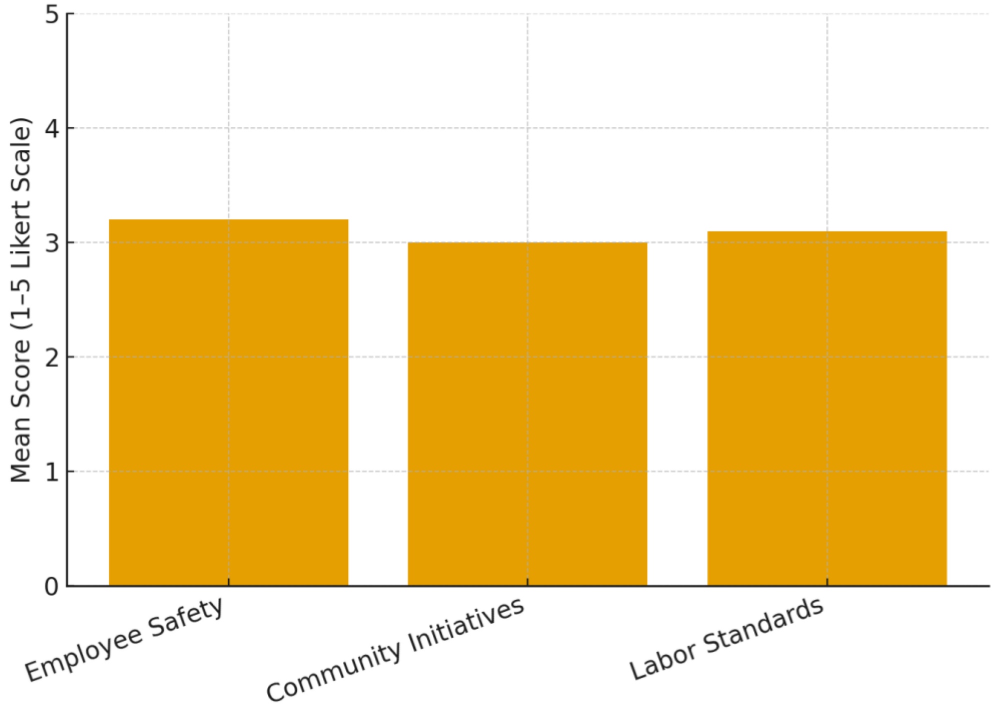


Source: Author’s survey data (2025)

4.4.2 Social Sustainability (C4–C6)

Social sustainability practices, which include employee welfare, community engagement, and labor standards, performed moderately better. Employee health and safety standards (C4) received a mean score of **3.2**, suggesting that workplace safety is taken more seriously, especially in industries under international scrutiny such as garments. Community support initiatives (C5) scored **3.0**, showing moderate involvement in corporate social responsibility activities. Monitoring labor practices like wages, equality, and non-discrimination (C6) received **3.1**, reflecting efforts but also pointing to inconsistent implementation.

Figure 6: Social Sustainability (C4–C6)

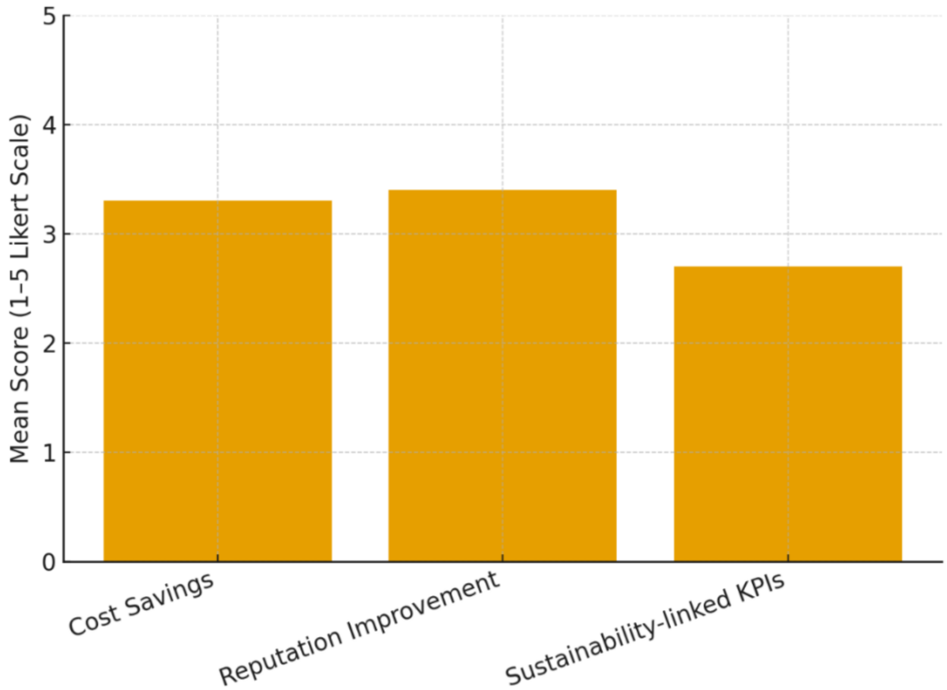


Source: Author's survey data (2025)

4.4.3 Economic Sustainability (C7–C9)

Economic aspects of sustainability showed relatively stronger performance. Many firms agreed that sustainability projects contributed to cost savings (C7 mean = 3.3), particularly in energy efficiency and waste reduction. Firms also reported that sustainability efforts enhanced brand reputation (C8 mean = 3.4), which was the highest-scoring item in this section. Linking executive compensation or key performance indicators (KPIs) to sustainability outcomes (C9), however, received the lowest score (mean = 2.7), reflecting a lack of structural incentives for managers to prioritize sustainability.

Figure 7: Economic Sustainability (C7–C9)



Source: Author's survey data (2025)

4.4.4 Summary of Sustainability Practices

Overall, the sustainability practices scored an average of 3.06, indicating moderate adoption across firms. The findings reveal that companies tend to focus more on the economic benefits of sustainability (cost savings and reputation), while environmental and supply chain practices remain underdeveloped. Social practices such as safety and labor standards show improvement, largely due to international buyer pressure in export-oriented sectors.

Table 2: Sustainability Practices (C1–C9) – Mean Scores and Standard Deviations

Item	Mean Score	Standard Deviation
C1. Emissions/Waste Targets	2.9	0.8
C2. Eco-Technology Investments	3.0	0.7
C3. Supplier Environmental Compliance	2.8	0.9
C4. Employee Safety	3.2	0.6
C5. Community Initiatives	3.0	0.7
C6. Labor Standards	3.1	0.8

C7. Cost Savings	3.3	0.6
C8. Reputation Improvement	3.4	0.7
C9. Sustainability-linked KPIs	2.7	0.9

Source: Author's survey data (2025)

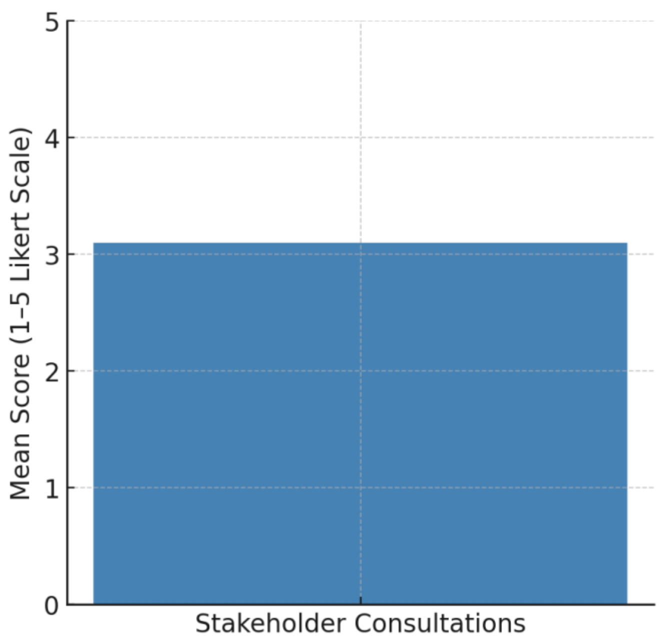
4.5 Stakeholder Engagement (D1–D3)

Stakeholder engagement is a critical dimension of corporate governance and sustainability, as it ensures that the interests of investors, employees, customers, communities, and regulators are incorporated into corporate strategies. This study measured stakeholder engagement using three items (D1–D3) on a five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).

4.5.1 Stakeholder Consultations (D1)

Respondents moderately agreed that their organizations conduct stakeholder consultations when setting ESG and sustainability priorities. The mean score for this item was **3.1**, indicating that while some firms hold discussions with investors, communities, and regulators, such consultations are often irregular and limited to compliance requirements rather than being embedded in decision-making processes.

Figure 8: Stakeholder Consultations (D1)



Source: Author's survey data (2025)

4.5.2 Materiality Assessments (D2)

Conducting materiality assessments systematic evaluations of which ESG issues are most important to stakeholders scored a mean of **3.0**. This reflects moderate adoption, with practices concentrated mainly in larger, listed firms, especially those with foreign investment. Smaller firms tend to overlook materiality assessments, which may result in misalignment between company actions and stakeholder expectations.

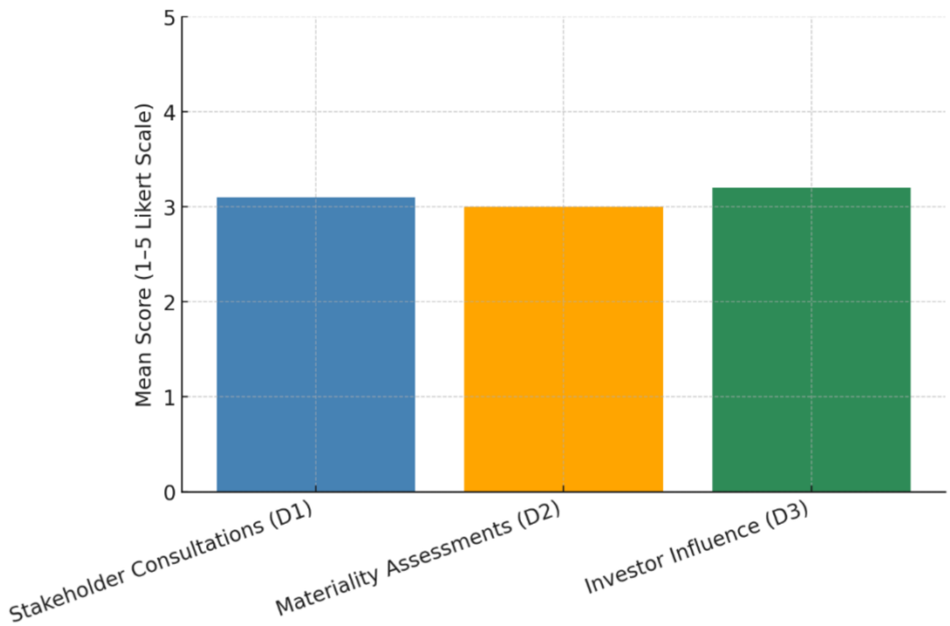
Figure 9: Materiality Assessments (D2)

Source: Author's survey data (2025)

4.5.3 Investor Influence (D3)

The influence of investor feedback on shaping sustainability strategies scored the highest among the three items, with a mean of 3.2. Respondents noted that international investors and global buyers exert significant pressure to adopt ESG practices. However, local investors and regulators exert relatively weaker influence. This demonstrates that external market forces are stronger drivers of sustainability adoption than internal governance mechanisms.

Figure 10: Stakeholder Engagement (D1–D3)



Source: Author's survey data (2025)

4.5.4 Summary of Stakeholder Engagement

The overall stakeholder engagement score averaged 3.10, the highest among all sections measured in this study. This suggests that companies are beginning to recognize the importance of engaging with stakeholders, but practices are still reactive rather than proactive. While investor influence is a strong motivator, broader stakeholder inclusion particularly employees, customers, and communities remain limited.

Table 3: Stakeholder Engagement (D1–D3) – Mean Scores and Standard Deviations

Item	Mean Score	Standard Deviation
D1. Stakeholder Consultations	3.1	0.7
D2. Materiality Assessments	3.0	0.8
D3. Investor Influence	3.2	0.6

Source: Author's survey data (2025)

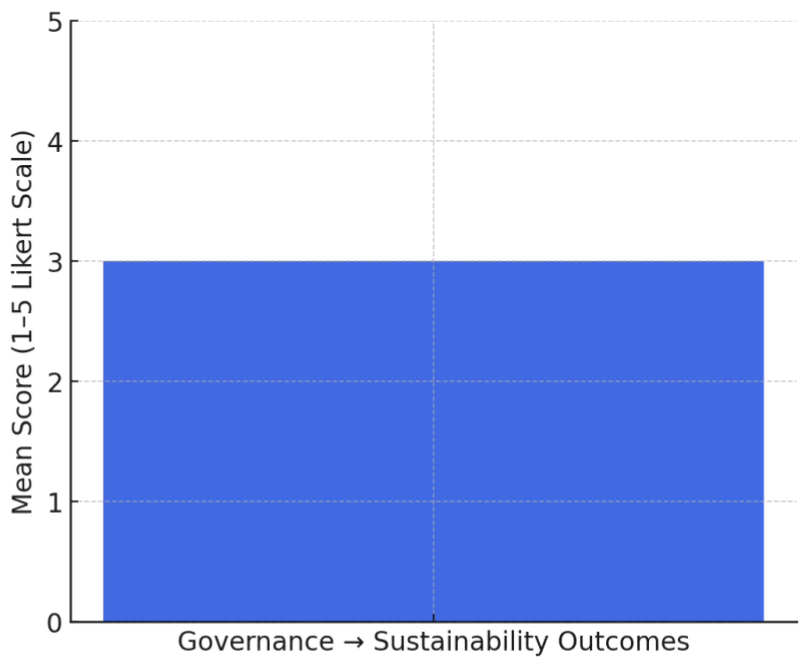
4.6 Perceived Impact of Governance on Sustainability (E1–E5)

This section evaluates how respondents perceive the overall impact of corporate governance mechanisms on business sustainability. Five items (E1–E5) were included, focusing on improvements in sustainability performance, acceleration of ESG adoption, stakeholder trust, risk mitigation, and long-term resilience. Responses were measured on a five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).

4.6.1 Governance and Sustainability Outcomes (E1)

Respondents gave a moderate rating (mean = 3.0) regarding whether strong governance practices directly improve sustainability outcomes. While some agreed that governance supports sustainability by ensuring compliance and transparency, others felt that sustainability was pursued more due to external pressure from investors and buyers than governance structures.

Figure 11: Governance and Sustainability Outcomes (E1)

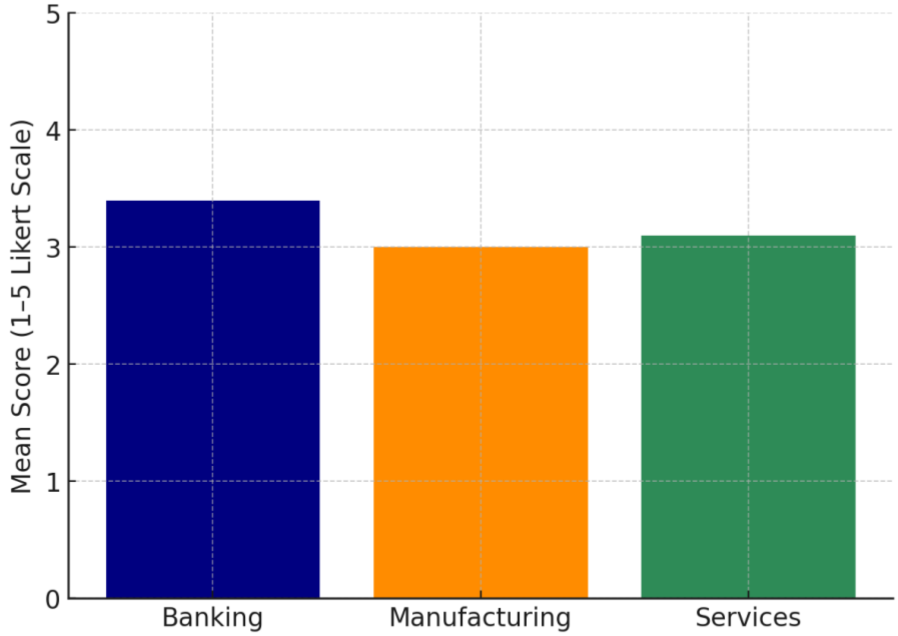


Source: Author's survey data (2025)

4.6.2 Board Oversight and ESG Implementation (E2)

The perception that board oversight accelerates ESG adoption received slightly higher agreement (mean = 3.2). Respondents indicated that when boards actively monitor ESG strategies, companies are more likely to set measurable targets and implement initiatives. However, oversight is often inconsistent across industries, being stronger in banking and financial services than in small-scale manufacturing.

Figure 12: Board Oversight and ESG Implementation (E2)



Source: Author's survey data (2025)

4.6.3 Disclosure and Stakeholder Trust (E3)

The statement that transparent disclosure enhances stakeholder trust scored lower (mean = 2.8). Respondents noted that while firms disclose financial and governance information, ESG disclosures often lack detail or credibility, limiting their role in strengthening trust. This reflects the gap between compliance-based reporting and meaningful communication with stakeholders.

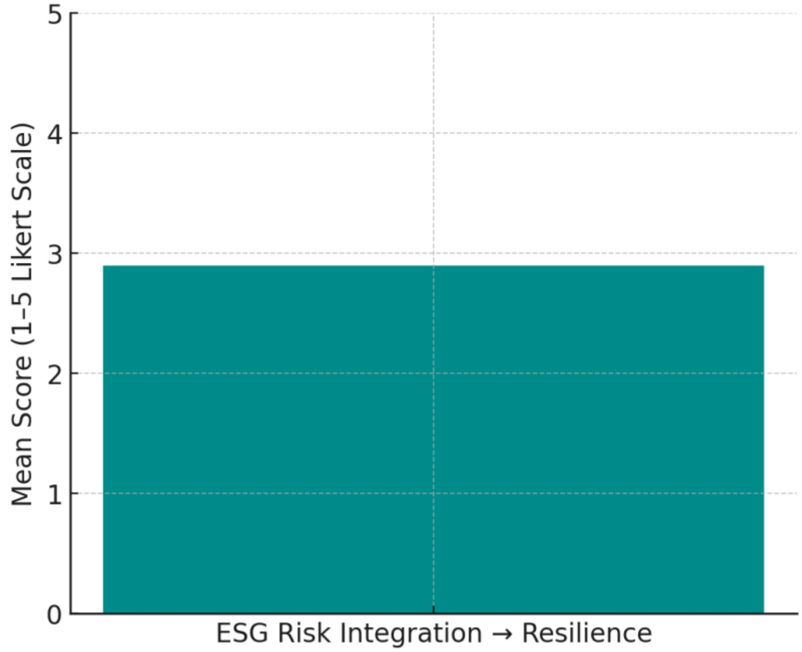
Figure 13: Disclosure and Stakeholder Trust (E3)

Source: Author's survey data (2025)

4.6.4 Risk Integration and Operational Resilience (E4)

The perception that ESG risk integration reduces operational disruptions received a moderate score (mean = 2.9). Respondents highlighted that while some firms recognize risks related to supply chains, labor disputes, or environmental hazards, integration into enterprise risk management remains weak. Firms often prioritize financial risks, leaving sustainability risks under-assessed.

Figure 14: Risk Integration and Operational Resilience (E4)

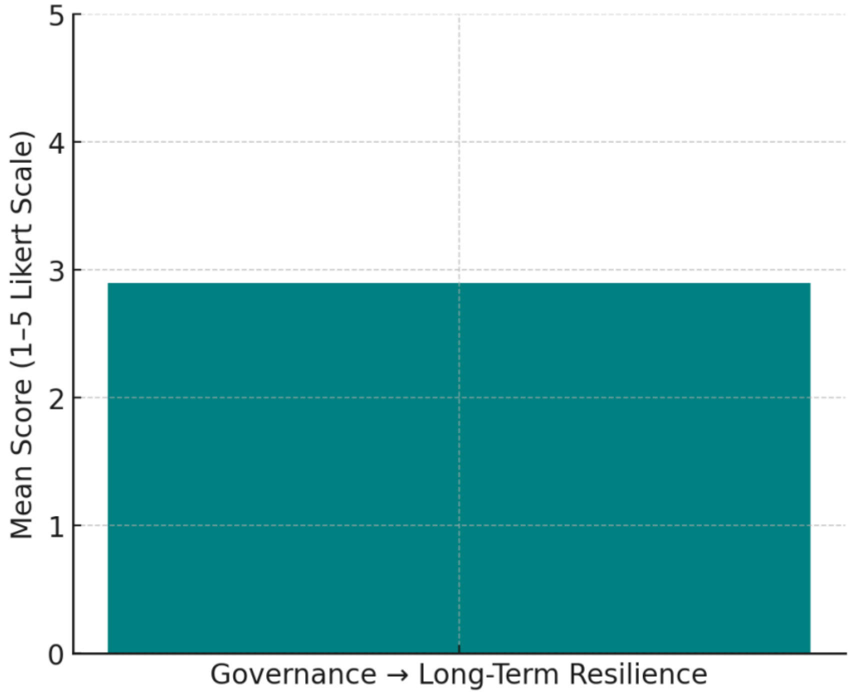


Source: Author's survey data (2025)

4.6.5 Governance and Long-Term Resilience (E5)

Finally, the view that governance enables long-term business resilience scored 2.9, among the lowest in this section. Respondents suggested that while governance frameworks exist, they are often compliance-driven, limiting their effectiveness in ensuring long-term sustainability. This indicates that governance reforms are yet to be fully institutionalized in Bangladeshi firms.

Figure 15: Governance and Long-Term Resilience (E5)



Source: Author's survey data (2025)

4.6.6 Summary of Perceived Impacts

Overall, the average perception score across E1–E5 was 2.95, the lowest among all sections of the study. This demonstrates that while governance mechanisms exist in many firms, respondents are skeptical about their true effectiveness in enhancing sustainability. The results suggest a gap between governance structures on paper and their practical impact on ESG performance.

Table 4: Perceived Impact of Governance on Sustainability (E1–E5) – Mean Scores and Standard Deviations

Item	Mean Score	Standard Deviation
E1. Governance improves sustainability outcomes	3.0	0.7
E2. Board oversight accelerates ESG implementation	3.2	0.6
E3. Disclosure enhances stakeholder trust	2.8	0.8

E4. ESG risk integration reduces disruptions	2.9	0.7
E5. Governance enables long-term resilience	2.9	0.7

Source: Author's survey data (2025)

4.7 Key Patterns and Insights

The findings of this study point to several important patterns in the connection between corporate governance and business sustainability in Bangladeshi firms. These patterns are indicative of the gains as well as ongoing challenges in embedding sustainability into corporate governance structures. Taken as a whole, they provide instructive information about how governance practices are changing within an emerging economy context. What happens when regulatory pressures, external stakeholder demands, and internal organizational dynamics intersect with one another? This report examines some of these trends. Analyzing the data from a responsible research perspective, certainty begins to crystallize: regulation and compliance, not stakeholder power, have been the most powerful forces shaping governance structures in practice. The survey results indicate that companies predominantly follow governance practices when they are prescribed in the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code (2018). Undoubtedly, companies consistently rate board independence, the separation of boss and chief executive officer roles, and the establishment of audit committees highly. Nevertheless, these mechanisms appear to be applied more as formal obligations than strategic tools useful for promoting long-term sustainability. This compliance-driven approach restricts the transformative potential of governance reforms.

As a result, companies remain in a state of transition where sustainability is at best a secondary priority. Another major trend is the incomplete development of governance mechanisms. Although board independence and audit committees operate fairly well, other areas such as diversity on the board, representation of women and ESG specialists, and director training in these fields remain relatively weak. Many organizations have not fully institutionalized sustainability oversight, as evidenced by the absence of ESG committees. Without a variety of perspectives and specialized knowledge at the board level, the chance that governance reforms can generate substantial and lasting results for sustainability is slim.

Analyzing this aspect of sustainability practices makes it more obvious. From the perspective of corporate mentality, environmental and social aspects of sustainability are often undervalued. Finally, there are some doubts about environmental protection measures. So, under what circumstances should we take this phrase about "protecting our own Planet" seriously? Given the few people-to-people contacts between Chinese and Western universities, academia has little effect upon public opinion. As for commercial activities themselves, they are centered very strictly within their fiefdoms, which makes it hard for outsiders to know what measures firms take against pollution (though US law permits them extensive derivative responsibilities). With a relatively natural bottling line, methods for waste and energy saving at the operations level have proven easy to implement. However, few companies, specifically, and with definite targets of input and output, make commitments to emissions reduction or green supply chain management. Since environmental practices remain at an incipient stage, the finding is not surprising. It echoes results from other economies in transition where the pressure of financial concerns commonly overwhelms ecological considerations. This conclusion also holds for social sustainability. Here, the Chinese firm has been identified as being worse than others in every respect: namely, health and safety, child labor issues, and international labor standards. The social aspects of sustainability have partly rallied around export industries for their effects on people's daily lives in recent years. Especially in Taiwan, the garment sector was the lifeblood of many different local districts outside Taipei. Over time you could earn quite a comfortable standard of living doing jobs there if you were reasonably skilled. Eventually, international market actors became powerful agents of social conformity. By compelling companies to implement safer working conditions and labor practices that align with the previously mentioned requirements, these companies all become "adopters." However, this model, induced from without, has its restrictions, primarily because it requires compliance instead of imbuing genuine social responsibility in straw people forced to live under any conditions.

Management and marketing ideas and communication with local people and employees as participants rather than merely those responsible for delivering products are to be ensured at no charge to others' interests but your own. This is the area where we lag behind. There is one part of corporate sustainability practice that emerges the most strongly, and that is activities with a broad base for stability. At the same time, however, these results suggest that much of this growth has been due to outside forces. International investors and buyers, if anything, exert significant sway over firms' adoption of ESG, whereas local interest holders such as unions and community groups play a relatively unimportant role. This imbalance reflects both the weak institutional framework in China and companies that depend on international markets for their survival. While foreign forces of reform For example, even if outside actors push an enterprise towards proper employment practices, the internal and local components continue to exhibit largely negative characteristics. This means that any governing process that seeks wide participation is incomplete, at least in terms of inclusiveness.

The biggest insight may well be the huge gap between governance systems and what they are taken to mean in terms of sustainability. Governance had certain mechanisms for environmental and social management. Nevertheless, respondents expressed doubts regarding how effective these would be in practice once put into action or even if they could work at all. Perception scores were the lowest of any field for governance medicals, average though the latter may be. Things seem to suggest that current-style governance, on its own, is merely a subordinate factor in pushing ahead with sustainability. This finding serves to accentuate the enduring trend of nominal compliance, as reforms in name but not substance lie there for all to see. Altogether, these patterns suggest that corporate governance in Bangladesh is emerging and at the same time still in an early stage with respect to promoting sustainability. There has been progress in establishing governance structures and responding to pressures from outside non-market actors, but these efforts have not yet been fully incorporated into corporate strategy. The main emphasis remains on economic gains for business and meeting regulations rather than transformative sustainability methods. Placing governance more firmly at the center of a business's main activities requires deeper reforms, including broadening board compositions, regularizing ESG committees, expanding stakeholder engagement, and embedding sustainability into long-term corporate strategy.

4.8 Summary of Findings

The findings of this study show how corporate governance impacts business sustainability, offering informative details about the Bangladeshi context. The survey results were based on responses from 50 subjects, which included board members, executive managers, core-level management staff, and officers responsible for sustainable development or compliance with environmental regulations. The analysis, which encompasses governance itself, sustainability projects, and their effects as perceived by stakeholders, constructs a complete picture of the governance–sustainability nexus in Bangladesh.

We also found evidence that the subjects represented a diverse range of industrial and owner structures. This made it possible for the study to include various standpoints in both listed and non-listed organizations as well as corporations that operate manufacturing and service activities all at once. While larger firms and those listed on an exchange were more likely to engage in sustainability reporting and governance renewal, many smaller local or family-owned businesses chose not to participate. Perhaps most strikingly, over half the firms covered by our questionnaire did not compile formal environment or sustainability documents. This incident highlights the inadequate establishment of real ESG practices in the current era for any given organization.

On governance measures as a whole, the average reached a moderate level—indicative both of areas where there have been improvements and traps into which people are still falling. In the first category, strong points were noted in board independence, division of chairman and CEO posts, presence of audit committees, and adherence to the BSEC Code of Corporate Governance 2018. These elements suggest that governance structures are slowly taking shape in the Bangladeshi corporate landscape. Yet the findings also pointed to weak areas, not least board composition, establishment of ESG committees at the top level, and comprehensive training for directors in sustainability subjects. These inadequacies show us that while compliance with governance codes is under way, substantial reforms that are necessary for the thorough melding of sustainability with major housekeeping decisions still lag behind.

Meanwhile, the sustainability practices displayed a level of adoption that was moderate. In fact, companies set economic benefits above environmental and social benefits:For example, energy efficiency saved money, while the favorable name of a company for sustainability brought in customers. So economic considerations led enterprises to invest in social work, while consumer groups pressed businesses to create a large number of jobs. Environmental-friendly initiatives, which focus on improving technology and ensuring the sound development of supply chains, were not as strong as they could have been. This lopsided situation reflects how economic incentives and external pressures still hold sway over systems of social and ecological responsibility within Bangladeshi companies today.

In all four dimensions, Stakeholder Engagement achieved the highest scores. This reflects external participation by the strong push towards ESG compliance from international investors and global purchasers. However, engagement with local employees, customers, and community organizations was still minimal. It shows how stakeholder initiative is frequently reward-driven rather than deeply rooted in systems of governance.

Meanwhile, governance's effect on sustainability outcomes received the lowest scores. Many of those surveyed expressed reservations about whether governance reforms actually lead to better environmental or social performance. Governance mechanisms are in place, but often they are mere forms of compliance and have little strategic depth to ensure long-term resilience. This disjunction between formal governance and real outcomes underscores some of the shortcomings of present-day reform.

Overall, the results indicate that corporate governance in Bangladesh has a robust structure, primarily driven by compliance-oriented, economical government agencies. Although we have made considerable progress in devising governance codes and getting people to adopt sustainability practices, they remain removed from corporate strategy and general long-term vision. The results indicate a critical need to establish stronger institutional support structures as well as train people in new skills and standards of conduct so that government does more than merely meet formal obligations it actually promotes real sustainability on a broad scale.

Chapter V: Discussion

5.1 Conclusions

So, the investigation concludes that businesses in Bangladesh are now at a tipping point of sorts in terms of corporate governance, from which they will either lift off with considerable growth or stall and stagnate, leaning heavily towards compliance. Despite various external factors, such as official requirements like the Bangladesh Securities and Exchange Commission's Corporate Governance Code (2018), governance helps take shape in wax museums or on paper. It delivers limited fundamental outcomes for sustainable development. Sometimes governance reformers just make a show of it: they go through the motions of providing regulatory authorities and external stakeholders with some formality that does not exist contemporaneously within their organizations.

Their efforts appear to have been fruitless. One of the main conclusions of this study is that governance in Bangladesh is essentially based on compliance rather than value creation. Institutions such as boards of directors with independent members, audit committees, and separating the roles of a chairman from a managing director are already at an advanced level of adoption. These are beneficial things and show signs of institutional improvement. However, the efficacy of these mechanisms is diminished by the absence of accompanying factors such as varied directorial viewpoints on environmental, social, and governing issues (ESG) as well as an ESG committee setup spelled out in an organizational chart. Without such additional reforms, governance structures are not enough to guide businesses out of formal compliance and bring them into genuine consideration of their strategies for sustainability.

For another important conclusion, the research identifies that there is an imbalance between the three pillars of sustainability: economic, environmental, and social. According to the study, Bangladeshi companies have had greater success in embedding the economic aspects of sustainability into their business operations—enterprises such as energy-saving measurements, convenience cost accounting measures, and even reputation branding through sustainability. People often view these activities as mutually beneficial opportunities. Not only can companies enhance their financial statements, but they can also establish a reputation for social responsibility. Companies are still relatively new to the possibility of succinctly stating environmental practices in terms of direct results. Industry has not yet made it standard to set quantifiable targets for emissions reduction or other environmental goals; new technologies based on green principles are also still some distance away. Nor do Management Information Systems (MIS) programs take into account future costs of raw materials, pollution control equipment, and the like as systematically as they might.

Similarly, executives are on the whole fairly unaware of environmental supply chain management issues until someone else brings them up with them. For that reason, social practices outside of minimum compliance levels are generally not widespread. There have been some gains in workers' health and safety, as many in the garment industry have not only improved their own conditions but have also been compelled to create safer workplaces due to pressure from Western buyers, despite generally weak government controls over industrial regulation. However, this unevenness suggests that sustainability in Bangladesh is not yet a core organizational value; rather, it is pursued opportunistically in response to broader economic forces and external incentives to behave responsibly.

Stakeholders are crucial in shaping the implementation of governance and sustainability practices. Overseas investors, procurement networks, or donors can advocate for compliance with ESG standards as an entry ticket into their respective markets and influence whether or not those approaches are successful. Consequently, many firms, especially those in export industries, have in turn put social and environmental sustainability features onto their agenda that they might have otherwise put aside were it not for customer pressure. However, relying on external actors raises questions about whether these activities can be sustained or reproduced over time without strong internal governance systems and domestic institutional support. Furthermore, governance processes marginalize local stakeholders like employees, clients, and surrounding communities. This handicaps the depth and comprehensiveness of sustainability initiatives.

The low perceived impact of governance on sustainability outcomes is one of the most remarkable findings. According to respondents, governance measures do not really improve ESG performance. The existence of governance codes and committees is beyond doubt; however, their practical effectiveness is dubious at best. That symbolism highlights the contrast between written-for-governance and governance-in-use. Symbolic compliance the form of governance without the substance remains a major challenge in Bangladesh. This conclusion is consistent with the broader literature on emerging markets; governance reforms in general tend to be seriously undermined in the absence of effective enforcement, under pressure from other constraints, and by cultural resistance to change.

In conclusion, the research concludes that corporate governance in Bangladesh is slowly taking shape of sustainability has been its seeds, such as the adoption of governance codes; and not only that, ESG practices are beginning to appear. However, the further development of this new shoot has been hindered by weak institutional enforcement, poor leadership diversity, inadequate education and qualifications, and a lack of an environment in which sustainability can be integrated into core business strategies for companies as well. Sustainability still relies on governance as an adjunct, not as its driving force, and the field still holds significant unrealized potential.

To transform corporate governance in Bangladesh into a catalyst for sustainability, we need to tackle several obstacles. Firstly, we need to strengthen enforcement mechanisms to ensure that adherence to governance codes extends beyond mere token acts of compliance. Secondly, we should prioritize inclusivity in governance reforms by hiring diverse board members and directors who possess ESG expertise. Third, managers and directors must be trained and built up so they can better understand these issues. Lastly, organizations must integrate sustainability throughout their entire structure, gradually replacing short-term, ad hoc, and externally imposed initiatives with long-term commitments from all departments.

Despite some progress, the long-term sustainability of corporate governance in Bangladeshi businesses remains uncertain. Governance can only contribute to sustainability to a limited extent if it fails to resolve existing difficulties holistically. This study's conclusions thus underscore yet again why changes in both policy and structure are urgently needed to make sure governance evolves from being a mechanism that meets compliance rules into catalyzing sustainable corporate development.

5.2 Suggestions for Future Research

The findings of this research would provide valuable guidance for future studies in the area of corporate governance and sustainability, particularly so in new economies such as Bangladesh. While the research has offered significant insights, the weaknesses it points to also indicate areas in which more scholarly inquiry is necessary if we are to add both theoretical understanding and practical application. The first limitation is that the findings may not be widely applicable due to the small sample size of only 50 interviewees. It is suggested that studies be conducted to better address our questions by using a more systematic sample across various industries, considering factors such as ownership structures and firm size or scope.

At present we only have data from A-share companies on the Shanghai-Shenzhen Stock Exchange. Valuing data from both private and listed firms of any size would not only produce more detailed sector-stable relationships but also a fuller picture of how governance affects sustainability in different contexts. It would bridge this gap between one's experience and the general tenor. Longer, time-tested designs Longitudinal studies, such as the one conducted by our team, provide insight into this relationship at a specific moment but do not consider how it may evolve over time. Such research would examine whether government reforms truly lead to long-term improvements in sustainability, or if businesses simply revert to superficial gestures after initial adoption. These designs could also include investigations into the effects of external impacts, regulatory changes, market crises, or ecological disasters. Notes

Finally, greater consideration should be given to the relationship between methodology and substantive insights. Descriptive statistics are a good starting point for knowing something, but this is a long way from getting at all sides of the picture; for example, structural equation modeling (SEM) or hierarchical regressions can help reveal the causal chains from governance mechanisms to sustainability outcomes by offering more refined tools of analysis. Using these methods will allow scholars to test complex models that include such mediating and moderating variables as industry effects, ownership structures, or the influence of international investors. These approaches can significantly enhance the explanatory power of future researchers and deepen our understanding in this regard.

Fourth, future researchers should adopt a regional perspective, doing comparative studies of South Asian economies along these lines. The countries in this region look rather like each other in many institutional respects; they have weak regulatory enforcement, export-led growth models that depend on the outside world for demand and investment capital, and severe resource constraints too. Yet they also differ widely in their political institutions and social culture as well as their regulatory settings. A comparative study involving Bangladesh, India, Pakistan, and Sri Lanka would bring forth common trends as well as country-specific problems. In turn, this research will contribute much-needed insights into the determinative role played by institutional environments of governance effectiveness and make findings more relevant at regional or global levels.

Finally, a better research balance is needed. Although surveys and statistical analysis can show trends, they do not answer what causes observed behavior. Future studies therefore need more case studies, in-depth interviews, and focus groups of directors, regulators, investors, and employees. Qualitative techniques can illuminate such things as motivations or barriers met by those involved with governance practices and adoption of stock exchange listing rules. For example, the thinking behind an ESG decision may be learned by researching board members; case studies could show how an individual enterprise deals with pressures from international customers and codes.

So future research should try to expand sample sizes, employ both longitudinal and comparative studies, utilize advanced statistical models, and, last but not least, incorporate qualitative insights. These are the areas that scholars need to address if they are to come up with a more detailed depiction of how corporate governance shapes sustainable development outcomes in Bangladesh (and possibly elsewhere in India's region).

5.3 Recommendations

Corporate governance has been improving in Bangladesh, according to the findings, shifting toward a process of gradual change. However, it still mostly follows the inertia approach. Whether a market-driven driver of governance will emerge in the future or whether Bangladeshi companies will continue to receive external shocks like those in 2001 depends on at least four factors. These include reaching international impact in local holding companies, implementing global governance reforms (as Gao had proposed in his 1998 paper on China and Thailand), and making sure that all public service units within each commercial enterprise prioritize improving living standards for their own employees.

Governance frameworks require a comprehensive strategy to effectively support business sustainability. To make these grandiose efforts a success, bold reforms and strategic guidance from the top are essential. The recommendations below are addressed to both policymakers and regulators as well as corporate leaders and board members, aiming to redefine governance from a hollow ritual into a force making for sustainability over the long term.

1. Strengthening Enforcement Mechanisms

According to the study, in Bangladesh governance mechanisms are often more symbolic than substantive. The Bangladesh Securities and Exchange Commission (BSEC) and other supervisory bodies should strengthen enforcement mechanisms so that governance codes are not merely symbolic words. We should institutionalize regular checks, make results public, and treat non-compliant behavior more severely. In addition, supervisors might consider introducing performance-related pay for companies genuinely implementing ESG principles and who do more than merely meet the qualitative minimum. Strong enforcement would deter some pretensions and encourage businesses to take the reforms seriously.

2. Enhancing Board Diversity

The lack of diversity on boards became an important finding of the study. They continue to be a male preserve, dominated by men with similar professional and educational backgrounds, which means ideas are one-sided, and it is impossible for them to react flexibly to global environmental challenges. Companies should actively promote diversity in their boards by including women, people from different professional backgrounds, and individuals with expertise in sustainability, environmental science, or social policy. Diverse boards can improve decision-making quality and promote innovation, according to global research. By encouraging wider representation, Bangladeshi firms will thus be able to respond more resolutely to their multiple challenges in sustainability.

3. Mandatory training on ESG and sustainability is also recommended.

This report pinpointed another difficulty that poses itself continually. It's ESG and sustainability issues... Directors and senior staff lack substantial knowledge to discuss sustainability and ESG, which leads them to rest on their past achievements. Top authorities, such as the board of directors, cannot effectively criticize or promote any initiatives for sustainability without a solid understanding of the relevant issues. Directors, senior staff, and compliance officers need to undertake training courses on corporate governance, ESG models, and continuous improvement. In fact, universities, business schools, and academies like the Hong Kong Institute of Directors should collaborate to conduct these same training sessions. This kind of thing would boost An understanding of SSBGs and technical capacity will permit firms to ensure that governance structures are not only formally in place but also functional. 4. Establish Dedicated ESG Committees

4. To embed sustainability oversight during daily work.

The top of organizations should have a separate ESG committee or sustainability committee for corporate governance. They need to establish these committees. These bodies could then be responsible for checking performance in environmental and social endeavors and ensuring such issues are always up for discussion at board meetings. In addition, they should work together with the companies' audit committee. Employing independent ESG committees would move oversight of sustainability from the edge to the heart of governance. 5. Adopting International Sustainability Reporting Standards

5. Do certain firms provide their lists of sustainability statistics.

These figures are often unreliable and do not align with international standards? To enhance the credibility of their sustainability reports, corporations should adopt internationally recognized reporting frameworks such as the Global Reporting Initiative (GRI) and International Sustainability Reporting Standards (ISSB). These frameworks provide consistent metrics for measuring sustainability performance, which in turn can enhance investor confidence and entice international capital. Public sector agencies and regulatory authorities should encourage and, as far as possible, even require management reports to be prepared according to these global standards to put Bangladeshi corporate practices on the same playing field as other economically advanced states.

6. We should promote increased participation from stakeholders.

Bangladeshi firms have become geared to satisfy international investors and buyers but at the expense of local employees, communities, and, in particular, domestic regulators whose interests are frequently overlooked. To achieve genuine governance for sustainability, we must broaden stakeholder participation. Firms should establish formal platforms to involve employees, community representatives, customers, and civil society organizations in their decision-making processes. For instance, it is possible to make regular stakeholder forums an established part of company practice or for there to be mechanisms by which employees can express feedback on the firm's decisions. A systematic approach to consulting communities likewise deserves consideration. Expanding stakeholder participation not only stands to make the governance of firms more pluralistic but also provides for sustainability initiatives that address local needs and priorities.

7. Form Institutional backstops for oversight.

Apart from firms, we need more comprehensive institutional backing to ensure that governance truly contributes to sustainable development. Universities and research centers can create teaching materials and research programs that make sustainability and governance into a single subject. Professional associations should certify and train directors and managers in fields relevant to ESG. Development organizations and NGOs can run training schemes and provide resources for the smaller companies lacking expert knowledge and means of access. Setting up centers of institutional support would mean that reforms in governance are not isolated and incremental but part of a broader ecosystem that can sustain long-term change.

8. Applications in each industry

Different sectors face unique sustainability challenges, which require a tailor-made approach to governance that is specific to each industry. For example, the garment business needs to be particularly attentive to labor standards and work safety, while banking should mainly concentrate on sustainable financing and green loans. Industry associations and agencies should formulate governance protocols for these different sectors and their most pressing sustainability problems. By tailoring the reforms accordingly, they will be more pertinent and effective.

9. Encouraging Cross-Border Learning

As part of multinational corporations and foreign counterparts, it's important for a Bangladeshi company's Chinese partners to study the practices of corporate governance and sustainable development. We should join international firms in developing best practices, open cross-border partnerships, and knowledge-sharing platforms for Bangladeshi companies as well as organize training sessions. If they follow in the footsteps of global leaders in corporate governance and sustainability, then Bangladeshi companies will implement changes internally more quickly and strengthen their overall competitiveness abroad.

Conclusion of Recommendations

The forty-eight recommendations in this section underscore the fact that to further strengthen the "governance-sustainability" framework in Bangladesh, it is necessary for governments, regulatory authorities, corporate leaders, and stakeholders all to make a coordinated effort. To move governance beyond mere compliance with requirements and embed sustainability strategically within corporations, it is essential to implement more forceful enforcement, increase board diversity, require ESG training for directors, establish ESG committees at the company level, adopt international reporting standards, create stakeholder councils or advisory councils at every tier, and provide greater institutional support. The conclusion of recommendations By implementing these changes, Bangladeshi companies will transition from merely complying with regulations to incorporating sustainability into their operations, equipping them for both immediate changes and long-term global competition as global trade continues to intensify.

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Appendix – A

Section A: Demographic Information

1. Your designation/role:
   ☐ Board Member ☐ Top Management ☐ Middle Management ☐ Other
2. Years of experience in current role:
   ☐ Less than 1 year ☐ 1–3 years ☐ 4–6 years ☐ 7–10 years ☐ More than 10 years
3. Industry of your organization:
   ☐ Banking/Financial ☐ Manufacturing ☐ Service ☐ ICT ☐ Other
4. Number of employees in your organization:
   ☐ Less than 100 ☐ 100–499 ☐ 500–999 ☐ 1,000+
5. Ownership structure:
   ☐ Family-owned ☐ State-owned ☐ Foreign-owned ☐ Widely held (public) ☐ Other
6. Is your company listed on the stock exchange?
   ☐ Yes ☐ No
7. Does your company publish a sustainability/ESG report?
   ☐ Yes ☐ No ☐ Planning to do so

Section B: Corporate Governance Practices

(Please rate the following statements on a 5-point scale: 1 = Strongly Disagree, 5 = Strongly Agree)

B1. Our board has a good balance of executive and independent directors.
B2. Independent directors significantly influence strategic decisions.
B3. The Chair and CEO roles are separated in our organization.
B4. Our board promotes diversity (gender, expertise, background).
B5. The audit committee is effective in ensuring financial integrity.
B6. The board regularly reviews sustainability/ESG risks.
B7. Our company has a dedicated ESG/CSR/sustainability committee.
B8. The board spends adequate time on ESG/sustainability issues.
B9. We disclose ESG policies and performance to stakeholders transparently.
B10. We follow recognized reporting standards (GRI, ISSB, etc.).
B11. Whistleblowing and conflict-of-interest policies are enforced.
B12. ESG risks are integrated into enterprise risk management.

B13. Governance code compliance is reviewed regularly.
B14. Directors receive training on ESG and governance issues.

Options for each:
☐ 1 (Strongly Disagree) ☐ 2 (Disagree) ☐ 3 (Neutral) ☐ 4 (Agree) ☐ 5 (Strongly Agree)

Section C: Sustainability Practices

C1. We set measurable targets for emissions, energy use, and waste.
C2. Investments in environmentally friendly technologies have increased.
C3. Suppliers are evaluated for environmental compliance.
C4. Employee health and safety standards are strictly monitored.
C5. Our company actively supports community development initiatives.
C6. Labor practices (wages, equality, rights) are monitored and reported.
C7. Sustainability projects have contributed to cost savings.
C8. Our company's reputation has improved due to sustainability efforts.
C9. Executive bonuses/KPIs are linked to sustainability targets.

(Same 1–5 Likert scale as Section B)

Section D: Stakeholder Engagement

D1. We regularly consult stakeholders when setting ESG priorities.
D2. Materiality assessments are conducted to identify ESG risks.
D3. Investor feedback influences our sustainability strategy.

(Options: ☐ 1 Strongly Disagree ☐ 2 Disagree ☐ 3 Neutral ☐ 4 Agree ☐ 5 Strongly Agree)

Section E: Perceived Impact of Governance on Sustainability

E1. Strong governance practices improve our sustainability outcomes.
E2. Board oversight accelerates ESG implementation.
E3. Transparent disclosure enhances stakeholder trust.
E4. ESG risk integration reduces operational disruptions.
E5. Overall, corporate governance enables long-term resilience.

(Options: ☐ 1 Strongly Disagree ☐ 2 Disagree ☐ 3 Neutral ☐ 4 Agree ☐ 5 Strongly Agree)

Section F: Open-Ended Questions

F1. Which corporate governance practice most helped your company improve sustainability?
F2. What are the main barriers your organization faces in integrating sustainability into governance?
F3. What support or policy changes would help strengthen sustainability practices in your company?