

EDITORIAL: Enhancing value through disclosure of environmental sustainability and adherence to corporate governance

Dear readers!

I am privileged to introduce the third issue of Volume 7 of the journal “*Corporate Governance and Sustainability Review*” for 2023.

In this issue of the *Corporate Governance and Sustainability Review*, we delve deeply into the ever-evolving field of the consequences of environmental sustainability disclosure and corporate governance compliance. Our focus is on the intricate relationship between corporate practices and their broader impact on both markets and the environment. We are proud to present five seminal papers, each contributing uniquely to our understanding of this critical field.

Environmental Disclosure Quality and Capital Markets: The first paper by *Fatma Baalouch, Salma Damak-Ayadi, Khaled Hussainey, and Issal Haj-Salem* meticulously examines the connection between environmental disclosure quality and the cost of equity capital, market valuation, and institutional investors. Concentrating on French companies listed in the *Société des Bourses Françaises* (SBF) index between 2009 and 2014, this study innovatively measures environmental disclosure quality based on IASB and GRI standards. It expands on previous studies, such as Dhaliwal et al. (2014), Uyar, Gerged, et al. (2023), and Uyar, Kuzey, et al. (2023), exploring the multifaceted impacts of environmental disclosure on financial decision-making.

Corporate Strategy, Governance, and Sustainability in Sub-Saharan Africa: The second paper, authored by *Peter Kwarteng, Kingsley Opoku Appiah, and Joseph Akandeagre Agana* explores the role of corporate strategy in the association between corporate governance and sustainability performance in Sub-Saharan Africa. This region, often at the frontline of global environmental and social challenges, offers a unique context for understanding these dynamics. This paper builds on the work of Tilt et al. (2020), Gerged, Tran, et al. (2023), and Gerged, Salem, et al. (2023), providing fresh insights into the strategic dimensions of corporate governance and sustainability performance.

Board Characteristics and Equity Overvaluation in the USA: *Ayishat Omar and Johnson Owusu-Amoako*'s paper investigates the influence of corporate governance mechanisms, especially board characteristics, on equity overvaluation in the United States. The study highlights the significant and negative relationship between board gender diversity and equity overvaluation, adding to the literature on the impact of governance mechanisms on equity misvaluation. This paper underscores the complexities inherent in the separation of ownership and control in publicly held U.S. firms.

Corporate Governance and Firm Performance in China's Greater Bay Area: The fourth paper, by *Peter Chi Wan Yip and Elvy Pang*, examines the relationship between corporate governance and firm performance in companies listed in China's Greater Bay Area, utilising data from the Hang Seng and Shenzhen Component Indices (2015–2021). This study extends the work of Onyina and Gyanor (2019) and Gerged, Chijoke-Mgbame, et al. (2023), providing robust statistical evidence on how corporate governance practices influence the performance of firms in emerging markets.

Management Accounting Practices in Tunisian SMEs: Lastly, the paper by *Samira Benelifa and Faten Nasfi Salem* uniquely focuses on exploring the nature of management accounting practices in Tunisian small and medium-sized enterprises through semi-structured

interviews with 192 firms. This study contributes to our understanding of management accounting practices in a narrower Tunisian context and, more broadly, within Arab and developing countries, complementing works by Lasyoud et al. (2023) and Gerged, Zahoor, et al. (2023).

In summary, this issue aligns these diverse yet interconnected studies with recent literature on the value relevance of environmental sustainability and corporate governance, including recent studies by Almontaser and Gerged (2023), Sarhan and Gerged (2023), Al-Haddad et al. (2023), Gerged (2021), and Uyar, Kuzey, et al. (2023). Each paper within this issue contributes to a richer, more nuanced understanding of how corporate governance and environmental sustainability are inextricably linked, shaping the future of responsible business practices.

Enjoy the reading!

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