

## **EDITORIAL: Reshaping governance and financial systems in the era of sustainability**

*Dear readers!*

In an era defined by rapid globalization, technological innovation, and environmental imperatives, the intersection of corporate governance, sustainability, and financial systems has emerged as a focal point for academia and industry alike (Agnihotri, 2024; Liu et al., 2025). Governance frameworks, once primarily centered on shareholder accountability (Karpoff et al., 1996), have evolved to embrace broader responsibilities (Shrivastava & Addas, 2014). These include addressing the escalating challenges of climate change (Shahrour, Arouri, et al., 2024), traversing the complexities of digital transformation (Lobschat et al., 2021), and mitigating widening economic disparities (Awad et al., 2024; Tran et al., 2024). This paradigm shift has been driven by increasing demands for transparency, accountability, and inclusivity from stakeholders spanning investors to policymakers.

Concurrently, the financial ecosystem is undergoing profound transformations. The proliferation of sophisticated financial instruments and the rapid rise of digital assets have underscored the urgency for adaptive regulatory frameworks and resilient risk management strategies (Draganidis, 2023). These developments highlight the interdependence between governance structures and financial innovation, as well as the potential for governance to either amplify or mitigate systemic risks. Such challenges demand integrative approaches that not only prioritize ethical governance but also foster meaningful stakeholder engagement and align financial practices with sustainability goals (Raja & Kostyuk, 2015).

This issue of the *Corporate Governance and Sustainability Review* delves into these critical concerns, offering a rich collection of contributions that advance both theoretical understanding and practical application. From reimagining governance in the context of sustainability to examining the implications of digital financial instruments, the insights presented here underscore the necessity for dynamic, multidisciplinary solutions that respond to the complex realities of our time.

While the issue includes diverse articles, several themes emerge as particularly noteworthy for advancing scholarship and practice. The emphasis on moving beyond traditional sustainability metrics toward frameworks that prioritize ethical governance signals a paradigm shift that could redefine how organizations implement actionable sustainability strategies (Rohani & Jabbour, 2024). Similarly, the exploration of digital asset dynamics, such as the interplay between cryptocurrencies and traditional financial markets (Bouri et al., 2023), highlights the growing need for adaptive governance and regulatory innovation (Shahrour, Lemand, et al., 2024).

One of the key takeaways from this collection of works is the recognition of regional and contextual nuances in governance practices. The studies addressing corporate governance challenges in emerging markets, for example, underscore the importance of tailoring governance frameworks to specific cultural, economic, and institutional contexts. A research that started with the seminal work of Scott (1995) and Matten and Moon (2008). Such insights resonate deeply with the ongoing discourse on global sustainability, where one-size-fits-all approaches often fall short.

This issue also raises essential questions about the evolving role of financial markets in shaping governance practices. The integration of blockchain-based innovations and the rise of digital finance are not only reshaping investment strategies but also prompting new regulatory and ethical considerations. As these changes unfold, aligning financial innovation with governance and sustainability objectives becomes a critical imperative (Cumming et al., 2024).

Collectively, these articles illuminate the growing interdependencies between governance systems, sustainable practices, and financial resilience. By advancing our understanding of these relationships, they provide a foundation for addressing the multifaceted challenges of our time. As we look ahead, the continued integration of ethical governance, stakeholder inclusivity, and technological innovation will play a fundamental role in building resilient, sustainable, and equitable financial systems.

Enjoy the reading!

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