

EDITORIAL: Conditions of sustainable value — Governance and incentives in changing institutional and economic contexts

Dear readers!

The relationship between corporate governance and sustainability is increasingly defined not by isolated commitments, but by the institutional conditions under which value is created and preserved. The studies brought together in this issue of *Corporate Governance and Sustainability Review* reflect an evolving understanding of how sustainability is embedded within governance frameworks and economic structures. Sustainability is no longer treated merely as a reporting exercise or reputational signal; rather, its economic relevance depends on how effectively it is integrated into incentive systems, monitoring mechanisms, and strategic decision processes. What emerges is a more structured perspective on how sustainability enters corporate and economic decision-making.

A notable characteristic of this issue is its emphasis on conditional mechanisms rather than isolated direct effects. Innovation capacity, audit committee effectiveness, market competition, stakeholder responsibility, and organizational commitment appear not as peripheral variables but as channels through which sustainability outcomes are shaped (Uppachai et al., 2025). Sustainability does not mechanically translate into value; it does so only when governance quality, monitoring capacity, and strategic alignment support credible implementation. The distinction between symbolic compliance and economically embedded sustainability, therefore, remains central to understanding firm-level outcomes.

Financial dimensions are equally prominent. Studies addressing financing costs, carbon markets, climate policy uncertainty, and investment decisions related to carbon-intensive projects illustrate how sustainability increasingly operates through capital allocation and risk assessment processes. In several contexts, environmental performance is associated with profitability, cost of capital, and long-term resilience. At the same time, sustainability considerations enter decision-making through the language of risk, discounting, and intertemporal trade-offs, highlighting their relevance for long-term value preservation (Jashari Goga, 2025; Krasniqi & Tahiri, 2025; Putri & Aryani, 2026). Leadership transitions and governance indices further demonstrate how internal stability conditions disclosure credibility and strategic continuity.

The issue also extends the sustainability discussion beyond firm-level analysis. Digital infrastructures in waste management, legal integration of environmental, social, and governance (ESG) principles, and financial inclusion in agricultural sectors demonstrate how sustainability governance operates across sectors and institutional layers. Access to finance, technological adaptation, and regulatory coherence emerge as complementary components of broader development trajectories, linking governance quality to systemic sustainability outcomes.

Across diverse economic and institutional settings, the studies in this volume underscore how governance structures and incentive systems shape sustainability outcomes. Taken together, these studies offer insight into the role of institutional frameworks in supporting sustainable value creation within changing institutional and economic contexts.

Enjoy the reading!

Gonca Atici
Professor of Finance,
Department of Business Administration,
Istanbul University, Türkiye
Editorial Board member of Corporate Governance and Sustainability Review

REFERENCES

- Jashari Goga, A. (2025). The impact of corporate social responsibility on business longevity: A comprehensive analysis of enterprise strategy [Special issue]. *Corporate & Business Strategy Review*, 6(3), 236-245. <https://doi.org/10.22495/cbsrv6i3siart1>
- Krasniqi, A., & Tahiri, A. (2025). Risk management and financial sustainability in tourism from a gender perspective: A governance implication [Special issue]. *Journal of Governance & Regulation*, 14(2), 317-323. <https://doi.org/10.22495/jgrv14i2siart10>
- Putri, A. N. A., & Aryani, Y. A. (2026). Does institutional and foreign ownership pressure increase ESG performance? Evidence from the emerging economy. *Business Performance Review*, 4(1), 56-67. <https://doi.org/10.22495/bprv4i1p5>
- Uppachai, A., Swasthaisong, S., Udomkijmongkol, C., Sompong, D., & Phoonkasem, C. (2025). Factors affecting on dynamic capabilities in firm performance of sustainable community enterprises. *Business Performance Review*, 3(2), 29-39. <https://doi.org/10.22495/bprv3i2p3>