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Editorial

Sustainability, Environmental Responsibility and Innovation

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The issue of corporate social and environmental responsibility has gained considerable scholarly attention over the past decade (Gerged et al., 2021; Qiu et al., 2016; Trumpp, & Guenther, 2017; Tapver, 2019; Li et al., 2020; Karim et al., 2021; Chen et al., 2021; Al-Shaer et al., 2022; Albitar et al., 2022). Nonetheless, corporate innovation is a crucial element for firms to achieve CER objectives and enhance firm value (Li et al., 2020). With the advancements in information technology and the growing complexity of consumer demands, CER necessitates that firms offer top-quality products and services to customers, establish mutually beneficial relationships with suppliers and clients, and develop eco-friendly products through corporate innovation, as stated by Provasnek et al. (2017), Chuang and Huang (2018), and Li et al. (2020). Corporate innovation can also generate new and improved products, which can contribute to achieving a competitive edge, expanding market share, and earning additional profits, (Martinez-Conesa et al., 2017). Albitar et al., (2023) conclude that the adoption of eco-innovative technologies can have a positive impact on a company's commitment to addressing climate change which shows a better environmental performance.

The Guest Editors have curated a collection of papers that investigate various topics related to corporate social and environmental performance, environmental sustainability, green practices, and sustainable development.

One of the papers authored by Sra, Booth, and Cox examines whether the market recognizes and values corporations' voluntary disclosure of carbon emissions as a part of their environmental sustainability efforts. The study findings revealed that companies that disclosed their carbon information to the Carbon Disclosure Project (CDP) were able to increase their market value, indicating that the market recognized and valued their efforts towards environmental sustainability. The authors also compare the market value of disclosing firms to that of non-disclosing firms and discover that non-disclosing companies had a higher market value than their counterparts who chose to disclose their carbon information.

In their paper, Semenenko, Bilous, and Halhash conduct an analysis of Ukraine's regional development strategies to assess their compliance with the declared concept and goals of sustainable development. The study aims to determine the extent of funding allocated towards promoting environmentally friendly economic practices in these regions and to compare this investment against the declared measures outlined within the context of sustainable development. Through a comparison of key indicators, the authors evaluate the formal and substantive compliance of the regional development strategies with the principles of sustainable development, as well as the actual financial support allocated towards environmental development in Ukraine's regions. The findings provide insights into Ukraine's commitment to regional public policy initiatives that promote sustainable development, identifying the regions that prioritize sustainable development strategies and investments within their regional budgets.

In their paper, Kurt and Peng utilize stakeholder theory to investigate the correlation between corporate social performance (CSP) and corporate financial performance (CFP). Their study aims to address the lack of research on this topic specific to Turkey. The findings reveal that CSP can function as an intangible resource within corporate strategy, bolstering the competitive edge of Turkish enterprises. The results have important implications for policymakers in Turkey, as they underscore the need for strategic use of corporate social responsibility (CSR) to foster economic development. Moreover, the study highlights how Turkish businesses can gain the trust of stakeholders and improve investor valuation by leveraging CSR as a tool for achieving long-term, sustainable development of enterprise competitiveness and finance.

The study conducted by Rizwan, Arif, Sahar, Ali, and Abbasi examines the effect of financial resources on both environmental and financial performance in Pakistani manufacturing firms, with a focus on the mediating role of green practices (innovation). The findings suggest a positive correlation between financial resources and financial performance, whereas no significant impact was observed on environmental performance. Notably, green innovation was found to fully mediate the relationship between financial resources and financial performance, while partially mediating the relationship between financial resources and environmental performance.

Carlsen's study employs five main indicators, identified by Eurostat as key factors for achieving Sustainable Development Goal 12, to assess the performance of the 27 member states of the European Union. These indicators include resource productivity, average CO_2 emissions from new passenger cars, circular material use rate, generation of waste excluding major mineral wastes, and consumption of toxic chemicals. The results reveal that France, Italy, and Malta rank highest while Bulgaria and Estonia rank lowest in terms of complying with SDG 12 targets based on the first four indicators. The study also observes a slightly positive trend in temporal development. The generation of waste emerges as the most important indicator for the entire EU, while CO_2 emissions are a significant concern for France and Bulgaria, and the circular material use rate is the most critical issue for Greece.

The paper by Dzhengiz examines the impact of business case and paradoxical frames on the configuration, management, and development of sustainable alliance portfolios. The study seeks to bridge the gap between two constructs, namely organisational value frames and sustainable alliance portfolios, and offers propositions for future research to draw attention to the under-theorised portfolios of sustainability-oriented partnerships.

In Syed, Li, Junaid, and Ziaullah's study, they investigate the association among human resource management practices, relationship commitment, and sustainable performance by analyzing data from 246 manufacturing firms in Pakistan. The study finds that there is a positive correlation between human resource management practices and both relationship commitment and environmental performance. Additionally, relationship commitment is identified as a mediator in the association between human resource management practices and both environmental and economic performance.

To summarize, the aforementioned papers have examined various facets of corporate social and environmental performance, environmental sustainability, green practices, and sustainable development. These papers offer significant regulatory, policy, and research implications. We anticipate that scholars and policymakers will consider the papers in this special issue as a valuable contribution to ongoing discussions regarding sustainability, environmental responsibility, and innovation. We express our gratitude to all the referees for their constructive feedback and time spent in reviewing the papers. We would also like to extend our appreciation to all those involved with Green Finance for their guidance throughout this process.

Conflict of interest

All authors declare no conflicts of interest in this paper.

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