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ESG audits in Lebanon: SLR on linking governance and sustainability in times of crisis

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Abstract

Organizations in Lebanon urgently need environmental, social, and governance (ESG) audits to evaluate sustainability practices and ethical governance. These audits ensure compliance with global standards, enhance transparency, and build investor trust, vital for resilient business operations. Lebanon's worsening economic crisis, political instability, and environmental degradation hinder sustainability efforts and expose governance weaknesses. This study conducts a systematic literature review (SLR) using Scopus, Web of Science, and Google Scholar to assess ESG audit progress in Lebanon and its role in aligning governance with sustainable development during crises. Thematic analysis of 30 peer-reviewed articles reveals slow ESG adoption due to weak regulatory oversight, inconsistent reporting, and limited organizational capacity. The study highlights the potential of ESG audits to improve accountability and investor confidence, even amid instability. To support adoption, the research recommends implementing global standards such as GRI, SASB, and TCFD. It also calls for future empirical studies on ESG performance across sectors, emphasizing innovations like green finance and tech-based solutions.

Keywords: Corporate governance, Sustainability reporting, Green financing, Regulatory frameworks, Crisis resilience, Sustainable development

1. Introduction

Organizations perform environmental, social governance (ESG) audits to evaluate sustainability and business operations ethics through essential assessment methods. The three elements of organizational sustainability evaluation in ESG audits include environmental measurement assessments of social responsibility, and corporate governance analysis [1]. The ethical adoption of global sustainability measures through audits increases transparency, which creates trust among investors and reduces risks toward sustainable long-term success for businesses [2]. Stakeholders increasingly demand that businesses demonstrate enhanced corporate responsibility through ESG audits because stakeholders need to see better responses to climate change and social issues, and flawed governance activities [3]. Regarding Lebanese circumstances that combine ongoing economic trouble, political chaos, and environmental breakdown, the need for ESG audits proves essential for sustainable advancement. The country faces severe obstacles in reaching sustainable development goals (SDGs) because financial downturns, governance failures, and institutional corruption have destroyed corporate accountability [4]. The 2019 financial crisis caused a catastrophic economic decline in Lebanon, which worsened both corporate governance and sustainability reporting issues [5]. Environmental problems need ESG frameworks to serve as fundamental corporate guidance tools because poor waste management combined with pollution and weak regulatory enforcement make it difficult to reach environmental sustainability [6].

ESG audits function as the core element of crises to build sustainable businesses alongside resilient organizations. Long-term economic stability requires ethical governance systems that maintain sustainability during socio-economic turbulence to achieve global sustainability objectives of economic growth and resilience [7]. ESG audits perform assessments of sustainable practices through transparent assessment frameworks that enhance stakeholder trust and restore corporate value recognition to lead sustainable economic development [8]. Businesses in Lebanon have established ESG auditing frameworks because they understand sustainability's role during the country's ongoing financial instability. ESG audits offer a solution to both corporate accountability and financial stability and sustainable development in Lebanon because the country lacks effective corporate governance regulations and enforcement systems to achieve national and global sustainability goals [9].

The worldwide acceptance of ESG audits has failed to produce standardized execution because Lebanese organizations conduct them differently. The Lebanese business environment faces obstacles in sustainability framework adoption because it lacks strong regulatory systems, minimal oversight, and unclear business operations. Corporate sustainability efforts suffer due to the absence of an ESG auditing standard, which leads to unreliable ESG disclosures plus inconsistent sustainability reporting [10]. The corporate sector in Lebanon avoids ESG adoption because of financial expenses, skill shortages, and minimal government support, which creates major obstacles for sustainability targets and long-term social and environmental health [11].

The deteriorating economic situation in Lebanon makes ESG standard implementation more difficult because it leads to business failures and capital flight, and deteriorates investor trust, which hinders sustainable practices from entering corporate strategies [12]. Many businesses have pivoted their attention from sustainable development to survival needs because of the financial crisis, which delays their ability to achieve sustainability targets [13]. The implementation of ESG regulatory policies fails due to ongoing political chaos and weak institutional governance systems that make it harder for Lebanon to achieve strong corporate governance and sustainable development [14]. Research about ESG audits must be prioritized due to the current crisis environment because these audits need to establish corporate governance links to achieve sustainable development in Lebanon while aligning national practices with global ESG and sustainability benchmarks.

Studies regarding corporate governance in the Middle East and North Africa reveal extensive gaps in environmental social governance (ESG) compliance and insufficient sustainability disclosure performances, which hamper regional achievement of global sustainability targets [15]. Corporate reporting in Lebanon shows slow progress toward ESG integration because the country does not have robust corporate accountability systems and insufficient regulatory oversight needed to implement sustainable practices [16]. Research about ESG audit evolution during crises within developed economies remains limited because of sparse studies about such developments in Lebanon [17]. Research needs immediate attention on this gap because it will create superior policies to strengthen corporate governance systems and sustainable business practices, which Lebanon requires to advance toward the United Nations Sustainable Development Goals (SDGs).

1.1. Objectives of the study

The study investigates ESG audit development in Lebanon through an analysis of its function to unite corporate governance with sustainable development during crises. The specific objectives of the study are as follows:

- To analyze the historical evolution and current landscape of ESG audits in Lebanon.

- To explore the role of ESG audits in fostering corporate governance and sustainability in Lebanon.
- To identify the key challenges and enablers of ESG implementation in Lebanon's crisis context.

The study aims to deliver a thorough understanding of ESG audit contributions to sustainable corporate governance practices in Lebanon's difficult socio-economic setting through these objectives.

1.2. Research questions

To achieve the stated research objectives, the study seeks to address the following research questions:

- How have ESG audits evolved in Lebanon?
- What role do ESG audits play in fostering corporate governance and sustainability in Lebanon?
- What are the key challenges and enablers of ESG adoption in crisis contexts?

These research questions explore ESG audit historical development and their influence on corporate governance systems and the elements that drive ESG adoption within Lebanon's corporate sector.

2. Methodology

2.1. Research design and approach

A systematic literature review provides the primary investigation method to examine ESG audit evolution in Lebanon, along with its effects on corporate governance and sustainability, as well as the obstacles to ESG implementation during emergencies. The SLR research method works well to assemble knowledge and develop theory while filling research gaps about ESG audits in emerging economies [18]. A review process employs systematic methods to incorporate peer-reviewed, high-quality studies that present relevant research details on the investigated topic. SLRs provide a different approach from typical reviews because they use specific admission qualifications and rigorous methodology requirements to select relevant research [19]. The systematic literature review approach provides value to understanding ESG audits in Lebanon because the country lacks adequate empirical work, and its corporate governance research exists in fragmented patterns [20].

Using an SLR for this research inquiry makes sense because it integrates various research outcomes to deliver comprehensive insight into ESG audit frameworks, together with corporate governance systems and sustainability problems. The investigation surveys ESG practices in Lebanon by comparing them to international and regional corporate governance standards adopted for sustainable contexts as defined by [21].

2.2. Search strategy

The research methodology adopted systematic research procedures to find every study related to ESG audits, together with corporate governance and sustainability in Lebanon. A series of electronic databases served the research objective because they specialized in corporate governance and ESG-related research. The study employed Scopus to examine peer-reviewed journal articles from high-impact publications and the Web of Science to access multidisciplinary academic research. Through the integration of Google Scholar with both grey reports and literature, as well as Elsevier and SpringerLink, researchers gained necessary access to corporate governance and sustainability publications. The research used Boolean operators as well as structured keywords to identify every important study regarding ESG audits and sustainability. The research utilized three search strings, which were *"ESG audits"* AND *"Lebanon" "corporate governance"* and *"Sustainability reporting"* AND *"corporate governance"* AND *"Lebanon"* and *"Corporate governance AND sustainability disclosures AND MENA region"*. The study utilized Boolean search terms as a method to conduct an accurate and specific literature search that reduced the number of irrelevant results, thus improving both the methodological rigor and the comprehensive nature of the study.

2.2.1. Inclusion and exclusion criteria

To ensure the relevance and quality of the selected studies, the following inclusion and exclusion criteria were applied:

Inclusion criteria:

- The research includes studies from peer-reviewed journals starting from 2005 onwards.
- The analysis includes studies about ESG auditing and corporate governance, and sustainability in Lebanon and similar economies.
- The research relies on empirical, theoretical, and conceptual frameworks that relate to ESG auditing practices.
- Papers written in English

Exclusion criteria:

- The research examines topics that do not address corporate governance or ESG audits.
- Financial analysis studies that disregard sustainability factors in their assessment
- Publications in non-peer-reviewed sources (e.g., opinion pieces, blogs)
- The research focused on different countries than Lebanon, or studies that have limited use in emerging economic systems

The systematic method allowed researchers to select high-quality research that directly applied to the analysis.

2.3. Screening and selection process

The research process used the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework to establish a systematic and transparent approach for study selection and reporting.

The selection process consisted of the following steps:

- Identification: The initial database search generated numerous research publications about ESG audits, together with sustainability reporting and corporate governance.
- Screening: The researchers reviewed titles and abstracts to eliminate duplicate and non-relevant studies.
- Eligibility: Full-text articles were assessed against the inclusion criteria to determine their relevance.
- Inclusion: The synthesis included only studies that satisfied all specified inclusion criteria.

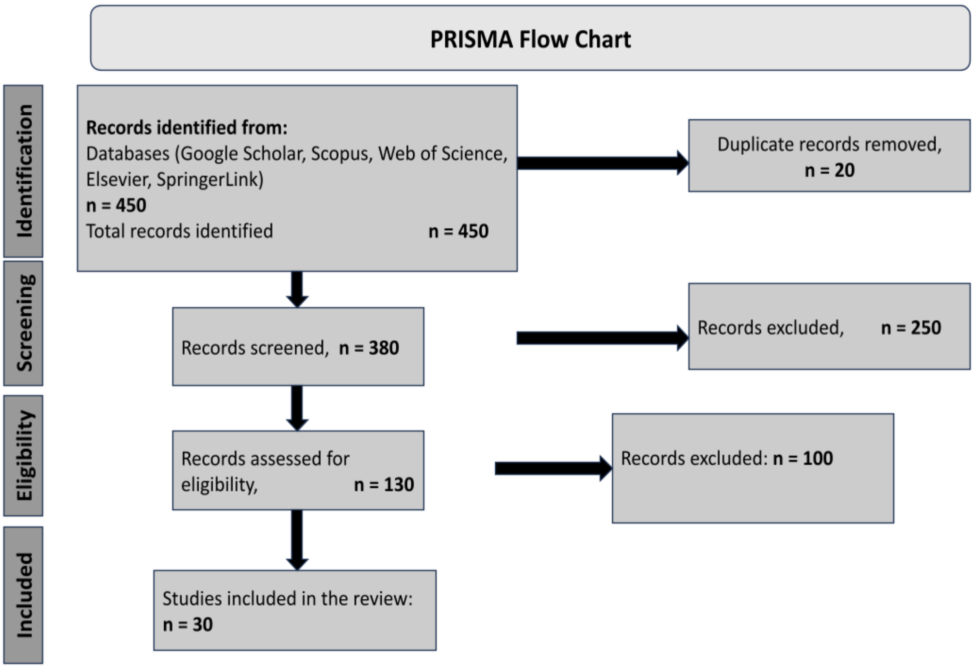

Figure 1. PRISMA Flow chart

2.3.1. Quality assessment criteria

A systematic evaluation process assessed each chosen study by its defined quality assessment criteria for methodological rigor. The research focused on studies regarding ESG audits in crisis contexts, particularly those that studied ESG auditing practices in Lebanon or comparable emerging economies. The research design, together with data collection techniques and analysis methods, received evaluation to determine methodological rigor. The research relied on studies from reputable peer-reviewed journals and academic publishers, including Scopus and Web of Science, to guarantee source credibility. The research evaluated the knowledge contribution by assessing how each study improved the understanding of ESG audits, together with corporate governance and sustainability. The review process utilized these evaluation criteria to select studies that contributed significant academic value to the analysis.

2.4. Data extraction and analysis

The research used thematic analysis as an approach to organize and evaluate the extracted data from selected studies. The chosen method enables researchers to detect essential patterns and conceptual insights about ESG audits and their development in Lebanon. The research body included three main categories of analysis. The Evolution of ESG Audits in Lebanon demonstrates how ESG frameworks have developed historically along with changes in regulations and corporate responses, and their regional and worldwide ESG practice assessment. The second theme examines ESG reporting standards alongside corporate accountability and governance transparency while presenting case studies about Lebanese firms' adoption of ESG practices. The implementation of ESG in Lebanon faces economic, political, and regulatory hurdles alongside corporate reluctance and capacity limitations, but receives support from investor pressure and regulatory incentives alongside sustainability-driven reforms. The established framework of themes enables researchers to understand ESG audit practices during Lebanon’s crisis.

3. Results and discussion

3.1. Overview of selected studies

A collection of 30 significant studies about ESG audits, corporate governance, and sustainability in Lebanon and comparable economies has been assembled. The collected studies deliver essential information about ESG practice development alongside voluntary and regulatory disclosure systems, financial performance, sustainability effects, and corporate governance roles in ESG transparency promotion. Emerging market challenges for ESG implementation consist of regulatory gaps, weak institutional governance, economic instability, and environmental sustainability barriers, according to the literature.

Such research demonstrates that ESG audits are evolving into a substantial mechanism that improves transparency as well as enhances investor trust, and produces sustained business stability. The quality of ESG disclosure depends on various factors, including board member composition and audit committee functions with stakeholder involvement, as well as sustainability accounting practices. Studies investigating Lebanon’s situation stress that the nation needs immediate governance reforms, policy interventions, and corporate accountability measures to advance ESG adoption during its crisis period.

Table 1. Summary of key research articles reviewed

Study	Focus Area	Methodology	Key Findings
[22]	Sustainability Reporting	Conceptual	ESG audits enhance corporate transparency and value creation.
[23]	ESG & Financial Performance	Empirical	Positive correlation between ESG performance and financial stability.
[24]	Corporate Governance & Disclosure	Empirical	Firms with strong governance disclose more voluntary ESG information.
[25]	Corporate Governance & Risk Disclosure	Quantitative	Risk disclosure is positively associated with governance quality.
[25]	Corporate Governance & Risk Reporting	Quantitative	Corporate governance affects risk-related financial reporting.

Study	Focus Area	Methodology	Key Findings
[26]	Environmental Disclosures	Empirical	Electricity firms vary in environmental disclosure practices.
[27]	Audit Committees & ESG Reports	Qualitative	Audit committees increase the credibility of sustainability disclosures.
[28]	Board Composition & ESG Reporting	Quantitative	Board diversity improves ESG disclosure standards.
[29]	ESG Disclosures in GCC	Empirical	GCC firms show higher ESG disclosure rates than non-GCC firms.
[30]	Sustainability Accounting for SMEs	Case Study	SMEs benefit from integrated ESG and financial reporting.
[31]	ESG & SDG Integration	Regulatory Analysis	ESG reporting is crucial for achieving the SDGs.
[32]	Voluntary Corporate Disclosure	Empirical	Kenyan firms disclose ESG voluntarily for investor confidence.
[33]	ICT, CSR & Banking Sector	Case Study	Lebanese banks use CSR to regain stakeholder trust.
[34]	Environmental Disclosure in Germany	Empirical	Public pressure drives German firms' environmental reporting.
[35]	Corporate Sustainability Impact	Conceptual	Sustainability impacts corporate performance positively.
[36]	Sustainability & Organizational Performance	Empirical	Firms with ESG policies perform better in the long run.
[37]	Corporate Governance in Lebanon	Case Study	Weak governance limits ESG adoption in Lebanon.
[38]	Governance & Financial Distress in Banks	Empirical	Economic instability reduces corporate ESG commitments.
[39]	Corporate Governance & Voluntary Disclosure	Empirical	Firms with transparent governance disclose more ESG data.
[40]	Corporate Governance in MENA	Systematic Review	MENA firms show gaps in ESG reporting practices.
[41]	Stakeholder Theory & ESG	Conceptual	Stakeholder theory supports ESG-based corporate strategies.
[42]	CSR & Earnings Management	Empirical	CSR impacts financial reporting and earnings management.
[43]	Environmental Disclosure in MENA	Longitudinal Study	MENA firms' environmental reporting improves slowly over time.
[44]	Voluntary Disclosure in Malaysia	Empirical	Crisis periods impact voluntary disclosures in Malaysia.
[45]	Carbon Management Accounting	Case Study	Carbon accounting aids ESG integration in firms.
[46]	Board Leadership & Corporate Disclosures	Empirical	Board expertise improves voluntary corporate disclosures.
[47]	CSR & Corporate Governance	Empirical	CSR is increasingly integrated into business strategy.

Study	Focus Area	Methodology	Key Findings
[48]	Gamification & ESG Practices	Qualitative	Employee engagement through gamification boosts ESG practices.
[49]	Corporate Social Reporting & Culture	Empirical	Cultural values influence CSR and sustainability practices.
[50]	Corporate Governance & Voluntary Disclosures	Empirical	Governance structures determine the extent of ESG transparency.

3.2. Emerging themes in ESG audits

A growing number of organizations worldwide are increasing their ESG reporting because stakeholders require business information that covers environmental, social, and governance aspects for corporate transparency. Companies today adopt ESG principles because they want to enhance accountability while meeting regulatory requirements and building trust relationships with stakeholders [40]. The trend toward enhancing sustainability reporting in corporate governance exists primarily due to the increasing pressure exerted by investors as well as regulatory entities, and consumer groups [49]. ESG disclosure standardization happens through multiple established international frameworks that assist businesses in creating their sustainability reporting practices. The Global Reporting Initiative and Sustainability Accounting Standards Board provide organizations with two fundamental sustainability reporting frameworks that enable standard metrics assessment for performance evaluation of specific industries [44]. Financial institutions receive their climate risk reporting guidance from the Task Force on Climate-related Financial Disclosures (TCFD), which helps with managing climate-related investment factors. Modern corporate governance values ESG as its basic element, thanks to these frameworks, which boost corporate transparency alongside regulatory compliance, along with investor confidence.

Table 2. Key ESG adoption trends and frameworks

Trend/Framework	Description	Studies	Impact	Challenges
Increased ESG Reporting	Investor demand and regulations drive ESG adoption.	[13]	Improves transparency and compliance.	Inconsistent standards
Regulatory Standards	GRI, SASB, and TCFD ensure standardized reporting.	[17]	Ensures reporting consistency.	Complex regulations
Third-Party Assurance	Independent audits enhance credibility.	[30]	Builds trust and accountability.	Limited independent audits
Stakeholder Engagement	Aligns sustainability with business goals.	[33]	Encourages responsible governance.	Balancing ESG & profits
ESG in Corporate Strategy	Strengthens financial performance and reputation.	[22]	Boosts resilience and growth.	Measuring ESG impact

3.3. ESG audits in Lebanon: Insights from the literature

3.3.1. Corporate governance implications

Weak corporate governance structures within Lebanon make ESG audits less effective in the country. The absence of diverse and accountable boards leads to minimal ESG integration, which diminishes sustainability initiative credibility in Lebanese firms [37]. Companies face difficulties with ESG disclosure consistency because they do not follow voluntary ESG reporting standards. The corporate governance framework in GCC countries enables firm oversight, while Lebanese corporate organizations suffer from regulatory ambiguity that hinders ESG implementation [33].

3.3.2. Sustainability challenges in the Lebanese business sector

The unstable economic situation in Lebanon has pushed businesses to concentrate on immediate financial survival, thus neglecting sustainability programs. Firms find it challenging to invest in ESG commitments over the long term because there are no financial rewards and limited investor trust [22]. The adoption of ESG principles faces significant obstacles because of environmental problems throughout Lebanon. The environmental crisis in Lebanon requires immediate action because the country struggles with poor waste management and industrial contamination, as well as worsening water availability [11].

3.3.3. The role of financial institutions and government policies

Lebanese banks, together with other financial institutions, started adopting ESG principles while their execution remains at a basic level. The absence of clear ESG policies, together with inadequate regulatory incentives, hinders banking institutions from effectively promoting sustainability initiatives [17]. The adoption of ESG standards throughout different industries faces additional barriers because government institutions show little initiative for enforcement and have weak regulatory frameworks. Corporate ESG compliance in Lebanon stays at low levels and shows inconsistent performance because the country lacks both strong regulatory frameworks and effective sustainability incentives [12].

Table 3. Key ESG challenges in Lebanon and their impact levels

Aspect	Impact Level (1-10)	Description
Weak Corporate Governance	8	Limited board diversity and accountability reduce ESG effectiveness.
Inconsistent ESG Disclosures	7	Many firms fail to comply with voluntary ESG reporting standards.
Economic Constraints	9	Financial instability forces a focus on short-term profits over sustainability.
Environmental Issues	8	Waste mismanagement, pollution, and water scarcity hinder ESG adoption.
Limited ESG in Banking	6	Banks incorporate ESG principles but face challenges in implementation.
Regulatory Weakness	9	Weak government enforcement limits corporate ESG compliance.

3.4. ESG implementation challenges in crisis contexts

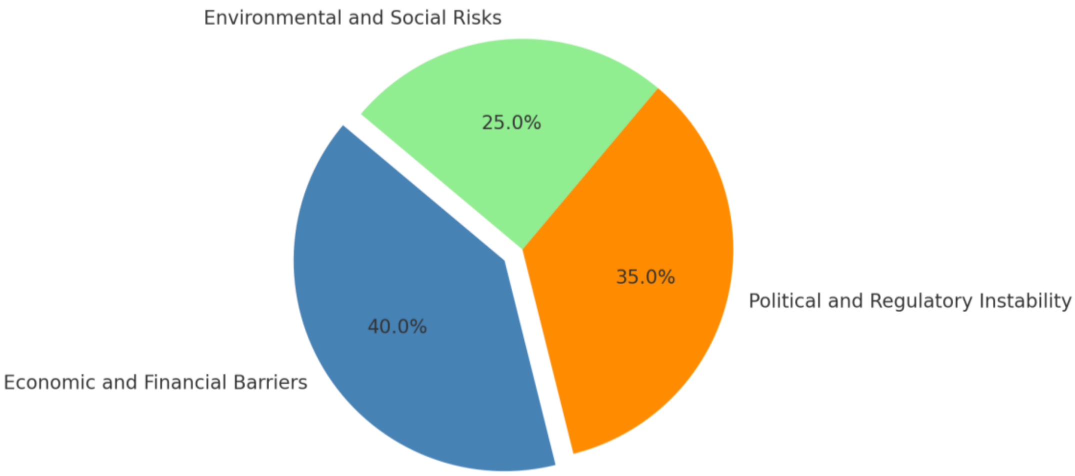

Figure 2. Distribution of ESG implementation challenges in crisis contexts

The key challenges that affect ESG framework implementation in crises appear in Figure 2. The majority of implementation challenges stem from economic and financial obstacles, which comprise 40% of the total barriers according to Figure 2. Companies must focus on short-term survival needs because economic and financial barriers push them to delay their sustainability initiatives. 35% of the challenges stem from political and regulatory instability as a result of weak governance frameworks and inconsistent policies, together with corruption issues. The factors generate uncertainty, which prevents the establishment of effective ESG regulations while making it difficult for businesses to comply with them. Organizations face environmental and social risks to the degree of 25% when measuring the most significant challenges they encounter. The adoption of ESG practices remains difficult because of climate change, alongside waste mismanagement, water scarcity, and insufficient stakeholder engagement, which becomes more pronounced in crisis-affected regions. The distribution of ESG barriers demonstrates the necessity to develop specific tactics that will improve ESG implementation within vulnerable economic areas.

3.5. Discussion

The review study reveals critical findings about ESG audit development in Lebanon that deliver a full understanding of regional sustainable corporate governance barriers, together with facilitators and potential opportunities. A report identifies three main barriers to ESG implementation in Lebanon due to improper corporate governance systems, together with economic instability and weak regulatory controls [20]. Organizations worldwide are expanding their ESG reporting activities because their stakeholders require detailed information about environmental, social, and governance aspects. Modern organizations implement ESG principles to improve their accountability functions, satisfy sustainability requirements, and establish stakeholder trust [40]. Corporate sustainability reporting in governance receives its driving force from investors, government regulations, and stakeholder organizations [41].

The standardization of ESG disclosures occurs through various international sustainability frameworks that help businesses create organized sustainability reports. The Global Reporting Initiative (GRI), alongside the Sustainability Accounting Standards Board (SASB), established standard sustainability reporting methods that allow organizations across all industries to create mutual performance measurements [15]. Sustainable investment decisions become possible through climate risk assessments based on the Task Force on Climate-related Financial Disclosures (TCFD) framework used by financial institutions.

ESG audits support transparency gains and corporate accountability improvement, which produces sustainability in business operations and strengthens long-term economic stability. Lebanon needs ESG audits as a fundamental mechanism to restore stakeholder trust because the country faces financial challenges alongside inadequate governance structures [29]. Global research indicates economic instability does not hinder firms with excellent ESG frameworks, which perform better [48]. The study demonstrates that ESG audits help redesign corporate governance models in Lebanese businesses through their support of sustainable corporate strategies. ESG audits both enforce sustainable reporting transparency and correct weaknesses in governance by addressing board diversity problems as well as inconsistent ESG data release [37]. Third-party independent assurance methods that use global ESG standards help elevate sustainability disclosure reliability and authenticity [29].

ESG audits produce systems that define operational frameworks to match stakeholder requirements with business sustainability plans while building ethical governance structures. The implementation of ESG audits within corporate policies during Lebanon's crisis state will help businesses minimize financial and environmental threats while drawing sustainable investments and building resilient operations [19]. The evaluation of ESG elements helps organizations become more transparent while fixing governance problems and leads to sustainable economic revival. ESG audits operate as sustainability tools that expand governance assessment to help Lebanon detect and resolve environmental and social problems, including waste mismanagement, labor rights violations, and pollution [18]. Organizations gain power through ESG-driven strategic planning to implement environmental safety measures, social responsibility programs, and economic development strategies that match global sustainability targets [36].

Financial institutions, together with government policies, perform significant duties in guiding ESG adoption. The Lebanese banks that have started integrating ESG principles need to expand their work by offering sustainable financial solutions, including green financing and ESG-linked investment products [33]. Establishing mandatory ESG reporting frameworks by regulatory reforms will create a framework for sustainability principles to become integrated into business operations [12]. ESG audits present Lebanon with a systematic approach to achieving sustainable economic growth and corporate development by addressing economic instability, environmental degradation, and social disparities. ESG adoption throughout other evolving economies has generated improvements in economic performance, together with better investor trust and social returns, according to research [32].

The review points out a critical drawback because it finds no empirical evidence about ESG audits in Lebanon despite their importance. Research about corporate governance in the region continues to spread across isolated studies because ESG reporting practices lack standardized procedures, which leads to sustainability assessment gaps [27]. The scarcity of quantitative data about ESG audit effects on corporate sustainability prevents researchers from obtaining substantial insights into their actual effectiveness. The systematic literature review technique includes selection biases due to its strict publication and peer-review criteria, since it might exclude essential documentation from non-English sources and non-academic publications [22].

Future research on ESG audits in Lebanon needs to focus on two essential aspects: the collection of missing evidence and the creation of new innovative ESG adoption approaches. Future research needs to develop ESG frameworks that match the economic and environmental conditions of Lebanon. A comparative analysis between Lebanon and other nations developing their economies would show which policies work best to implement ESG strategies and policies. Lebanese firms, together with financial institutions and policymakers, need primary data collection through interviews, surveys, and case studies to understand ESG barriers and enablers.

The research value will grow stronger through time-based studies that track how ESG audits affect corporate transparency, business resilience, and financial performance throughout the years. Future research needs to investigate the applications of blockchain and AI-powered platforms to improve ESG reporting speed and guarantee data accuracy. Research must investigate green financing programs and ESG-linked investment products to determine the mechanisms that advance corporate sustainability in Lebanon's financial sector. The study should investigate how Lebanon can merge regional and international ESG initiatives into its corporate governance structure by developing collaborative policy frameworks to resolve critical political and regulatory obstacles.

The proposed research paths will fill ESG information gaps to develop sustainable business policies. Research findings will create a foundation for Lebanon to develop a resilient corporate environment that follows international sustainability standards and best practices in corporate governance.

4. Conclusions

The corporate governance sector of Lebanon now heavily depends on ESG audits, which help create more transparent businesses with sustainable practices. Through ESG audits, Lebanon can overcome its current economic and political crises because these audits address governance deficiencies, restore stakeholder trust, and create long-term sustainability. The corporate sector in Lebanon faces multiple difficulties, including governance structure issues, inadequate disclosure standards, and environmental degradation. However, ESG frameworks offer opportunities to align business practices with global sustainability standards and ensure environmental responsibility. The expanding influence of ESG audits goes beyond corporate governance to emphasize three major priorities: economic sustainability, social justice, and environmental protection. These priorities serve as vital instruments for sustaining businesses through crises and developing sustainability practices. To fully utilize ESG audit capabilities, Lebanon must establish strong regulatory systems with proper enforcement. Mandatory ESG reporting standards, supported by state-backed incentives and independent assurance programs, will improve corporate accountability and ensure compliance with sustainability practices. The development of ethical corporate principles requires concentrated efforts toward enhancing stakeholder relationships and sustainability metrics in business operations and capability development initiatives. The disclosure of ESG information requires special attention because it helps organizations attract investors, build better market confidence, and strengthen resilience levels in the long term. Financial institutions, along with policymakers, must actively support green financing products and ESG-linked investments because these instruments drive sustainability practices among corporate entities. Research should conduct empirical studies to measure how ESG audits impact the performance and sustainability of Lebanese firms. Analyzing different business sectors through ESG adoption assessments will provide essential insights into industry-specific challenges and opportunities. The advancement of ESG practices within Lebanon's specific socio-economic framework can be supported by investigating modern ESG solutions that leverage technology and green financing methods. These efforts will promote a sustainable and resilient corporate environment, supporting Lebanon’s transition towards sustainability while addressing economic, environmental, and social challenges.

Declaration of competing interest

The authors declare that they have no known financial or non-financial competing interests in any material discussed in this paper.

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