ICEBEF 2026 | MASTER OF ACCOUNTING

SUSTAINABILITY AUDIT AND *GREEN BUSINESS TRANSFORMATION*

A Systematic Literature Review on ESG Performance, Corporate Accountability, and Sustainable Business Practices

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OVERVIEW

Presentation Roadmap

1. Abstract and Introduction
2. Research Problems and Objectives
3. Methodology
4. Results and Discussion
5. Research Gap and Implications
6. Conclusions, Limitations, and Future Research



ABSTRACT

Study at a Glance

1. **Purpose**
   Examine how sustainability audits can support green business transformation.

2. **Method**
   Systematic Literature Review (SLR), informed by PRISMA 2020.

3. **Scope**
   Sustainability assurance, ESG performance, green innovation, circular economy, and business performance.

4. **Finding**
   Independent assurance can strengthen ESG disclosure credibility and corporate accountability.

5. **Contribution**
   An integrated framework linking governance, green practices, assurance, and sustainable performance.



INTRODUCTION

Why does sustainability audit matter?

1. **Corporate performance** is increasingly assessed beyond financial results, including environmental and social impacts.
2. **ESG** provides a framework for evaluating corporate responsibility and communicating sustainability performance.
3. **Greenwashing risks** weaken stakeholder trust when disclosures do not reflect actual performance.
4. **Sustainability assurance** can independently examine the evidence and processes behind non-financial information.



RESEARCH PROBLEMS

Four questions guide the review

1. **RQ1:** How does sustainability assurance influence ESG disclosure credibility and accountability?
2. **RQ2:** Which green business practices are discussed in prior literature?
3. **RQ3:** How are green innovation and the circular economy related to sustainable business performance?
4. **RQ4:** Which organizational and institutional conditions influence effectiveness?



RESEARCH OBJECTIVES

What the review aims to achieve

1. **Analyze** the role of sustainability assurance in strengthening ESG disclosure credibility.
2. **Identify** green business practices that support corporate sustainability.
3. **Explain** the relationship of green innovation and circular economy with sustainable performance.
4. **Develop** an integrated conceptual framework for sustainability audit and green business transformation.



METHODOLOGY

Systematic Literature Review

1. **Design**
   Systematic Literature Review (SLR).
2. **Publication Window**
   Primarily 2015–2025.
3. **Proposed Databases**
   Scopus, Web of Science, ScienceDirect, SpringerLink, and Emerald Insight.
4. **Search Themes**
   Sustainability audit / ESG assurance; green business; green innovation; circular economy; performance; and accountability.
5. **Synthesis**
   Classify studies by focus, context, method, and principal findings.



RESULT 1: SUSTAINABILITY ASSURANCE

Credibility, controls, and accountability

1. **Independent verification** can examine ESG data collection, measurement methods, internal controls, and reporting consistency.
2. **Assurance** may **strengthen accountability** by helping identify unsupported claims and inconsistencies.
3. **Internal audit** can complement external assurance by assessing ESG risks, controls, and reporting processes.
4. **Important distinction:** assurance verifies information within a defined scope; it does not prove superior environmental performance.



RESULT 2: GREEN BUSINESS PRACTICES

Turning sustainability commitments into operations

1. **Energy efficiency:** reduce energy use and improve resource productivity.
2. **Waste reduction:** prevent waste and improve materials management.
3. **Sustainable supply chains:** integrate environmental considerations into procurement and suppliers.
4. **Circular economy:** reuse, repair, remanufacture, and recycle materials.
5. **Green innovation:** develop cleaner processes, technologies, and lower-impact products.



RESULT 3: ESG AND BUSINESS OUTCOMES

Economic relevance of credible sustainability information

1. **Prior studies** examine links between ESG disclosure and audit fees, ESG performance and audit pricing, and ESG with firm valuation.
2. **Audit quality** may influence the relationship between ESG performance and firm value.
3. **Credible sustainability information** can matter for financing and investment decisions.
4. **Effects may differ** across countries, industries, and institutional set-ings.



INTEGRATED CONCEPTUAL FRAMEWORK

An iterative improvement cycle

1. **Sustainability governance:**
   policies, responsibilities, targets, and controls.

2. **Green business implementation:**
   resource efficiency, waste reduction, sustainable supply chains, circularity, and innovation.

3. **Sustainability audit and ESG assurance:**
   evaluate information reliability and identify control weaknesses.

4. **Sustainable business performance:**
   assess economic, environmental, and social outcomes.

Iterative Cycle: Continuous Improvement

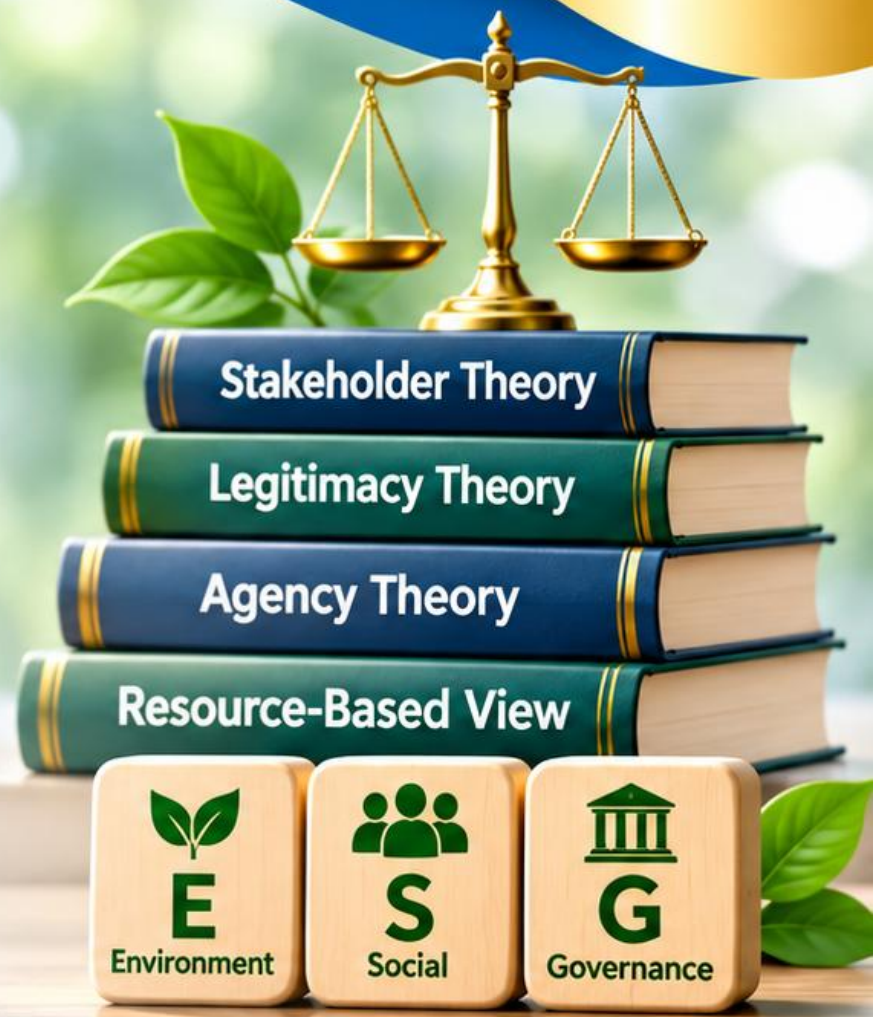


Assurance findings feed back into governance, target setting, operations, and data-system improvement.

THEORETICAL IMPLICATIONS

Four complementary perspectives

1. **Stakeholder Theory:** explains corporate responses to investors, employees, communities, suppliers, and regulators.
2. **Legitimacy Theory:** explains sustainability disclosure as a way to maintain social acceptance, while recognizing symbolic reporting risks.
3. **Agency Theory:** explains how independent assurance and governance can reduce information asymmetry.
4. **Resource-Based View:** explains how green technologies, knowledge, and innovation capabilities may support competitive advantage.



MANAGERIAL IMPLICATIONS

From reporting to operational integration

1. **Embed sustainability** in strategy, capital budgeting, procurement, production, and performance evaluation.
2. **Give each material target** a baseline, boundary, owner, measurement method, **timeline**, and evidence trail.
3. **Include material ESG risks** in risk-based internal audit plans and **test related** controls.
4. **Define external assurance scope** and criteria clearly; limited assurance should not be presented as assurance over the entire **strategy.**



RESEARCH GAP

Three gaps identified by the review

1. **Gap 1 – Assurance and real outcomes:** prior work emphasizes disclosure credibility more than measurable operational environmental changes.

2. **Gap 2 – Measurement:** green business definitions and performance measures vary, limiting comparability.

3. **Gap 3 – Emerging economies:** more evidence is needed where regulation, assurance capacity, and organizational resources differ.



FUTURE RESEARCH AGENDA

Potential directions for empirical research

1. **Test whether sustainability assurance quality** and **green innovation** jointly influence ESG disclosure quality or environmental performance.
2. **Distinguish assurance adoption** from assurance quality, and disclosure volume from substantive ESG performance.
3. Consider firm **size**, industry environmental sensitivity, ownership, governance quality, and regulatory exposure as moderators.
4. **Study digital ESG data systems**, traceability, data governance, and auditability.



CONCLUSIONS

Key messages

1. **Sustainability audits** can strengthen ESG disclosure credibility and corporate accountability.
2. **Green business practices** provide pathways for integrating environmental objectives into operations.
3. The contribution of green practices depends on **governance,** organ**izational capabilities, reliable data,** and **regulatory support.**
4. **Assurance** is necessary for credible information, but is **not sufficient** to guarantee improved environmental performance.
5. Audit findings should drive **corrective action** and **continuous improvement.**



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LIMITATIONS

What ahculld be interpreatied with canc?

1. The manuscript describes a search and screening protocol, but does not report final database study study counts.
2. A completed PRISMA flow with identification, screening, eligibility, and inclusion counts is this presented.
3. ESG and sustainability performance measures differ across studies.
4. The review synthesizes prior evidence; the proposed framework has not been empirically tested in this article.



CRITICAL REVIEW

Strengths and areas for improvement

1. **Strengths:** timely topic; integrates audit, governance, ESG, and green business; offers an iterative conceptual framework.
2. **Strengths:** connects assurance with operational implementation rather than treating it only as a reporting exercise.
3. **Areas to improve:** provide a reproducible search log, final article counts, and a complete PRISMA flow diagram.
4. **Areas to improve:** explain quality appraisal and strengthen comparability of ESG and performance measures.
5. **Overall assessment:** valuable conceptual synthesis, with SLR transparency requiring further development.



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