External Assurance of Sustainability Reporting and ESG Performance: Evidence from Saudi Listed Firms

Research into the relationships of assurance on sustainability reporting is an important element to the future progress of such reporting. This paper by **Khaled S. Aljaaidi**, **Neef F. Alwadani** and **Eyad H. Abutheeb,** Department of Accounting, College of Business Administration, Prince Sattam bin Abdulaziz University, Al-Kharj 16273, Saudi Arabia examines the association between external verification of sustainability reports and ESG performance of Saudi-listed firms from the years 2014–2021. With regard to the Saudi stock exchange (Tadawul) dataset consisting of 188 firm-year observations, it is concluded that external sustainability report verification and ESG performance are positively associated.

This paper documents a positive association between voluntary assurance and ESG performance from an emerging market perspective, which broadens the scope of the ESG literature. This observation particularly justifies the need to endorse more assurance services in support of sustainable development and to strengthen the reporting frameworks and policies.

The study results support the objectives of Vision 2030, specifically the pillars of promoting environmental sustainability, corporate transparency, and governance. Moreover, the results highlight Saudi Arabia's dedication to the United Nations Sustainable Development Goals, specifically SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action), as they underscore the role of assurance and disclosure practices in fostering sustainable business practices in Saudi Arabia.

The study is available at https://www.mdpi.com/2071-1050/18/13/6902