Advances in Social Sciences Research Journal – Vol. 11, No. 12
Publication Date: December 25, 2024
DOI:10.14738/assrj.1112.18006.
Mohammed, H. A., Shah, S. M., Yusri, Y., & Ngalim, M. (2024). ESG Disclosures, Assurance Report, and Companies' Attractiveness: Saudi Capital Market. Advances in Social Sciences Research Journal, 11(12). 84-97.

ESG Disclosures, Assurance Report, and Companies' Attractiveness: Saudi Capital Market

Hanin Ahmed Mohammed
School of Business and Economics, University Putra Malaysia,
Faculty of Administrative Sciences, University of Aden

Sabarina binti Mohammed Shah
School of Business and Economics, Universiti Putra Malaysia

Yusniyati binti Yusri
Accounting Programme, School of Business and Economics,
Universiti Putra Malaysia

Manisah bt Ngalim
School of Business and Economics, Universiti Putra Malaysia, Malaysia

ABSTRACT
Environmental, Social, and Governance (ESG) practices are increasingly adopted by companies worldwide to align with sustainable development goals (SDGs), with Saudi Arabia emerging as a significant example of this global shift. This study investigates the role of ESG disclosures in enhancing corporate attractiveness and overall performance, particularly within the context of Saudi Arabia's evolving economy. Grounded in legitimacy theory, the research explores how non-audit services, specifically ESG assurance reports, can validate a company's sustainability claims and mitigate risks associated with greenwashing. Through a comprehensive literature review and analysis of key variables, this paper assesses the potential impact of mandatory ESG assurance requirements on corporate transparency and accountability. The findings offer insights valuable to practitioners, policymakers, and scholars interested in promoting socially responsible business practices.

Keywords: Assurance report, Companies' attractiveness, ESG Disclosures, Saudi Capital Market.

INTRODUCTION
The increasing pressure from stakeholders and the evolving regulatory landscape have resulted in a heightened focus on companies' Environmental, Social, and Governance (ESG) practices [1]. These ESG practices and their subsequent disclosures play a crucial role in determining a company's attractiveness to a wide range of stakeholders, including investors, employees, and consumers [2]. Companies' ESG disclosures can act as a signal of their commitment to sustainable and responsible business practices. It provides stakeholders with critical insights into a company's long-term strategy and risk management practices [3]. However, the authenticity and reliability of these disclosures have been a point of contention, raising the need for assurance reports [4]. These reports, often provided by external auditors

or consultancy firms, aim to verify the truthfulness and accuracy of the ESG information disclosed by companies [5-7]. A growing body of literature suggests that ESG disclosures and assurance reports are positively related to companies' performance. Factors such as improved reputation, risk management, and stakeholder trust have been cited as mechanisms through which ESG disclosures and assurance enhance company performance [8]. Further, a well-assured ESG disclosure has the potential to increase a company's attractiveness by demonstrating transparency and accountability [9-11]. Investment attractiveness is an indicator calculated for a particular company based on information about its financial sustainability, resource efficiency, and economic characteristics that determine the feasibility of investing in it [12].

Companies' attractiveness concept received less attention within the literature, this is due to different measurements used to conceptualize the attractiveness determinants of the business [1]. Plaskova, Prodanova [13] consider the companies' attractiveness as a combination of production qualities, as well as commercial, financial, and, to some extent, management activities and aspects of an investment climate, which, according to the findings, indicate the feasibility and necessity of investing in it. In most cases, an investment-attractive item in which investments are made wins. In regards to the company's attractiveness, previous studies, such as Maqbool and Zamir [14], Madera, Dawson [15], tied up the highest attractiveness of the company to its financial performance. However, other earlier research focused on factors like corporate governance [16], social [17], and environmental [18]. These three primary areas of concern have been identified as critical factors for assessing the ethical and sustainable impact of investing in a business.

With the growing surrounding threats of climate change and resource depletion, investors are becoming more aware of the need to include sustainability disclosures in their investment choices. These often involve factors that influence the company's operation and revenue [19-21]. Integrating environmental, social, and governance reporting is considered a way to improve the quality of corporate reporting. However, including ESG data in the annual report may increase the amount of information disclosed, without providing any real insights [22]. Furthermore, Quick and Inwinkl [23] claim that identifying significant aspects of an ESG report is more difficult than it is for financial reports. There are also instances of greenwashing. To address this problem, the quality of assurance reporting for integrated environmental, social, and governance reporting should be prioritized. Previous studies, such as Cuadrado-Ballesteros, Martínez-Ferrero [24], Caglio, Melloni [25], and Clementino and Perkins [26], prove the significant role of assurance reporting in emphasizing the quality of ESG disclosure. According to Cuadrado-Ballesteros, Martínez-Ferrero [24], assurance reports reduce the information asymmetry within the reported ESG. Cuadrado-Ballesteros, Martínez-Ferrero [24] also found that assurance providers have a moderating role since the findings demonstrate that assurance is valued higher in stakeholder-oriented nations.

According to a study by the Boston Consulting Group, 50% of US investors say it is important for companies to continue with their ESG agendas and priorities as they try to navigate the crisis, even in situations where profits are seen to be affected [27]. Moreover, this reflects the growing concern of investors about the application of ESG principles. Although many listed companies have opted to increase their concern for environmental, social, and governance issues and have announced plans that aim to reduce emissions or improve the environment in some way, in addition, many companies and sectors value the importance of integrating ESG principles into the strategy. However, environmental, social, and governance issues still are less implemented in Saudi-listed companies [28, 29]. Figure: 1 illustrates the net flow of foreign direct investment into the economy of Saudi Arabia. It can be noted that Saudi Arabia has witnessed a downtrend in foreign direct investment since 2009, which has affected the long-term sustainability of the economy. Hence, highlighting the issue of companies' attractiveness in approaching foreign direct investment is needed, as it will play a crucial role in recruiting more investment.

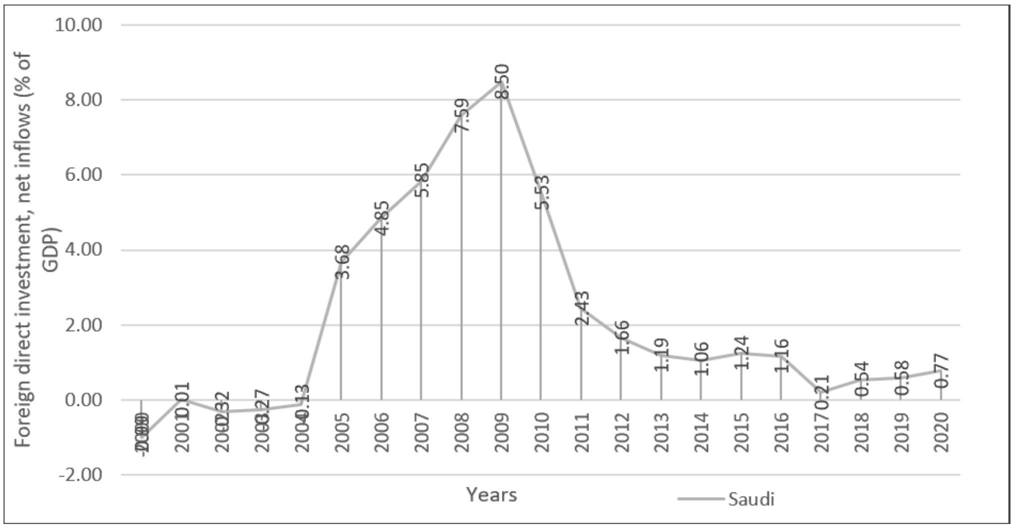

Figure 1: Foreign Direct Investment, Net Inflows (% of GDP) –Saudi

Source: The World Bank

LITERATURE REVIEW

Legitimacy Theory

Legitimacy Theory is a theory that is grounded on the concept of organizational legitimacy, which is predicated upon the belief that businesses seek to ensure that their activities are perceived as being legitimate by their broad stakeholder base. This theory was first introduced by Dowling and Pfeffer [30]. They argued that in order for companies to maintain their ongoing social legitimacy, need to operate within the bounds and norms of their respective societies. Therefore, organizations continuously strive to ensure that their activities conform to society's values and norms. In the context of ESG disclosures and their impact on listed companies' attractiveness, legitimacy theory suggests that companies must demonstrate responsible and sustainable business practices to maintain their social license to operate and avoid reputational damage [31].

By demonstrating good ESG practices and strong governance, companies can enhance their legitimacy and reputation, potentially leading to improved financial performance, increase investor confidence, and reduce reputational risk. Therefore, ESG disclosures can play a crucial role in promoting legitimacy and helping companies maintain their social license to operate, ultimately improving the attractiveness of listed companies to investors. In the last 25 years, exponential growth has been observed in the number of companies that measure and report on environmental, social, and governmental acts, such as carbon emissions, water consumption, employee management, anti-corruption programs, and others. In 1990, less than

20 companies disclosed ESG information; the number of companies that address sustainability issues or have comprehensive reports has increased to 9,000 in 2016 [32]. Recent studies have documented that ESG information is associated with economically significant effects, specifically lower restrictions and costs of capital. Legitimacy theory and stakeholder theory are deeply interconnected. Legitimacy theory provides a broad societal context, while stakeholder theory offers a detailed approach to engaging with specific interest groups. Integrating both theories in organizational strategies ensures ethical behavior, social responsibility, and long-term success.

Stakeholder Theory

Stakeholder Theory is a perspective of business management that suggests businesses should be run for the benefit of all "stakeholders," as opposed to simply the company's owners or shareholders. As defined in this theory includes any group or individual who can affect or is affected by the achievement of an organization's objectives [33]. According to stakeholder theory, for an organization to succeed in the long run, it must appease several parties with an interest in the company in addition to its shareholders, who want a return on their investment. There are interests of each party that may not align with those of the investors. As such, the corporation ought to consider factors other than investor interests. As the stakeholder theory becomes practical, awareness of companies' responsibility and its ethical component will advance [32, 34-36]. Stakeholders and ESG, the measurement of ESG lacks a standard technique and needs to be customized based on regional variables in order to assess the organization and the industry. Nonetheless, managers who are also regarded as stakeholders are becoming more and more likely to acknowledge the advantages of ESG and prioritize it in the short term in order to benefit all parties in the long run [8]. Stakeholder theory and agency theory are complementary yet distinct frameworks in understanding business management and corporate governance.

Agency Theory

Agency theory is a concept that refers to the relationship between the owners (principals) and the managers (agents) of a company [37]. In the context of ESG disclosures and their impact on listed companies' attractiveness, agency theory suggests that companies may face a potential conflict of interest between their owners and managers, as the former may prioritize short-term financial performance while the latter may prioritize their interests. ESG disclosures can play a role in mitigating this conflict of interest by providing information about a company's performance on environmental, social, and governance issues [38]. This information can help investors and other stakeholders assess a company's management practices, risk management processes, and overall commitment to sustainability. By demonstrating good ESG practices, companies can enhance their attractiveness to investors by reducing the potential for agency problems and improving their overall governance [39, 40]. This ESG information can increase investor confidence and reduce reputational risk, potentially leading to improved financial performance and reduced costs. Therefore, ESG disclosures can play a crucial role in addressing agency problems and aligning the interests of owners and managers, ultimately improving the attractiveness of listed companies to investors.

ESG

The acronym "ESG" was created in the world of investment as a label to easily identify companies and initiatives that followed and complied with standards related to the environment, society, and good governance [41]. The development and success of these acronyms have assumed that their use goes beyond the world of investment to the point that the non-profit organization equals them with "sustainability," which is defined as "those corporate activities that maintain or improve the company's ability to create value in the long term" [42]. It is convenient to know what issues lie behind these acronyms before examining how they relate to each particular company. Numerous agencies measure the sustainability of companies by assessing their performance across ESG criteria. For instance, organizations like MSCI, Sustainalytics, and the Dow Jones Sustainability Index (DJSI) provide ESG ratings based on various environmental, social, and governance indicators. These agencies evaluate factors such as carbon emissions, labor practices, board diversity, and ethical business conduct, offering investors a benchmark to compare companies' commitment to sustainable practices. Additionally, standards like the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) offer frameworks to guide companies in transparent ESG reporting, helping them to demonstrate accountability for their non-financial impacts [41]. In addition to a series of international standards that they can follow when taking accountability for their non-strictly financial results [41].

According to the general classification of these issues proposed by the MSCI which is ESG Rating Business Sustainability Agency, there are items under each part of ESG. In the environmental block, the first four fall under climate change, management of natural resources, pollution and waste, and environmental opportunities; in the social block, the following three are: human capital, product security, and stakeholder activism; Finally, on issues of governance, corporate governance and behavior (Morgan Stanley Capital Investment) [43, 44]. Although there is no uniform definition at a global level to identify what is meant by ethical or responsible investment, the main characteristic of this phenomenon, which over time has become an important investment strategy, consists of incorporating non-financial criteria (environmental, social, and good governance, among others) into the classic financial criteria (profitability, risk, and liquidity) in the analysis and decision-making of an investment.

The term Environmental, Social, and Governance (ESG) refers to the three primary dimensions of interest that have been established as critical components for assessing the ethical and sustainable effects of investing in a firm [45-47]. Based on environmental, social, and corporate governance, the investment market experienced exponential development in the new century's first decade. The investment market experienced exponential development" means that investments focusing on environmental, social, and corporate governance (ESG) grew rapidly and substantially in the early 2000s. This exponential growth indicates that more investors and financial institutions began prioritizing ESG criteria when choosing where to allocate capital. It reflects a sharp increase in the interest, assets, and number of financial products (like mutual funds, ETFs, and green bonds) that are guided by ESG principles, driven by rising awareness and demand for sustainable and socially responsible investments.

Companies' Attractiveness

According to Turban [48], who conducted the first study on organizational attractiveness as employers, the attractiveness of the firm can be determined by three attributes: type of ownership, nationality of the supervisor, and familiarity with the firm. According to Plaskova, Prodanova [13] Consider the companies' attractiveness as a combination of production qualities, as well as commercial, financial, and, to some extent, management activities and aspects of an investment climate, which, according to the findings, indicate the feasibility and necessity of investing in it. In most cases, an investment-attractive item in which investments are made wins. Zhang, Cao [17] define organizational attraction as "an attitude or expressed general positive affect toward an organization, more specifically toward viewing the organization as a desirable entity with which to initiate some relationships." Investors with a positive perception of an organization, which can be translated into long-term sustainability [49], an optimal expected level of operation risk [1], and lower credit risk [50], will be more appealing in this context. Investment attractiveness, according to Glotova, Tomilina [12], is an indicator that is determined for a specific firm based on data about its financial sustainability, resource efficiency, and economic features that establish the viability of investing in it. Attracting investments in the capital market and searching for an investor requires open accountability, control of financial flows, and commercial transparency. Investment attractiveness, in its simple sense, is its ability to create business interest from the investor.

Several key directions for the definition of "investment attractiveness" were identified by thoroughly examining the definitions of the term in both classical and modern literature: financial (accounting) method, primarily utilizing the enterprise's financial and economic activity indicators. An examination of the risk-return ratio is the foundation of the risk approach. The market method is predicated on examining share price fluctuations and dividend payment data. An integrated (combined) approach concentrates on the examination of market data about the firm in addition to the financial component. This approach's proponents define an organization's investment attractiveness as a collection of objective characteristics, attributes, resources, and capabilities that establish the possible effective demand for investments. Currently, a company's attractiveness is one of the fundamental factors in the decisions of its customers, suppliers, financial entities, and everything that surrounds it. It is a differentiating element for the competition and, therefore, allows the business to position itself in the minds of customers. Corporate attractiveness is how the company transmits who it is, what it is, what it does, and how it does it.

Assurance Report

International Standard Assurance Engagement (ISAE) 3000 Revised 2013 issued by the International Auditing and Assurance Standards Board (IAASB). Saudi Arabia fully adopted the ISA (international standards on auditing). Saudi Arabia has fully adopted the complete set of ISAs issued by the International Auditing and Assurance Standards Board (IAASB). This means that the ISAs have been made legally effective and mandatory for all financial statement audits conducted in the country. The adoption of the ISAs in Saudi Arabia was a strategic decision to align the country's auditing practices with globally recognized standards, which helps to enhance the quality, consistency, and reliability of audit services provided by professional accountants and firms operating in Saudia Arabia. The comprehensive adoption of the ISAs in Saudia Arabia demonstrates the country's commitment to enhancing the credibility and comparability of its financial reporting, in line with international norms. It also helps to facilitate cross-border investments and economic integration by assuring that audits are conducted to globally accepted standards.

The purpose of an external audit is to have a reasonable assurance regarding an absence of major misrepresentation in financial accounts, whether as a result of fraud or error. In line with agency theory, companies use outside auditors to confirm the accuracy of financial accounts and increase the perceived credibility of information claims and statements made by management [25, 51, 52]. Choosing to use external assurance is voluntary and can be implemented to increase the transparency, relevance, and reliability of sustainability reporting by strengthening its credibility [53]. Investors greatly value assurance in a more stakeholder-oriented approach. Companies are more likely to recognize the relationship between shareholder confidence and CSR information. According to Dando and Swift [54], public trust and the increasing need for ESG reports are not aligned regarding reliability. Many businesses offer independent third-party certification of ESG reports to decrease this gap [45].

The lack of disclosure and assurance of this type of information motivated researchers to emphasize the need for more studies in CSR report assurance. External assurance of sustainability reports is a crucial instrument for ensuring the trustworthiness of information for decision-making users. Cuadrado-Ballesteros, Martínez-Ferrero [24] discovered a reduction in information asymmetry when ESG reports are provided. Assured information is considered to be of greater reliability than information that is not assured.

The assurance report works as a validation tool that reduces the distorted information reported by listed companies. Proving the moderation role of assurance reporting in strengthening the ESG role to improve the performance and attractiveness of listed companies would help reduce the assumptions of asymmetric information. The assurance report performed by the independent committee provides evidence of the provided information's reliability and validity. This role plays a crucial role in strengthening the reliability and validity of the ESG information.

Capital Market in Saudi Arabia

One of the top developing markets in the Middle East and the Arab world is Saudi capital market, which was formally established in 1984. With $319 billion in capital, or 35% of the Arab capital markets' total market capitalization, it held the top spot in the Arab world at the end of 2009 [55].

Between 1984 and 2003, Saudi capital market had significant developments in nearly every aspect, structures, operations, and regulations. Saudi capital market began the process of restructuring on July 31, 2003, when the Capital Market Law (CML) was formed by Royal Decree No (M/30). The Capital Market Authority (CMA) was established by Saudi government following the Capital Market Law (CML). Nevertheless, Saudi capital market had several challenges throughout this time that slowed its expansion. For instance, there was no independent regulating body for Saudi capital market. Furthermore, no corporate disclosure or transparency regulations that fulfilled international standards were implemented. Saudi Stock Exchange (SSE) was founded in 2007 and is the only organization authorised to trade securities in Saudi Arabia. Since 2018, it has become a partially self-regulating organization and lists 203 publicly traded companies [56].

ESG Reporting in Saudi Arabia

Environmental, Social, and Governance (ESG) reporting is an evolving practice in Saudi Arabia, reflecting a global shift towards more sustainable and responsible business practices. The ESG reporting has gained significant traction worldwide as investors, regulators, and consumers increasingly demand transparency regarding how companies manage environmental, social, and governance issues. This global trend has influenced Saudi Arabia to integrate ESG principles into its business and regulatory frameworks. Saudi Arabia's ambitious plan to diversify the economy and reduce its dependence on oil has emphasized sustainability and responsible governance. This vision has accelerated the adoption of ESG practices as part of the broader strategy to attract foreign investment and modernize the economy. Saudi Capital Market Authority (CMA) and Saudi Stock Exchange [56] have started advocating for greater transparency and disclosure of ESG-related information. These regulatory bodies are gradually developing guidelines and frameworks to standardize ESG reporting among listed companies.

Guidelines and Frameworks for ESG Reporting in Saudi Arabia

In recent years, Saudi Arabia has intensified its efforts to align corporate practices with global environmental, social, and governance (ESG) standards. This movement, closely aligned with the Vision 2030 goals, has led to the establishment of multiple guidelines and frameworks designed to promote transparency, accountability, and sustainability among Saudi businesses. These initiatives not only serve to enhance corporate governance but also align national economic and social policies with international sustainable development agendas. Key agencies, including the Capital Market Authority (CMA), the Saudi Stock Exchange [56], and the Ministry of Environment, Water, and Agriculture, among others, have spearheaded these efforts through a variety of frameworks and regulatory initiatives.

Table 1 provides an overview of the primary ESG, and governance frameworks established to support Vision 2030's sustainable development objectives in Saudi Arabia. Each authority listed plays a pivotal role in guiding corporate ESG practices, from promoting responsible financing to setting environmental objectives and monitoring progress towards the United Nations Sustainable Development Goals (SDGs).

Table 1: Key ESG and Governance Frameworks Supporting Vision 2030 in Saudi Arabia

Authority	Initiative/Regulation	Description
Capital Market Authority (CMA)	Corporate Governance Regulations (CGR)	Requires companies to disclose their governance practices.
	Environmental, Social, and Governance Reporting Guidelines	Developing specific guidelines to standardize ESG reporting across listed companies.
Saudi Stock Exchange (Tadawul)	Tadawul ESG Disclosure Guidelines	Voluntary ESG disclosure guidelines aimed at helping listed companies report their ESG performance.
Ministry of Environment, Water, and Agriculture	National Environmental Strategy	Outlines environmental objectives, providing guidelines on waste management, water conservation, and emission reduction.
Saudi Arabian Monetary Authority (SAMA)	SAMA Guidelines on Responsible Financing	Promotes responsible financing by encouraging financial institutions to integrate ESG factors into lending and investment decisions.
General Authority for Statistics (GaStat)	Sustainable Development Goals (SDGs) Indicators	Monitors and reports on progress towards UN SDGs, providing a framework for companies to align ESG reporting with sustainability objectives.

DISCUSSION

Zhang, Cao [17] concluded that there is more concern within the financial markets toward an environmental disclosure perspective. This concern is due to the greater attention from the stakeholders, which ties up the environmental interest of the company with its long-term sustainability. Consequently, environmental factors have a significant effect on firm attractiveness. Besides, profitability is considered a crucial factor by both socially responsible investors and conventional investors. Reviewing the literature on the performance of these funds compared to traditional funds such as [57, 58], there were very diverse positions, since some authors believe that when applying the ethical criterion, the profitability obtained will always be lower compared to conventional funds due to the reduction of the eligible companies. However, many authors, such as [59], consider that, in the long term, the market can be beaten through the correct selection of socially responsible companies. For instance, Beck and Storopoli [60] found that firms that consider social interest outperform their competitors, which is due to obtaining social support as a form of compensation.

Furthermore, companies may opt for CSR assurance to legitimize them and prove their commitment to sustainability or to signal the credibility of their disclosed nonfinancial information [23]. Moreover, the recent global investment concern on the ESG report is regarded as an indicator of the company's long-term sustainability within its society [61]. According to the stakeholders' theory, social disclosures represent the public interest. Ignoring social issues will result in the loss of society's support. Companies grow within society. A higher exchange of interest between society and a company will result in better company performance. In this regard, social disclosure is a channel of information that indicates how far the company considers social practices. Therefore, social factors have a significant effect on firm attractiveness. Empirical studies such as Saini and Singhania [62] indicated that corporate governance has a positive and significant impact on performance. The impact of corporate governance practices on the financial performance of GCC-listed companies was examined by Al-ahdal, Alsamhi [63]. The disclosure of Shari'ah governance in financial institutions in Saudi Arabia was also studied by Azid and Alnodel [64]. As a result, company performance and attractiveness are significantly impacted by governance factors.

It is well known that issues related to corporate governance arise from the separation between ownership and management of a company. Following the agency theory, the presence of independent directors would help resolve conflicts that may arise as a result of opportunistic behavior on the part of the company's management or ownership [65]. Regarding ESG, it seems clear that the stakeholder perspective contributes to greater concern and commitment on the part of the company with respect tothe policies and strategy on this matter. The introduction of stakeholders on the board of directors causes the board to introduce information that are not only finance in decision-making [6, 66]. This non-financial information will often be related to aspects related to ESG.

Lastly, a corporate governance approach aimed at stakeholders tries to attend to the requests and claims of the different interest groups. In general, it is possible to state that this approach, to the extent that it deals with maximizing the value of all these stakeholders and moves away from maximizing the value only of the shareholders, usually incorporates more aspects related to ESG. The ESG reporting validity of the company depends fundamentally on the board of directors since the final responsibility for all business activity rests with them. Therefore, the governance mechanism globally articulates the reduction of the various conflicts of interest between the different company participants. Assurance statements create more trust and boost the credibility and reliability of environmentally and socially responsible information. Assurance can act as a trustworthy indicator of sustainability information and assist businesses in evaluating the success of their social performance initiatives [19, 67]. Assured sustainability reports, according to [68, 69], are more reliable for investors [70]. Therefore, the assurance report plays a crucial role in validating the ESG practices of the managers because it explains in detail how the company's operations, processes, and procedures adhere to ESG standards.

CONCLUSION

Saudi capital market is one of the leading emerging markets in Arab world and Middle East. Saudi Arabia is looking forward to attracting more investment into its economy, so leading Saudi companies are beginning to publish ESG reports due to growing awareness about the importance of ESG factors, which are driven by both regulatory pressures and market demands. Although some companies and sectors value the importance of integrating ESG principles into their strategy, Environmental, social, and governance issues still need to be implemented for Saudi-listed companies and ESG reporting is voluntary. According to a report issued by Price Waterhouse Coopers International Limited PWC (2022), only 31 Saudi-listed companies are indexed in Morgan Stanley Capital International MSCI, which provides the global ESG rating of companies. This study aims to present a comprehensive analysis of the impact of ESG disclosures on companies' attractiveness. It also offers a theoretical framework, a review of relevant literature, and definitions of the variables of interest. The discussion expands the understanding of ESG disclosures - companies' attractiveness linkage and clarifies the role of assurance reports in ESG disclosures. Finally, the study concludes that well-assured ESG reports can signal a company's commitment to sustainability, enhancing its attractiveness to investors and improving a company's reputation. Additionally, the study contributes to the existing body of knowledge and offers valuable insights for practitioners, policymakers, and scholars. Even though ESG reporting is still in its nascent stages in Saudi Arabia, it is gaining momentum as part of broader economic and social reforms. The country's commitment to Visio 2030, combined with global trends and regulatory developments, is likely to drive more comprehensive and standardized ESG disclosures in the future, which will not only enhance transparency and accountability but also attract sustainable investment into Saudi market.

References

1. Wörtler, B., N.W. Van Yperen, and D.P.H. Barelds, Do blended working arrangements enhance organizational attractiveness and organizational citizenship behaviour intentions? An individual difference perspective. European Journal of Work and Organizational Psychology, 2021. 30(4): p. 581-599.

2. Zhou, D. and R. Zhou, ESG Performance and Stock Price Volatility in Public Health Crisis: Evidence from COVID-19 Pandemic. International Journal of Environmental Research and Public Health, 2022. 19(1).

3. Xu, E.G., et al., The influence of corporate governance on the performance of family-controlled firms: exploring the effects of legal jurisdiction. International Journal of Managerial Finance, 2022. ahead-of-print(ahead-of-print).

4. Wang, Y., et al., Control transfer and old shareholder governance of the "seller": who hinders the management retention? Nankai Business Review International, 2022. 13(3): p. 341-369.

5. Vo, D.H., et al., The interrelationship between intellectual capital, corporate governance and corporate social responsibility. Social Responsibility Journal, 2022. ahead-of-print(ahead-of-print).

6. Al-Zubaidi, R., et al., Promoting Sustainability in Yemeni Construction SMEs: Self-Efficacy Mediates Planning and Risk Management, in Entrepreneurship Innovation and Education for Performance Improvement, S.A. Salman and A. Bhaumik, Editors. 2024, IGI Global: Hershey, PA, USA. p. 72-113.

7. Al-Refaei, A.A.-A., et al., A conceptual framework for the impact of entrepreneurial leadership on innovation work behavior and sustainable innovation performance. Entrepreneurship Innovation and Education for Performance Improvement, 2024: p. 577-598.

8. Velte, P., Does sustainable board governance drive corporate social responsibility? A structured literature review on European archival research. Journal of Global Responsibility, 2022. ahead-of-print(ahead-of-print).

9. Tran, C.D., T.T. Nguyen, and J.-Y. Wang, Revisiting the interconnection between governance mechanisms and firm performance: evidence from Vietnamese listed firms. Journal of Enterprising Communities: People and Places in the Global Economy, 2022. 16(1): p. 146-167.

10. Al-Zubaidi, R., et al., Sustainable Development Through Effective Project Management: The Petromasila in Yemen. Advances in Social Sciences Research Journal, 2023. 10(3): p. 269-290.

11. Abdulhadi, A.R., et al., The Impact of Internal Control on Project Management in Construction Site Among Small and Medium Enterprises in Iraq. Advances in Social Sciences Research Journal, 2023. 10(3): p. 247-268.

12. Glotova, I., et al., Development of a scoring model for determining the probability of a delay in lease payments by the lessee. International Journal of Scientific and Technology Research, 2019. 8(9): p. 1995-2003.

13. Plaskova, N.S., et al., Methodological Support of Organizations Implementing Innovative Activities Investment Attractiveness Estimation. Journal of Advanced Research in Law and Economics (JARLE), 2017. 8(8): p. 2533-2539.

14. Maqbool, S. and N. Zamir, Corporate social responsibility and institutional investors: the intervening effect of financial performance. Journal of Economic and Administrative Sciences, 2021. 37(2): p. 238-252.

15. Madera, J.M., M. Dawson, and J.A. Neal, Why Investing in Diversity Management Matters: Organizational Attraction and Person–Organization Fit. Journal of Hospitality & Tourism Research, 2016. 42(6): p. 931-959.

16. Guillot-Soulez, C., S. Saint-Onge, and S. Soulez, Linking employer labels in recruitment advertising, governance mode and organizational attractiveness. Recherche et Applications en Marketing (English Edition), 2019. 34(3): p. 5-26.

17. Zhang, Q., et al., Effects of corporate social responsibility on customer satisfaction and organizational attractiveness: A signaling perspective. Business Ethics: A European Review, 2020. 29(1): p. 20-34.

18. Waples, C.J. and B.J. Brachle, Recruiting millennials: Exploring the impact of CSR involvement and pay signaling on organizational attractiveness. Corporate Social Responsibility and Environmental Management, 2020. 27(2): p. 870-880.

19. Al-Shaer, H. and M. Zaman, CEO Compensation and Sustainability Reporting Assurance: Evidence from the UK. Journal of Business Ethics, 2019. 158(1): p. 233-252.

20. Al-Sharif, A.M., et al., The Role of Innovation Capability in the Relationship between Entrepreneurial Leadership and Innovation Performance in the SMEs Service Industry. Advances in Social Sciences Research Journal, 2023. 10(1).

21. Al-Zubaidi, R., et al., Sustainable Development Through Effective Project Management: The Petromasila in Yemen. Advances in Social Sciences Research Journal, 2023. 10(3).

22. Hoang, T., The Role of the Integrated Reporting in Raising Awareness of Environmental, Social and Corporate Governance (ESG) Performance, in Stakeholders, Governance and Responsibility. 2018, Emerald Publishing Limited. p. 47-69.

23. Quick, R. and P. Inwinkl, Assurance on CSR reports: impact on the credibility perceptions of non-financial information by bank directors. Meditari Accountancy Research, 2020. 28(5): p. 833-862.

24. Cuadrado-Ballesteros, B., J. Martínez-Ferrero, and I.M. García-Sánchez, Mitigating information asymmetry through sustainability assurance: The role of accountants and levels of assurance. International Business Review, 2017. 26(6): p. 1141-1156.

25. Caglio, A., G. Melloni, and P. Perego, Informational Content and Assurance of Textual Disclosures: Evidence on Integrated Reporting. European Accounting Review, 2020. 29(1): p. 55-83.

26. Clementino, E. and R. Perkins, How Do Companies Respond to Environmental, Social and Governance (ESG) ratings? Evidence from Italy. Journal of Business Ethics, 2021. 171(2): p. 379-397.

27. BCG. Sustainable Investing and Finance. 2022; Available from: https://www.bcg.com/capabilities/climate-change-sustainability/sustainable-investing.

28. Alghamdi, M.A.A., et al., Employee Well Being and Knowledge Sharing Behavior Among Employees of Saudi Aramco. Advances in Social Sciences Research Journal, 2021. 8(8).

29. Alghamdi, M.A.A., et al., Antecedents and Consequences of Employee Well-Being: Empirical Study on Saudi Aramco. Advances in Social Sciences Research Journal, 2021. 8(9).

30. Dowling, J. and J. Pfeffer, Organizational Legitimacy: Social Values and Organizational Behavior. Pacific Sociological Review, 1975. 18(1): p. 122-136.

31. Štrukelj, T., et al., Financial Institutions' Governance Innovation and Credibility Strategy, in Insurance and Risk Management for Disruptions in Social, Economic and Environmental Systems: Decision and Control Allocations within New Domains of Risk, S. Grima, E. Özen, and R.E.D. Gonzi, Editors. 2022, Emerald Publishing Limited. p. 233-255.

32. Pacelli, V., F. Miglietta, and M. Foglia, The extreme risk connectedness of the new financial system: European evidence. International Review of Financial Analysis, 2022. 84: p. 102408.

33. Freeman, R.E., Strategic management: A stakeholder approach. 2010: Cambridge university press.

34. Al-Sharif, A., et al., Effects of Innovation Capability and Environmental Dynamism on the Relationship between Entrepreneurial Leadership and Innovation Performance in the SMEs Service Industry. International Journal of Academic Research in Business and Social Sciences, 2023. 13: p. 1547-1570.

35. Al-Zubaidi, R., et al., The Effect of Self-efficacy on Sustainable Development: The PetroMasila in Yemen. Advances in Social Sciences Research Journal, 2022. 9(12): p. 35-49.

36. Abdulhadi, A.R., et al., The Impact of Risk Management on the Dimensions of Project Management Among Small and Medium Enterprises in Iraq. Advances in Social Sciences Research Journal, 2022. 9(11): p. 469-481.

37. Maroun, W., Modifying assurance practices to meet the needs of integrated reporting. Accounting, Auditing & Accountability Journal, 2018. 31(2): p. 400-427.

38. Alsayegh, M.F., R. Abdul Rahman, and S. Homayoun, Corporate Economic, Environmental, and Social Sustainability Performance Transformation through ESG Disclosure. Sustainability, 2020. 12(9): p. 3910.

39. Abdulsamad, A., et al., The Impact of Market Orientation Components on Organizational Performance of SMEs. The single-industry approach "Food and Beverage Sector". Advances in Social Sciences Research Journal, 2021. 8: p. 504-516.

40. Jandab, A., et al., THE INFLUENCE OF IT CAPABILITY ON IT-BASED INNOVATION: THE MEDIATING ROLE OF ORGANIZATIONAL LEARNING CAPABILITY. 2020: p. 2020.

41. Heller, T. and A. Seiger, Conclusion: Accounting for Climate, in Settling Climate Accounts: Navigating the Road to Net Zero, T. Heller and A. Seiger, Editors. 2021, Springer International Publishing: Cham. p. 191-205.

42. Sustainability Accounting Standards, B., SASB Annual Report 2018. 2018, Sustainability Accounting Standards Board (SASB).

43. PWC, PwC Annual Report 2023. 2023, PricewaterhouseCoopers (PWC).

44. MSCI, 2021 Annual Report. 2021, MSCI Inc.

45. Landau, A., et al., Integrated reporting of environmental, social, and governance and financial data: Does the market value integrated reports? Business Strategy and the Environment, 2020. 29(4): p. 1750-1763.

46. Abdulsamad, A., et al., The Importance of Entrepreneurial Orientation's Dimensions in Influencing the Organizational Performance of Food and Beverage SMEs. Advances in Social Sciences Research Journal, 2020. 7(12).

47. Jandab, A., et al., IT-Based Innovation and New Product Development Performance in Yemen: The Moderating Role of Intellectual Property. International Journal of Business Society, 2019. 3(11): p. 1-8.

48. Turban, D.B., Organizational attractiveness as an employer on college campuses: An examination of the applicant population. Journal of vocational behavior, 2001. 58(2): p. 293-312.

49. Belinda, C.D., J.W. Westerman, and S.M. Bergman, Recruiting with ethics in an online era: Integrating corporate social responsibility with social media to predict organizational attractiveness. Journal of Vocational Behavior, 2018. 109: p. 101-117.

50. Bohlmann, C., L. Krumbholz, and H. Zacher, The triple bottom line and organizational attractiveness ratings: The role of pro-environmental attitude. Corporate Social Responsibility and Environmental Management, 2018. 25(5): p. 912-919.

51. Mercer, N., Sociocultural discourse analysis. Journal of applied linguistics, 2004. 1(2): p. 137-168.

52. Chow, C.W., The Demand for External Auditing: Size, Debt and Ownership Influences. The Accounting Review, 1982. 57(2): p. 272-291.

53. Martinez, J.E.C. and A.M.G. Rincon, The institutions of the Interamerican Human Rights System: an analysis of their procedures and strategic orientation. Revista Republicana, 2017(22): p. 183-207.

54. Dando, N. and T. Swift, Transparency and Assurance Minding the Credibility Gap. Journal of Business Ethics, 2003. 44(2): p. 195-200.

55. Authority, S.A.M. and A. Alabbadi, SAMA Working Paper. 2019.

56. Natto, K.I., Tadawul, the Saudi Arabian Stock Market & Nasdaq Dubai. Available at SSRN 1545682, 2009.

57. Rehman, S.U., et al., Analyzing the relationship between green innovation and environmental performance in large manufacturing firms. Technological Forecasting and Social Change, 2021. 163: p. 120481.

58. Jeffrey, S., S. Rosenberg, and B. McCabe, Corporate social responsibility behaviors and corporate reputation. Social Responsibility Journal, 2019. 15(3): p. 395-408.

59. Peillex, J., S. Boubaker, and B. Comyns, Does It Pay to Invest in Japanese Women? Evidence from the MSCI Japan Empowering Women Index. Journal of Business Ethics, 2021. 170(3): p. 595-613.

60. Beck, D. and J. Storopoli, Cities through the lens of Stakeholder Theory: A literature review. Cities, 2021. 118: p. 103377.

61. Al-Faryan, M.A.S. and E. Dockery, Testing for efficiency in the Saudi stock market: does corporate governance change matter? Review of Quantitative Finance and Accounting, 2021. 57(1): p. 61-90.

62. Saini, N. and M. Singhania, Corporate governance, globalization and firm performance in emerging economies. International Journal of Productivity and Performance Management, 2018. 67(8): p. 1310-1333.

63. Al-ahdal, W.M., et al., The impact of corporate governance on financial performance of Indian and GCC listed firms: An empirical investigation. Research in International Business and Finance, 2020. 51: p. 101083.

64. Azid, T. and A.A. Alnodel, Determinants of Shari'ah governance disclosure in financial institutions governance disclosure in financial institutions. International Journal of Ethics and Systems, 2019. 35(2): p. 207-226.

65. Fama, E.F. and M.C. Jensen, Agency problems and residual claims. The journal of law and Economics, 1983. 26(2): p. 327-349.

66. Al-Refaei, A.A.-A., et al., A Conceptual Framework for the Impact of Entrepreneurial Leadership on Innovation Work Behavior and Sustainable Innovation Performance, in Entrepreneurship Innovation and Education for Performance Improvement, S.A. Salman and A. Bhaumik, Editors. 2024, IGI Global: Hershey, PA, USA. p. 577-598.

67. Cohen, J.R. and R. Simnett, CSR and assurance services: A research agenda. Auditing: A Journal of Practice & Theory, 2015. 34(1): p. 59-74.

68. Dhaliwal, D.S., et al., Nonfinancial disclosure and analyst forecast accuracy: International evidence on corporate social responsibility disclosure. The accounting review, 2012. 87(3): p. 723-759.

69. Brown-Liburd, H. and V.L. Zamora, The role of corporate social responsibility (CSR) assurance in investors' judgments when managerial pay is explicitly tied to CSR performance. Auditing: A Journal of Practice & Theory, 2015. 34(1): p. 75-96.

70. García-Sánchez, I.-M., et al., Impact of disclosure and assurance quality of corporate sustainability reports on access to finance. Corporate Social Responsibility and Environmental Management, 2019. 26(4): p. 832-848.