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The Role of Sustainable Disclosure in Enhancing the Efficiency of Investment Decisions for Companies Listed on the Financial Market

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Abstract: A vital part of delivering both financial and non-financial information is sustainable accounting disclosure. This information enhances the significance and understanding of financial instruments and the way the financial markets handle them. It also supports the selection of suitable accounting rules, risk management, and the application of these tools in well-informed choices. By offering pertinent data, sustainable accounting disclosure helps investors even more. To optimize the advantages for users, the disclosure principle requires the provision of thorough accounting data and information. The subjective notion of disclosure highlights the value of financial statements as a tool for decision-making, especially when it comes to making investments. It is critical to realize that disclosure is a tool to help all parties concerned make educated decisions, not an end in and of itself.The hypothesis was tested in the study using the Pearson correlation coefficient, and The findings demonstrated a statistically significant correlation between investors' success and the level of sustainable disclosure. choices of joint-stock companies. According to the results, the significance level is deemed to be less than 0.05, at 0.000. Furthermore, 0.896 is the correlation coefficient value.

Keywords: Disclosure, Sustainable Disclosure, International Financial Reporting Standards (IFRS), Investment Decisions

1. Introduction

Accounting disclosure is the main way that businesses communicate their results to the public so that they may help them make decisions. This is especially true when it comes to finance and investing. The significance of accounting disclosure and openness in financial reporting is attracting the attention of intellectuals and specialists, It include those who are experts in the disciplines of accounting and auditing, both from an academic and professional standpoint. Consequently, there is a continuous need for the profession to strengthen its control and accountability structure and improve its performance in serving the business sectors.

Hence, sustainable accounting disclosure substantially facilitates the presentation of both data, including financial and non-financial, that improves understanding and highlights the importance of financial instruments and how well they function in the financial markets. The purpose of this notice is to give thorough instructions on how to use these devices appropriately, appropriate accounting procedures, associated risks, and strategies for mitigating such risks. Transparency aids investors by mandating the provision of comprehensive accounting data and information for the advantage of its consumers. Disclosure is a concept that emphasizes

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the use of financial statements as a means to assist all stakeholders, particularly in making investment decisions, rather than considering them as the ultimate goal.

Due to their strategic character, investments are often regarded as the most crucial decisions made inside a company. Therefore, the data required for these options must possess distinct attributes and serve several objectives. In order to accomplish these goals, it is crucial to furnish investors with pertinent information and ensure that joint-stock firms adhere to the international benchmark for accounting transparency and sustainability guidelines without concealing them. Precise and reliable information presentation, whether in quantitative or qualitative form, enables the investor to make educated judgments.

This emphasizes how important sustainable disclosure is for businesses operating in the global economy, especially since the securities market requires these businesses to provide sufficient disclosure in their financial reports. For joint-stock firms listed on it, the stock market is essential in enabling the sustainable disclosure process. The purpose of this procedure is to protect investor shareholders' interests and guarantee that all parties engaged in securities trading, regardless of their location or trading volume, get accurate financial and non-financial information.

2. Approach

The research challenge lies in the failure of most commercial institutions to establish sufficient capital buffers to mitigate liquidity risks and safeguard investor rights. Hence, the significance of sustainable disclosure lies in its ability to promote openness and bolster investors' trust in the firm, enabling them to make informed investment choices. The research aims to achieve its objectives by examining the idea of sustainability. The text focuses on sustainable accounting disclosure and explores its significance in improving investment decisions.

This study is important because it addresses the growing concerns of the private sector and the international community about the openness and disclosure of financial data and reports. Consequently, Senior executives of these companies must set up accounting and control procedures that improve their effectiveness and increase the trust of investors. so promoting vigilance and accountability. These businesses enhance their internal control system and produce financial statements that accurately represent the facility's financial transactions and economic conditions. This enhances the value of the institutions and consolidates their position in the financial market. It also fulfills the financial market's need for increased transparency in the disclosed financial statements. Facilitating the openness in the financial statements that were made public. fostering the development of confidence within the financial community and offering support in navigating economic trends.

3.The Study's Hypotheses

Based on the information supplied above, the following hypothesis has been formulated: The extent of sustainable disclosure directly impacts the effectiveness of investors' decision-making about firms.

4. Definition of Sustainability

At the moment, accounting research is concentrated on corporate sustainability. This means protecting a business's money, assets, and resources—all of which are eventually seen of as society resources [1]. The necessity for the corporation to survive has made the adoption of the notion of corporate sustainability vital. Businesses today understand that financial performance and profits are not the only metrics that can be used to determine sustainability and long-term success. Non-financial variables including those pertaining to government, social and economic activity, and environmental preservation must also be included. Together with financial reports, these indicators are included in sustainability reports and are critical in strategic planning and decision-making [2].

The process of optimizing shareholder value via the acceptance of opportunities and the skillful management of risks related to business operations that affect the economy, society, and environment is known as corporate sustainability. To secure its long-term existence, the company needs to consider how its actions affect society and the environment [3].

5. Sustainability Dimension

In recent years, there has been a growing need for firms to provide sustainability reports as a routine aspect of their operations. This is driven by the rising public concerns and the expectations of stakeholders, investors, and society at large. For enterprises to successfully accomplish their objectives, they must fulfill the requirements and aspirations of stakeholders and investors, both existing and prospective, while showcasing the company's capacity to establish connections. The objective of sustainable development is to achieve a balance between economic, social, and environmental issues, as shown by their respective indices. The components of sustainability are as follows: The source cited is [4].

The environmental component encompasses information regarding the influence of enterprises on the environment and the methods used to assess and communicate this effect. The objective is to enhance long-term company performance in environmental sustainability by the use of management systems, which may be regarded as a novel instrument in this field [4]. Hence, the primary challenge confronting companies is devising strategic plans, formulated by their experts, to safeguard natural resources, combat water and air pollution, and address all environmental concerns. This responsibility of mitigating environmental degradation is no longer confined to a particular entity or group, but rather extends globally. Controlling and managing internal affairs is a strategic duty that demands serious and objective attention from all firms, since they play a crucial role in maintaining the environment. The International Standards Organization defines the term environment as the encompassing surroundings in which a corporation operates, including of water, air, land, natural resources, and animals. The topic of discussion is the interdependence between plants and people [5].

The economic dimension: The notion of sustainable economic development has gained prominence in recent years among businesses, alongside the notions of social and domestic development, owing to the substantial economic repercussions on the environment and society. This is a consequence of the escalating economic growth, particularly in the industrial sector, and the subsequent emissions it generates, which have a detrimental effect on the environment. People are highly concerned about air and water pollution, as well as the loss of natural resources. Thus, these corporations are obligated to mitigate the consequences of economic expansion, conserve the environment, and safeguard the rights of forthcoming generations. The reference "[6]" is a citation or mention of a specific document or publication.

The social dimension refers to the significance of information regarding the influence of a company's activities and operations on society. Its objective is to promote social justice by ensuring the fair distribution of natural and economic resources, fostering cultural development, upholding human rights, encouraging diversity, and promoting participation. These factors can be seen as indicators of the social dimension [7]. There is a strong correlation between social justice and the principles of sustainable development. Social justice serves as a significant indicator of quality of life, which can be measured by factors such as the percentage of people living below the poverty line, the unemployment rate, public health, education, crime prevention, and population growth rates. [8] presents a figure illustrating the dimensions of sustainability.

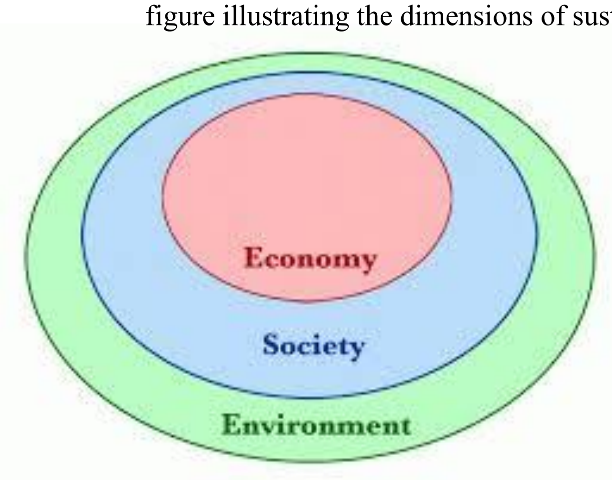

Figure 1. Dimensions of sustainability

Revealing these indicators and creating reports on the company's performance, specifically in terms of sustainability, requires combining the aforementioned sustainability aspects. These dimensions are interdependent and mutually reinforce each other, as they share the common objective of ensuring the long-term viability and prosperity of the business, optimizing its value, and strengthening its competitive edge [5].

6. Financial Reporting of Information Related to Accounting

Financial institutions and commercial banks aim to disclose financial information using the five financial reports prepared in compliance with global financial reporting standards. The income statement,

statement of financial position, and statement of cash flows are some of these statements, list of changes in ownership rights, and the special list, known as the list of notes. Disclosure is a crucial accounting principle that involves providing all relevant and essential information in financial and non-financial reports. Its purpose is to ensure that readers can accurately analyze and comprehend the reports without any hidden or vital information being withheld from them [9]. Consequently, companies are required to provide comprehensive disclosure regarding the impact of their activities on their financial position, contractual obligations, asset and liability evaluation methods, and associated risks. This disclosure should be presented through a series of notes, explanations, or other supporting lists accompanying the financial statements [10].

Sustainable disclosure is the act of corporations publishing reports for both internal and external users. These reports offer a thorough and detailed an overview of the company's activities in the areas of governance, economics, social media, and the environment. Additionally, they showcase the company's commitment to transparent disclosure methods with the aim of fostering sustainable growth [11].

Consequently, it was imperative to raise the bar for organizational transparency and broaden its purview to encompass non-financial as well as financial data that influences information consumers' decisions. This should be done with equal transparency and simultaneity, illustrating social, economic, and environmental occurrences, as well as the governance framework employed, which all have an impact on the company's operations throughout the specified period. It will have a favorable impact on their reputation both globally and locally, and contribute to the overall welfare of society.

7. The Significance of Implementing Sustainable Accounting Disclosure in Companies

Given the numerous stakeholders and heightened competition in the banking industry, along with the advancements in technology and the significant risks involved, there is a growing importance for banking beneficiaries to provide accounting disclosure. As financial intermediaries, bank managements are required to analyze and publicly disclose these risks. The International Accounting Standards Board has released a preliminary version for the creation of financial statements. Banks and comparable entities increasingly include the standard into their financial statements. (IFRS 7) disclosures instead of the previous standard (IAS30) disclosures. These disclosures are designed to provide users of financial reports with information about the company's nature of work, financial performance, risks associated with its activities, and risk management strategies. The organization also introduced the Global Disclosure Standard (GRI102), which aims to improve the reliability of financial reports provided by companies. This standard outlines the necessary disclosures for sharing information about the company, applicable across all sectors. It includes requirements for disclosing details about the company's profile, strategies, ethics and integrity, governance, and ownership involvement. The topic of interest is the disclosure procedures of the Authority [1].

Consequently, commercial banks are obligated to adhere to these criteria. This would enhance transparency, therefore incentivizing enterprises to seek loans from them due to their adherence to these standards, resulting in mitigating the risks associated with banks engaging with them. The study also recognizes the necessity for commercial banks to prioritize the disclosure of environmental, social, and economic factors. Enhancing disclosure levels, improving the quality of published reports, and meeting the needs of users can lead to increased confidence and satisfaction, ultimately improving the reputation and market value of banks.

8. The Relationship between Disclosing Sustainable Practices and Making Investment Decisions

Investors, as members of society, are influenced by the circumstances and factors in their environment. To make successful investment decisions, It is necessary for them to understand the psychological and financial variables involved and be ready to confront any threats that might affect the financial market. Certain investors may feel disillusioned when the market performance decreases, while others may feel contentment when it improves. [12], the self-confidence of investors increases and their performance improves.

Investors are individuals or entities who have a vested interest in the financial and non-financial information of an economic unit, such as a bank. They use this information to make decisions regarding the bank's profitability, financial instruments, and long-term growth potential. Moreover, it helps to decrease the level of uncertainty associated with them and enhance their predictive capacity. Hence, it is important that these reports are both correct and dependable, providing accurate information (Saleh 2015: 50). This is crucial since investors want a clear understanding of the bank's capacity to invest and compete in the financial market, as well as the growth in its overall value. Thus, these investors seek information extracted from published reports to forecast the future performance of the company. Financial reports serve as their primary source of information, aiding them in decision-making, evaluating the bank's efficiency in utilizing economic resources, and assessing its ability to generate long-term cash flow [2].

The level of confidence is contingent upon the firm's assurance that the funds will be utilized appropriately and not misappropriated by managers, significant investors, or board members. Additionally, the funds should be invested optimally and efficiently, prioritizing the stakeholders' interests, which is a crucial determinant. With the rise of a well-functioning and advanced financial market [13], The ethical investor is a brand-new category of investor. This investor considers every facet of the bank, including the social, ethical, environmental, and economic elements that support the bank's sustainability over the long run. Investment decisions are significantly influenced by these elements. Consequently, investors have started to place more emphasis on allocating their capital to companies. In order to ensure that their operations do not have any detrimental effects on society or the environment while still producing sufficient profits for investors, investors are now assessing the sustainability reports of the banks in which they plan to invest [14].

These days, assessing the values of transparency and disclosure that these reports promote—particularly with reference to environmental and the bank management seeks to cultivate confidence among all parties concerned, which is why this is the case. Although the submission of these reports is optional, they are considered mandatory in some situations. [15] cites Germany, France, and several Nordic nations as examples of countries.

9. Conducting an Analysis of the Results and Performing Hypothesis Testing

This component of the research aims to evaluate the results of the field study on transparency in the sustainable disclosure of present and future information, employing two main methodologies. The primary axis aimed to evaluate the extent of disclosure of both current and prospective sustainable information inside institutions. The second axis investigated the influence of commitment on improving the dissemination of sustainable knowledge. The variables were arranged on these axes by the researcher using both the arithmetic mean and the standard deviation; the analysis's findings are presented in the text that follows:

The user did not provide any text. The level of openness in the publication of sustainable information:

According to data from Table No. (1), institutions primarily prioritize achieving a high percentage. This indicates that the management's attention is not significantly focused on providing sustainable disclosure of both current and future information, despite their responsibility for it being strongly emphasized at a rate of 83.6%. The majority of the disclosed information pertains to changes in ownership rights, accounting for 83.42% of the disclosed information, followed by management policies, strategies, and objectives, which account for 82.2%. The lowest percentage of disclosure pertains to the conflict of interest within the institution, with a rate of 55.62%. This internal information is not intended to be revealed due to its potential impact on the stability of the institution.

Table 1. The Extent of Transparency in Sustainable Disclosure of Future Information

Items	Stand.dev.	Percentage%	Mean
Future financial information	0.651	%64.62	3.231
Accounting policies	0.735	%65.02	3.251
Change in accounting policies	0.682	%67.4	3.370
Date of preparation of future financial information	0.852	%75.16	3.758
Management's responsibility for preparing future information	0.574	%83.6	4.180
The purpose of preparing future financial information	0.781	%77.88	3.894
Assumptions on which future financial forecasts are based	0.590	%63.74	3.187
Publicly sensitive information related to operational performance	0.665	%68.3	3.415
Changes in ownership rights within the organization	0.559	%83.42	4.171
Business operations that have an impact on its competitive position	1.103	%71.08	3.554
Management policies, strategies and objectives	0.827	%82.2	4.110
Forecasts about the organization's profitability in the next fiscal year	0.926	%76.58	3.829
Any conflict of interest within the organization	0.648	%55.62	2.781

The role of institutions in ensuring the provision of sustainable information to improve disclosure:

International standards prioritize the importance of sustainable information, both financial and non-financial, and its role in improving disclosure. According to Table (2), the institution must have a high level of commitment in recognizing the risks connected with this information, with an accuracy rate of 83.28%. Additionally, the institution should have a thorough understanding of the time period covered by this information, also with an accuracy rate of 83.28%. The value of 81.32% is being assessed, while the significance of this information is being determined at a rate of 80.3%. The study contains a suitable caution on the potential to attain current and future sustainability-related information at a rate of 82.42%. The institution is dedicated to determining the extent of statistical and mathematical approaches employed in forecasting, which accounts for 57.18% of their efforts. They also examine the provided information about present and future sustainability. The accuracy for prior periods is 58.28%.

Table 2. Level of Dedication to Supplying Sustainability Data

Items	Stand.dev.	Percentage%	Mean
Know the period covered by financial and non-financial information for sustainability	0.978	%81.32	4.066
Determine the level of risk associated with this information	0.849	%83.28	4.164
Determine the relative importance of this information	0.941	%80.3	4.015
Identify the experience of the person responsible for preparing them	0.875	%67	3.350
Know the extent of the use of statistical and mathematical methods used in forecasting	0.784	%57.18	2.859
Reviewing future financial information prepared for previous periods and ensuring its accuracy	0.614	%58.28	2.914
Reviewing the adequacy of evidence relating to management's assumptions about sustainable information	0.596	%60.88	3.044
Verifying the precision of the historical data upon which the sustainable information relies	0.231	%71.6	3.580
Approach for revealing sustainable financial information	0.648	%73.04	3.652
The report must contain a suitable cautionary statement on the potential unattainability of sustainable information.	0.781	%82.42	4.121

The study utilized the Pearson correlation coefficient to test the hypothesis. The results indicated a statistically significant relationship between the level of sustainable disclosure and the effectiveness of investors' decisions for joint-stock companies. The results indicate that the significance level has a value of 0.000, which is lower than 0.05. Additionally, the correlation coefficient has a value of 0.896, indicating a strong positive relationship. Therefore, the study hypothesis is accepted at the significance level of $\alpha = 0.05$.

10. Conclusion

Enhancing comprehension and significance of financial instruments and their performance in financial markets necessitates accounting transparency. The document offers detailed information about the utilization of these items, appropriate accounting practices, related hazards, and managerial approaches to minimize these risks. Sustainable disclosure is essential for providing investors with relevant information. The practice of sustainable disclosure plays a vital role in bolstering investors' confidence and assisting them in making informed investment and other decisions. Investors are the main focus of organizations' activities and serve as their long-term source of financing.

The study utilized the Pearson correlation coefficient to verify the hypothesis. The results revealed a statistically significant association between the amount of sustainable disclosure and the effectiveness of investors' judgments for joint-stock businesses. The findings suggest that the significance level has a value of 0.000, which is lower than 0.05, and the correlation coefficient has a value of 0.896.

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