International Journal of Financial Management and Economics

P-ISSN: 2617-9210
E-ISSN: 2617-9229
IJFME 2024; 7(2): 225-233
www.theeconomicsjournal.com
Received: 15-07-2024
Accepted: 22-09-2024

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The impact of disclosure of sustainability information on firm value an applied study on banks listed on the Iraqi Stock Exchange

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DOI: https://doi.org/10.33545/26179210.2024.v7.i2.365

Abstract
The study sought to examine the correlation between the extent of sustainability information disclosure and Firm Value, utilizing a sample of fifteen banks listed on the Iraq Stock Exchange at the conclusion of 2023, with a temporal scope spanning 10 years from 2014 to 2023. The investigation encompassed a total of 150 views.

The research revealed a significant positive impact of sustainability disclosure on the value of banks within the sample, indicating that such disclosure yields numerous benefits, including the provision of financial and non-financial information that addresses stakeholder needs and bolsters their confidence in the bank's information. Additionally, it elucidates the bank's capacity to generate and sustain long-term value, as well as the potential threats the enterprise may encounter and their future implications.

Keywords: Sustainability information, firm value, organizational

1. Introduction

The era of competition in light of modern technology and the global openness of markets to each other has brought about a change in the nature of business within enterprises, and the interest of enterprises in achieving competitive advantage has become linked to their adoption of modern technological techniques and their capabilities and potentials to provide advanced accounting systems capable of keeping pace with developments in the business environment.

In response to global and societal demands for enhanced transparency regarding an enterprise's environmental and social performance alongside economic performance, a novel form of reporting known as Sustainability Reporting has emerged from the evolution of financial reporting in the contemporary business landscape. This reporting, coupled with social and environmental accountability, has become a fundamental principle for any enterprise dedicated to responsible practices.

In response to global and societal demands for enhanced transparency regarding an enterprise's environmental and social performance alongside economic performance, a novel form of reporting known as Sustainability Reporting has emerged from the evolution of financial reporting in the contemporary business landscape. This reporting, coupled with social and environmental accountability, has become a fundamental principle for any enterprise dedicated to responsible practices.

Disclosure of sustainability information helps enterprises maintain their reputation and build trust with stakeholders, because this information clarifies the positive and negative impacts of the enterprise on the environment, society and the economy and the way the enterprise addresses the negative impacts and risks it faces in its journey towards achieving sustainability, This augments the enterprise's worth.

The Global Reporting Initiative (GRI) provides standards and guidelines that enterprises must follow when preparing sustainability reports and disclosing the impacts of their economic, social and environmental activities, as well as providing information about the positive and negative contribution to sustainable development made by the enterprise.

As a result of the different business environments in the countries of the world and the different cultures and economic, environmental and social conditions, this has led to different levels of disclosure of sustainability information, which has increased the interest of researchers in examining the factors that affect the level of disclosure of sustainability information.

The goal of enterprises is to maximize profits and shareholder wealth at the expense of society and the environment, the pursuit of profit generation and maximization supersedes the environmental and social repercussions of corporate activity. The financial information disclosed by enterprises in traditional reports focuses on their economic performance only, with no attention to non-financial activities that affect the environment surrounding the enterprise and the community in which it is located as a whole. Previous studies emphasized that the business performance of enterprises should not be judged by the content of financial reports only, but should also include the performance of enterprises in the field of sustainability, because the failure to disclose sustainability information by enterprises leads to the loss of financial information of its credibility and is seen as incomplete information, because the purpose of disclosing sustainability information is to balance financial and non-financial performance in terms of economic and sustainable development and long-term value creation.

Despite the importance of disclosure of sustainability reports and its role in achieving sustainable development of enterprises and enhancing their market value, there is a discrepancy in practice due to several internal and external determinants that affect the level of commitment and quality of disclosure of sustainability reports. Based on the above, the research question can be formulated as follows:

"**Does the disclosure of sustainability information affect the value of the enterprise?"**

The main objective of the research is to test the impact of sustainability information according to international standards (GRI) and the reflection of this impact on the value of Iraqi banks listed on the Iraq Stock Exchange, so the rest of the research will be divided after reviewing the introduction and the statement of the research issue and objective in the first section of the research. The second section will deal with the theoretical framing of the study variables, reviewing the accounting literature related to the subject of the research and deriving research hypotheses, while the third section will review the research methodology and the fourth section is dedicated by the researcher to discuss the research results while the fifth section reviews the main findings of the research.

2. Reviewing Studies and Establishing Hypotheses

2.1 Origins and Development of Sustainability Disclosure

Interest in disclosing sustainability information has increased in recent years as a result of the development of social awareness of organizations in issuing a separate and independent report to disclose sustainability reporting information periodically.

(Lin, 2010: 19) [21] stated that the interest of enterprises in social responsibility and sustainability reports dates back to the 1950s and spread in the 1970s, as the emergence of social reports showed society's awareness of the non-financial activities of enterprises, especially with regard to human rights and labor issues. In subsequent years, environmental reports appeared in the 1980s and 1990s due to the increase in environmental protection movements to replace social reports, which led enterprises to embrace new concepts, including the concept of sustainable development in order to provide proper means of life and find ways to mitigate the negative environmental impacts resulting from development processes without sacrificing or disrupting this process.

(Brocket & Rezaa, 2012: 27) [6] emphasized that the origins of sustainability disclosure can be traced back to the early 1960s and 1970s in Europe, and more recently in the United States when international organizations began to recognize the role of society along with profit maximization. The concept of sustainability began to attract the attention of many business enterprises globally, especially after the term first appeared in 1987 through a conference organized by the United Nations International Commission on Environment and Development entitled “Our Common Future” also known as the "Brundtland Report".

At the beginning of the 1990s, many enterprises moved towards voluntary disclosure of environmental and social information in addition to economic information, and indeed interest in sustainability information has increased since 1997, when Ellington developed the concept of triple reporting, which was highlighted by the Brundtland Report. Ellington formulated the concept of financial, environmental and economic dimensions and convinced many leading enterprises to adopt sustainability using the theory of financial, environmental and economic dimensions (Finch, 2005: 12) [9].

In the mid-2000s, A novel word associated with the triple bottom line has emerged: the Sustainability Report, which has been adopted by several firms worldwide to supplant their social responsibility reports. This report provides a comprehensive overview of the non-financial performance of firms concerning economic, environmental, and social dimensions, assisting stakeholders in evaluating the sustainability of enterprises that issue such reports.

In 1997, the Coalition for Environmentally Responsible Economies (CERES), in agreement with the United Nations Environment Programme (UNEP), launched the Global Reporting Initiative (GRI), an independent organization that provides guidelines to support enterprises in preparing sustainability reports. The GRI is concerned with establishing guidelines within an internationally accepted framework for sustainability reporting. It invites enterprises to publicly report on their economic, environmental and social impacts, and thus their positive or negative contributions towards sustainable development.

The first version of the GRI was published in 1999. In 2000, the first official version of the first generation of the GRI was published and called the G1 Guidelines. In 2002, the GRI Secretariat moved its headquarters to Amsterdam, the Netherlands, and the first update of the G1 Guidelines was launched and called the G2 Guidelines. With the increasing demand by enterprises for sustainability reporting, the Guidelines were expanded and improved. In 2006, the third version of the Guidelines was released and called the [G3.0] Guidelines. This version was revised in 2011 and renamed G3. In 2013, the fourth generation of the GRI was released, called G4, a revised version that reflects current and future trends in sustainability reporting. In 2014, a version was released that shows the relationship between the GRI and ISO26000 (The GRI clarified that the standardized disclosures related to ISO26000 should not be understood as separate but rather as a complete set of disclosures needed to meet the scope of each of the clauses in ISO26000 (GRI, 2010); (GRI, 2014: 6) [11].

In October 2016, a new version of the GRI standards was issued by the Global Sustainability Standards Board (GSSB) to replace G4 and was officially introduced on July 1, 2018, called the Global Reporting Initiative (GRI) standards and translated into several languages, including Arabic (GRI, 2016: 1) [12].

A new version of the GRI standards was also developed by the Global Sustainability Standards Board for the year 2021 and went into effect on (1/1/2023) (GRI, 2021: 2). It is the latest version designed by the Global Sustainability Standards Board to suit all enterprises, despite their different sizes and activities, taking into account the different practices of these enterprises and developments in the business environment.

2.2 The Concept of Sustainability Disclosure

Accounting disclosure of sustainability reports has received attention from international organizations, such as the International Auditing Standards Board (IAASB), the International Federation of Accountants (IAFC) and the Sustainability Accounting Standards Board (SASB). They emphasized the inclusion of sustainability information in the annual reports of enterprises to help them improve their performance and image in front of stakeholders, especially investors.

GRI explained that disclosure of sustainability reports helps enterprises to create a common language between enterprises and stakeholders, through which they can communicate and understand the economic, environmental and social impacts of enterprises, which enhances the quality and comparability of information on these impacts and provides transparent information to internal and external stakeholders and form opinions and make fact-based decisions about the enterprise’s contribution to achieving the sustainability goal (GRI, 2016: 3) [12].

(Lin, 2010: 50) [21] noted that the purpose of disclosing sustainability reports is to enhance the reputation and value of an enterprise, gain competitive advantage, increase transparency in non-financial activities within the enterprise, and support and motivate employees to achieve the sustainability goals of the enterprise. The World Business Council for Sustainable Development (WBCSD) defined sustainability reports as reports issued by enterprises to provide internal and external stakeholders with information about their economic, environmental and social dimensions (Kozlowski *et al*., 2015: 380) [18].

(Gurvitsh & Sidorova, 2012: 27) [14] defined sustainability disclosure as reports through which information related to economic, environmental and social performance are disclosed separately from annual reports or within annual reports in order to express the degree of responsibility of the enterprise towards society and the surrounding environment and to improve its reputation in front of stakeholders.

The researcher considers that the disclosure of sustainability information is an effective management tool that provides confidence to internal and external stakeholders, as enterprise that disclose their social and environmental performance information along with the economic are perceived as responsible and trustworthy.

2.3 Importance and Objectives of Disclosing Sustainability Information

The GRI indicated that disclosure of sustainability reports is an important and crucial step towards achieving a sustainable world by enhancing the accountability of enterprises for the impacts of their economic, environmental and social activities, and their positive and negative contribution to sustainable development (GRI, 2016: 9) [12].

(Bae *et al*., 2018: 2) [3] explained the importance of sustainability disclosure as an effective communication tool with various stakeholders, as sustainability disclosure shows the enterprise’s long-term vision and strategy. The disclosure of sustainability reports is of great importance in measuring and evaluating all economic, social and environmental aspects, which enhances the ability of enterprises to build a long-term strategy.

The publication of sustainability reports strengthens the relationship between economic, environmental, social, and ethical factors and resource allocation within the facility. Management becomes aware of the extent of activities and challenges faced, thereby steering the facility towards enhanced long-term sustainability, improving its reputation, and mitigating associated risks.

The researcher concludes that the disclosure of sustainability reports enhances relationships with all stakeholders by addressing their requirements for environmental, social, and economic information, as well as details regarding the governance model employed by enterprises and risk management practices.

In terms of goals, the GRI explained that the main sustainability goal is defined by the World Commission on Environment and Development as developing the needs of the present without compromising the ability of future generations to meet their own needs. All enterprises, through their activities and relationships, contribute to both positive and negative impacts on their way to achieving the goal of sustainable development. The information contained in sustainability reports allows stakeholders to form opinions on the extent to which enterprises are contributing to the goal of sustainable development, by reporting on their economic, environmental and social impacts in a balanced and coherent manner (GRI, 2016: 3-9) [12].

(Schiehlé & Wallin, 2014: 28) identified two objectives for sustainability reporting: the first is to assess the economic, environmental and social aspects of the enterprise, and the second is to disclose the efforts and progress made on sustainable performance measures by the enterprise to its stakeholders.

The Sustainability Accounting Standards Board (SASB, 2013: 3) [29], in its issued report, defined the objectives of sustainability disclosure as follows:

1. Providing information about an enterprise's sustainability to all stakeholders in order to rationalize their decisions.
2. Assessing the risks and opportunities related to the sustainability of enterprises.
3. Assessing the environmental, social and governance performance as well as the economic performance of enterprises.
4. Providing financial and non-financial information together to provide a complete view of how enterprises

perform and how to create value for them.

2.4 Theories Explaining the Disclosure of Sustainability Information

2.4.1 Stakeholder Theory: This theory is the most commonly used in accounting research to explain sustainability disclosure. The term: "Stakeholders" refers to a group or individual who can influence or be influenced by the achievement of the enterprise's objectives (Freeman, 1984: 46) [10]. The aim of this theory is to help the enterprise to strengthen relationships with all stakeholders in order to develop a competitive advantage.

According to this theory, enterprises must take into account the needs and requirements of all stakeholders and bear responsibility not only to shareholders, but also to customers, suppliers, employees, and society.

According to the GRI, stakeholders are entities or individuals who are reasonably expected to be significantly affected by the sustainability reporting entity's activities, products or services, or individuals whose actions are reasonably expected to affect the entity's ability to implement its strategy or achieve its objectives. For example, individuals whose legal rights or international agreements give them legitimate claims against the enterprise.

(Al Lawati & Hussainey, 2022: 9) [2] explained that meeting the needs of different stakeholders would help enhance the reputation of the enterprise, thus leading to reduced risk and improved financial performance of the enterprise, Additionally, it mitigates information asymmetry and bolsters trust in the data presented by the organization, facilitating informed decision-making by investors.

Based on this theory, the researcher believes that an enterprise that meets the needs of stakeholders, whether internal or external, can obtain many competitive advantages, most importantly reputation, long-term relationships with suppliers and customers, and understanding stakeholder expectations when it involves them in the preparation of its reports.

2.4.2 Enterprise Accountability Theory: According to this theory, enterprise accountability determines the structure of the relationship between management and the rest of the parties of society, Additionally, it involves elucidating the rationale for the enterprise's obligation to report on its environmental and social performance alongside its financial performance, while accountability denotes a legal or moral duty to account for actions attributed to the responsible parties (Wilson, 2003: 4) [32].

The researcher deems that accountability as a criterion is one of the main pillars on which enterprises that want to achieve sustainability are based because it is a mechanism through which the behavior of the enterprise's direction towards achieving sustainability is known and the nature of the relationship between enterprise managers and society through the application of governance within the enterprise.

2.4.3 Legitimacy Theory: Suchman characterized legitimacy as a widespread sense or idea that an organization's activities are desirable, rational, and socially suitable, grounded in norms, values, traditions, and accepted conceptions (Ogochukwu & Grace, 2022: 3) [26].

According to this theory, disclosed information is used as a tool for the enterprise to show that it operates in accordance with societal values and that it fulfills its responsibility to society and its stakeholders. (Correa-Garcia *et al*., 2020: 3) [8] explained that enterprises use sustainability reports as a mechanism to communicate their environmental, social and governance practices in addition to economic ones to all stakeholders who seek to work with a new perspective, which is the ability of the enterprise to understand that economic, environmental and social sustainability is a unified responsibility.

The researcher considers that legitimacy, as is known, is a social contract between the enterprise and society, and that the disclosure of sustainability information by enterprises indicates that these enterprises respect the social contract and apply the aspect of legal requirements and societal expectations, which leads to strengthening their legitimacy and enhancing their financial ability.

2.4.4 Institutional Theory: This theory is complementary to the legitimacy and stakeholder theories. It refers to the existence of a form or social fabric of enterprises within a certain organizational context, and the reason why enterprises take similar organizational forms within a certain environment is to obtain legitimacy, and this theory is considered of great importance in explaining institutional processes and adopting sustainability practices, and its use in analyzing sustainability reports is more important in explaining the case of multinational enterprises that disclose sustainability reports (Montiel & Delgado-Ceballos, 2014: 125)+.

The researcher concludes that organizational constraints necessitate firms to publish sustainability reports to enhance their performance in response to shifts in the business environment.

2.4.5 Signaling Theory: This theory helps to understand the relationship between sustainability reporting and sustainability performance, whereby enterprises provide more realistic and positive signals to stakeholders through reports to make better decisions (Al Shaer & Hussainey, 2022: 1) [2].

The researcher observes that firms are signaling their uniqueness by increasing the transparency of their sustainability reporting, On the contrary, in the case of non-material information that the enterprise does not want to disclose, as these signals allow the managers of the enterprise to prove their distinction from others and alleviate the issue of information asymmetry by sending information owned by one party to other parties that do not own it, which makes this theory a reason for enterprises to resort to disclosure.

2.5 Firm Value

Firm Value is one of the most important methods through which the ability of enterprises to continue, grow and practice their activities that help them to increase their profits and maximize their value in order to compete in the business environment.

(Hidayah, 2014: 2) [15] stated that the long-term goal of enterprises is to maximize their value because this is what concerns investors, as well as the perception of investors towards the enterprise, which is usually related to the stock price.

(Kurniawan *et al*., 2021: 66) [19] Additionally, it shown that Firm Value reflects investors' assessment of the enterprise's success rate, which is intricately linked to its stock price. The Firm worth represents the market worth of the firm or the additional value to shareholders, quantified by the share price.

(Mahdalet *et al*., 2016: 32-33) [22] defined Firm Value as the price that investors are willing to pay if the enterprise is sold. (Lestari & Armayah, 2016: 7) [20] defined Firm Value as the value determined by the market price of the enterprise's common stock, which is a reflection of the enterprise's financial investments and dividends.

Research suggests that there is no autonomous theory of Firm Value; nonetheless, several notions and interpretations exist, particularly those relevant to accounting. (Kapoor, 2009: 8) [17]; (Brigham & Houston, 2018: 337) [5]:

1. **Par value:** This value is established in line with the regulations and directives provided by the firm and is inscribed on the share certificate. The par value does not represent the actual value of the share and is established as the minimum amount of the company's basic capital to ensure adequate liquidity, as issuing shares with a low par value would appeal to investors with restricted incomes.
2. **Book Value:** The value is ascertained based on the enterprise's records and is computed by dividing the equity value by the total number of issued ordinary shares.
3. **Fair Value:** The value is dictated by the stock price in the securities markets, which is influenced by market factors regarding supply and demand. These situations frequently mirror the political and economic landscape. IFRS 13 delineates fair value as the amount that may be obtained for selling an asset or settled for a liability at the measurement date in a typical transaction between market participants under prevailing market circumstances.
4. **Investment Value:** It is a significant value for shareholders (investors), as it represents the sums invested to acquire shares. Its calculation is predicated on the stock's risk and anticipated returns, given that each share has two sources of return: capital gains and annual dividend payments, which rise with the market price of the stock.
5. **Liquidation Value:** The value of equity is ascertained by reassessing the components of the financial statements in the context of the enterprise's liquidation, followed by dividing this value by the total number of issued shares, which is calculated as the market value of the enterprise's assets minus its liabilities.

2.6 Activating the Role of Accounting Information to Enhance Firm Value

In light of the increasing role and influence of accounting information for economic decision-making by stakeholders, the need for greater attention in improving the financial reporting process has increased, and the importance of the quality of accounting information is evident through its role in the decision-making process and reliability.

Many studies have indicated that the quality of accounting information is the extent to which accounting indicators and measures represent reliable and accurate assessments of the performance of organizations. (Păşcan, 2015: 581) [27] stated that the quality of accounting information through IFRS is information that has qualitative characteristics that identify types of information that are useful to stakeholders in making decisions related to the enterprise on the basis of the information provided to them through its reports.

(Chen *et al*., 2011: 2) [7] referred to leading financial reporting assessment bodies such as (SEC) and (FASB) emphasized that high quality accounting information is a way to counteract information asymmetry as well as its positive effects in financial terms in reducing information risk and enhancing liquidity, which maximizes and enhances the value of the enterprise.

(Zhao, 2014: 35) indicated that stakeholders nowadays prefer a high level of information quality that enhances their expectations about the value of the enterprise, especially as the management of enterprises seeks to show high value of the enterprise by increasing the quality of the accounting information provided to them.

Based on the above, the researcher believes that the role of accounting information in maximizing the value of the enterprise lies in presenting high-quality information appropriately and accurately in its financial reports, because the presentation of information is as important as the information itself because any presentation of information in an unorganized manner leads to distraction for the decision maker when they analyze the information contained in the enterprise's reports and thus is unable to make a rational decision, which negatively affects the value of the enterprise and reflects the inability of the enterprise to present its information of relative importance to its users, which is contrary to the conceptual framework for financial reporting.

In addition to presenting the information at the appropriate time, that is, to be available upon request and the need of the decision maker and before it loses its value or its ability to rationalize the decision maker to make the right decision especially for investors because financial information changes its value rapidly in the trading halls of the stock market, so the appropriate timing of providing information has a very important role in decision-making and enhances the value of the enterprise as a responsible enterprise that takes into account the accuracy of the timing in providing information to its users at the appropriate time.

The ability of the accounting information provided by the enterprise through financial reports to meet the needs of stakeholders, reduce information asymmetry, provide information that increases the future forecasts of the enterprise and correct their expectations will reflect positively on the value of the enterprise.

2.7 Relationship between firm value and disclosure of sustainability information in accordance with international standards

The disclosure of sustainability information significantly influences enterprise value, as it serves as a crucial instrument for report users to discern financial risks and opportunities associated with the enterprise's economic, environmental, or social activities. This facilitates informed economic decision-making, thereby enhancing the enterprise's reputation and augmenting its brand value.

(Gurvitsh & Sidorova, 2012: 27) [14] indicated that the disclosure of sustainability information is considered a tool to create additional value for enterprises due to the increasing demand for transparency in financial reports, in addition to the fact that this type of information clarifies the effects of environmental and social aspects in addition to the economic effects of enterprises.

(Battaglia *et al*., 2015: 62) [4] consider that the disclosure of sustainability information leads to increased transparency about the social, environmental and economic impacts of the enterprise, which provides a more detailed description of the enterprise's management of its activities, its ability to link the three dimensions of sustainability according to its strategy, and how it contributes to creating long-term economic value for it.

The study of (Ogochukwu & Grace, 2022: 2) [26] Furthermore, it was elucidated that the disclosure of sustainability information is an objective pursued by enterprises to optimize shareholder wealth, as the preparation of sustainability reports represents a collaborative endeavor to incorporate environmental, social, and economic dimensions into the evaluation and decision-making processes of stakeholders. This form of disclosure fosters a commitment to a sustainable global economy, thereby ensuring the long-term viability and continuity of enterprises while enhancing their competitiveness and ultimately maximizing their value.

The study of found a positive relationship between the value of the enterprise and the disclosure of sustainability information, and confirmed that enterprises that disclose environmental and social sustainability information and governance information in addition to economic information increase their value, i.e. the more disclosure of sustainability information contributes to maximizing the value of the enterprise.

From the above, the researcher believes that the disclosure of sustainability information will contribute to meeting the needs of various stakeholders about the effects of its environmental and social activities in addition to the financial effects, and that enterprises that disclose this type of information are responsible enterprises that respect the surrounding environment and are subject to their legal and social requirements, and they seek to improve their management in light of the rapid changes in the business environment, in addition to seeking to distinguish themselves from other similar enterprises in disclosing sustainability information, referring to reducing information asymmetry for all stakeholders, reducing agency costs and building trust with stakeholders.

3. Research Methodology

The research employs an inductive methodology, grounded in recurrent observations of specific vocabulary, whereby the researcher extrapolates general conclusions from particular instances. This involves analyzing the financial reports of fifteen banks listed on the Iraqi Stock Exchange from 2014 to 2023, utilizing content analysis to gather relevant data and information. The collected data will be quantitatively measured to assess the research variables, followed by statistical analysis to elucidate the relationships among these variables and derive conclusions. Secondary sources utilized encompass literature pertinent to the study issue, academic research, university theses, and articles in specialist periodicals.

3.1 Research Sample

The field of study represented the banking sector due to the importance of this sector in driving development in local economies, strengthening the foundations of internal and international trade transactions, and then the importance of its information and reports to stakeholders, while the study community represented the banks listed on the Iraqi Stock Exchange and their number is (46) banks at the end of (2023), where a judgmental sample of (15) banks was identified and selected, namely (National Iraqi Bank, Erbil Investment, Iraqi Union, Iraqi Investment, Economy for Investment, Commercial Region, Iraqi Credit, International Development, Gulf Commercial, Middle East, and Al-Mansour Investment with a representation rate of (32.61%). The study sample was determined by two criteria: first, the availability of requisite data to assess the study variables; second, the selected banks must consistently disclose financial reports over the ten-year period from 2014 to 2023, resulting in a total of 100 observations (bank/year).

3.2 Research Method

The researcher relied on the statistical programs (SPSS Ver.22) and (AMOS Ver.20) in addition to Excel for the purpose of conducting descriptive and inferential analysis of the study data and extracting the results using a set of statistical methods included in them.

3.3 Measuring the Variables

The study encompassed two variables; the first, the Independent Variable, is the disclosure of sustainability information, denoted as (SRI), and was quantified using (117) data points, by adopting the method of giving the value (1) for the information available in the report and the value (0) otherwise. This information was divided according to the guidelines for disclosure of sustainability information issued by the Global Reporting Initiative (GRI) for (2021) into four sections (a. General Information, B. Economic, C. Environmental, D. Social). The first section (A. General Information) included (33) information, the second section (B. Economic) included 17 information, the third section (C. Environmental) included (31) information, and the fourth section (D. Social) included (36) information.

The sustainability index for each bank is calculated by dividing the items disclosed by the entity by the total number of items according to the following formula.

$$\text{Sustainability Information Disclosure Index} = \frac{\text{Number of Items Disclosed by the Establishment}}{\text{Total Number of Items}} \times 100\%$$

$$\text{The Market Value of the Enterprise} = \frac{\text{Market Value of Equity + Value of Liabilities}}{\text{Total Assets Value}}$$

The second variable is the dependent variable, denoted as (FV), which represents the value of the company and is quantified using the Tobin's Q index (Tafsir, 2021: 5) [31] and (Samara & Nassar, 2023: 5) [28].

4. Discussion of Results

The study encompasses two hypotheses: the connection hypothesis and the effect hypothesis. The subsequent section presents the examination of both hypotheses:

4.1 Descriptive analysis of research variables: Table 1 shows the levels of the study variables for the average of the fifteen sample banks for each year of the study period.

Table 1: Levels of Study Variables by Years

No.	Year	FV	SRI	SRI4	SRI3	SRI2	SRI1
1	2014	0.862	0.159	0.052	0.002	0.322	0.339
2	2015	0.835	0.158	0.048	0.002	0.325	0.340
3	2016	0.786	0.158	0.048	0.002	0.325	0.340
4	2017	0.768	0.158	0.048	0.002	0.325	0.340
5	2018	0.717	0.180	0.054	0.006	0.329	0.402
6	2019	0.697	0.180	0.054	0.006	0.329	0.402
7	2020	0.688	0.193	0.074	0.006	0.329	0.426
8	2021	0.731	0.200	0.074	0.009	0.329	0.451
9	2022	0.741	0.208	0.076	0.011	0.329	0.475
10	2023	0.783	0.207	0.076	0.011	0.329	0.473

Source: Table prepared by the researcher based on the (SPSS) program

Table 1 indicates that the year 2022 exhibited the greatest sustainability report information (SRI) with an arithmetic mean of 0.208, whilst the years 2014-2017 had the lowest level with an arithmetic mean of 0.159. The four sections of the sustainability report indicate that the year 2022 exhibited the highest availability of information in the General Information category, while 2014 demonstrated the lowest. In the Economic category, the years 2018-2023 showed the highest availability, with 2014 again recording the lowest. Lastly, the Environmental category saw the highest availability of information in the years 2022-2023. The year 2014 registered the lowest level, the period from 2022 to 2023 exhibited the highest availability of environmental information, whereas the interval from 2014 to 2017 demonstrated the lowest. Similarly, the years 2022 to 2023 also showed the highest availability of social information, in contrast to the years 2015 to 2017, which recorded the lowest. Regarding enterprise value within the study sample, the year 2014 achieved the highest market and book values, as reflected by an arithmetic mean of 0.862.

Table 2 shows the levels of sustainability reporting information and Firm Value of the banks for all observations for the total sample.

Table 2: Levels of study variables for the total sample

Variables	Code	Arithmetic Mean	Standard Deviation	Lowest Value	Highest Value	Coefficient of Variation
A. General Information	SRI1	0.399	0.189	0.152	0.879	47.46%
b. Economic	SRI2	0.327	0.108	0.118	0.529	33.14%
c. Environmental	SRI3	0.006	0.015	0.000	0.065	266.74%
d. Social	SRI4	0.061	0.066	0.000	0.417	109.11%
Sustainability Reporting Information	SRI	0.180	0.080	0.077	0.470	44.63%
Firm Value	FV	0.761	0.185	0.245	1.292	24.28%

Source: Table prepared by the researcher based on the (SPSS) program

It can be inferred from Table 2 that there are low levels of availability of sustainability reporting information according to international standards, as indicated by the arithmetic mean of (0.180), and at the level of the four sections of sustainability reporting information.

At the level of the four sections of sustainability report information, it is noted that section (a. General Information) had the highest availability of information with a mean value of (0.399), followed by section (0.399) with a mean value of (0.327), then section (d. Social) with a mean value of (0.061), and finally section (c. Environmental) with a mean value of (0.006).

Consistency in the perspectives regarding sustainability report information is evident across most sections, as demonstrated by the reduction in standard deviation and the coefficient of variation falling below 50% (with the exception of sections c. Environmental and d. Social). This suggests the reliability of the arithmetic mean and its representation of the overall sample. The Firm Value of banks is low, as indicated by the arithmetic mean of 0.761, which is below one. This finding corroborates the overall sample representation, reflecting a reduction in both the standard deviation and the coefficient of variation.

4.2 Testing Hypothesis

The study encompasses two hypotheses: the connection hypothesis and the effect hypothesis. The subsequent section presents a test of both assumptions:

(H1) The First Hypothesis: There is a significant correlation between disclosure of sustainability information and Firm Value. Pearson correlation coefficient was calculated for the purpose of determining the significance, strength and direction of the relationship between sustainability reporting information and Firm Value, Table 3 shows the results of the correlation coefficient value.

Table 3: Correlation between study variables

Variables		FV
SRI1	Pearson	0.120
	(Sig.)	0.145
SRI2	Pearson	0.317**
	(Sig.)	0.000
SRI3	Pearson	0.036
	(Sig.)	0.663
SRI4	Pearson	0.183*
	(Sig.)	0.025
SRI	Pearson	0.190*
	(Sig.)	0.020
FV	Pearson	1
	(Sig.)	

(**) Significant at (1%) significance level, (*) Significant at (5%) significance level

Source: Table prepared by the researcher based on the SPSS program

Table 3 illustrates a significant positive correlation between the disclosure of sustainability information and Firm Value, indicating that an increase in sustainability information disclosure correlates with an increase in Firm Value, with the strength of this positive relationship varying across different sections.

This outcome aligns with the findings of which identified a positive association between the extent of sustainability information disclosure and Firm Value; hence, the initial primary hypothesis is validated.

(H2) Hypothesis 2: There is a significant effect of sustainability information disclosure on Firm Value.

To evaluate this hypothesis, a straightforward linear regression equation was created to estimate Firm Value based on sustainability information, aiming to ascertain the extent of its influence on the bank's Firm Value. The findings of this effect are presented in Table (4).

Table 4: Results of the effect of sustainability information on firm value

Variables	(R2)	(Adjusted R2)	(F)	(Sig.)
	0.036	0.030	5.560	0.020
	Constant Coefficient (β0)	Regression Coefficient (β)	(T)	(Sig.)
Sustainability reporting information	0.682	0.437	2.358	0.020

Source: Table prepared by the researcher based on the SPSS program.

Table 4 demonstrates the validity of the regression equation model, evidenced by a (F) value of (5.560) at a significance level below (5%), indicating the feasibility of estimating enterprise value based on sustainability information. Additionally, the (T) value of (2.358) at a significance level below (5%) signifies a substantial effect. The regression coefficient (β) value of 0.437 signifies a positive effect, the presence of sustainability information in the sampled banks will positively influence the enterprise's value, enhancing it. The coefficient of determination (R2) of 0.036 signifies that sustainability information accounts for 3.6% of the variations in the enterprise's value, thereby validating the second main hypothesis.

These results are consistent with the study of (Ogochukwu & Grace, 2022) [26], which found an effect of sustainability information on Firm Value, and this indicates that enterprises that disclose sustainability information increase their value, i.e. Increased transparency about sustainability information enhances the enterprise's value.

5. Conclusions

The theoretical and practical aspects of the research led to a set of conclusions, the most important of which are the following:

1. The interest in sustainability accounting by enterprises posed a challenge to them in achieving sustainability and their ability to train and develop accountants and enhance their abilities to fully understand the possibility of integrating the performance of the economic, social and environmental dimensions of the enterprise and support their statistical and analytical skills and abilities for financial and non-financial information on sustainability-related information.
2. Growing interest in sustainability information due to developments in the business environment and increasing pressure from stakeholders and international organizations on enterprises to expand disclosure and show the social and environmental impacts of the enterprise, not just the economic ones.
3. Sustainability information is a channel of communication between the enterprise and its stakeholders to provide more information about the enterprise in a more transparent manner about the enterprise's economic, environmental and social impacts in a balanced and interconnected manner.
4. Disclosure of sustainability information is an effective management tool that provides confidence to internal and external stakeholders, as enterprises that disclose information about their social and environmental performance with the economy are seen as responsible and trustworthy enterprises.
5. The disclosure of sustainability information enhances relationships with stakeholders by addressing their requirements for environmental, social, and economic data, while also offering insights into the governance frameworks employed by organizations and their risk management practices.
6. A substantial positive correlation exists between the disclosure of sustainability information and the valuation of the sampled banks, suggesting that increased disclosure correlates with elevated bank value, thereby indicating that such disclosure enhances enterprise value.
7. The level of sustainability information disclosure positively and significantly affects the value of the sample banks, indicating that such disclosure yields numerous benefits, including the provision of financial and non-financial information that addresses stakeholder needs and bolsters their confidence in the enterprise's information. It also elucidates the enterprise's capacity to generate and sustain long-term value, as well as the potential threats it may encounter and their future implications.

6. References

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