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Research Article

The Implementation of Sustainability Accounting Standards on Investors' Decisions through the Mediating Role of Financial Report Quality

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ABSTRACT

The aim of this research is to analyze and understand the correlation and potential impact between sustainability accounting standards and the quality of financial reports, as well as how this impact may influence investors' decisions. This is achieved by examining how a company's financial and non-financial performance interact and analyzing how sustainability accounting standards affect the accuracy and transparency of financial reports. The study also explores how the inclusion of sustainability information in financial reports influences investors' decisions regarding investments in companies.

To achieve the research objective, three theoretical frameworks were adopted: the Ecology Theory, the Labor Value and Surplus Value Theory, and the Stakeholder Theory. Additionally, data collection and analysis were conducted on a selected sample of investors in industrial companies listed on the Iraq Stock Exchange. Data was obtained through a structured questionnaire. The research reached several conclusions, the most important of which are: There is a significant positive effect of environmental, social, and economic sustainability accounting standards on the quality of financial reports. There is a positive effect of environmental, social, and economic sustainability accounting standards on investors' decisions. The quality of financial reports has a positive impact on investors' decisions.The quality of financial reports plays a mediating role in the relationship between environmental, social, and economic sustainability accounting standards and investors' decisions.

Keywords: sustainability, significant, environmental

INTRODUCTION

Sustainability has become a central concept in the modern business environment. Institutional success is no longer measured solely by short-term financial results, but rather by an organization's ability to effectively balance the economic, social, and environmental dimensions. In this context, **sustainability accounting** has emerged as a strategic tool that aims to provide accurate and comprehensive accounting information, contributing to the evaluation of sustainable performance and guiding organizations toward responsible decisions with long-term impact.

Sustainability accounting standards address a set of frameworks and guidelines that regulate the disclosure of non-financial performance indicators, particularly those related to Environmental, Social, and Governance (ESG) criteria. These standards enhance transparency and reliability, enabling investors to understand how companies manage sustainability-related risks and opportunities and to make investment decisions based on integrated information (Melvin, 2021, p.2; IR.org, 2015, p.4). Ecclec (2022, p.15) highlighted that incorporating non-financial dimensions into traditional reporting provides a more holistic view of sustainable value creation and strengthens stakeholders' trust, especially amid growing demand for transparent and accountable disclosure.

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Despite the growing implementation of these standards, the **research problem** lies in the knowledge and professional gap regarding the extent to which applying sustainability accounting standards influences the quality of financial reporting and its impact on investors' decision-making. While some studies (Sander, 2016, p.14; Serafeim, 2016, p.28) indicate that integrating financial and non-financial data helps direct capital toward more sustainable entities, there are also indications that investors still face challenges in interpreting certain aspects of sustainability disclosures, especially those related to complex environmental and social indicators and their linkage to market performance.

Based on the above, the current research aims to:

- **Analyze the impact of applying sustainability accounting standards on the quality of financial reports** issued by companies and institutions.
- **Evaluate how the quality of these reports reflects on investors' decisions** and to what extent it contributes to improving their responsiveness to sustainability-related risks and opportunities.

The **importance of this study** lies in its attempt to bridge the gap between theory and practice in the field of sustainability accounting by focusing on the relationship between non-financial disclosure and report quality, and its influence on investment behavior in financial markets. The study also offers an analytical framework that can assist decision-makers, regulatory bodies, and companies in understanding the value of adopting sustainability accounting standards and their impact on investor confidence and sustainable investment.

This study comes in response to the rapid developments in the global business environment and the growing debates around the role of accounting in promoting transparency and accountability, and in guiding capital toward long-term development goals. Achieving sustainable growth has become one of the major challenges facing companies in the twenty-first century, which makes the subject of this research of increasing practical and academic significance (Parkin et al., 2003, p.3; Al-Mashharawi, 2015, p.158).

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The **Sustainability Accounting Standards Board (SASB)** aims to facilitate investors' ability to access **material sustainability information** with **minimal effort and cost**, helping them make **informed investment decisions**. SASB standards are specifically designed to support investors by **integrating sustainability information into all corporate activities** through the following key approaches (**SASB, 2020, p.5**):

Fundamental Analysis

- Providing **sustainability and financial information together** ensures a **comprehensive basis for financial evaluation**.
- Assisting in **modifying the amount of information**, **assessing debt**, and **evaluating management quality** for selecting financial securities.

Comparison and Benchmarking

- Economic entities disclose **thousands of data points annually**, making it challenging to **assess performance consistently**.
- SASB **sustainability metrics** for specific industries allow investors to **compare** the performance of **similar economic entities within the same industry** based on key sustainability factors.

Portfolio Management within the Sustainable Industry Classification System

- Grouping **similar industries** based on **business models and sustainability impacts**.

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Research Article

- Defining **industry-specific sustainability standards** to provide **critical investment information**.
- Helping investors **identify and manage risks and opportunities** related to sustainable investment exposure.

Engagement Activities

- Utilizing **sustainability accounting standards** enables **investors and economic entities** to have **focused and productive discussions** regarding financial sustainability factors.

SASB evaluates the **material significance of sustainability aspects** based on **investor-focused criteria**, considering multiple dimensions (**SASB, 2020, p.9**):

Financial Impact and Risks

- Assessing **how specific sustainability issues directly impact the financial performance** of an economic entity **in the short or medium term**.

Legal and Regulatory Policies

- Examining **policy and regulatory changes** that may influence economic activities.
- Assessing compliance **costs and opportunities related to new markets or business models** under different regulatory systems.

Industry Standards and Competitive Operating Programs

- Identifying **industry-specific challenges** and how **competition** may **pressure management** to enhance sustainability performance.

Stakeholder Concerns and Social Trends

- Evaluating how stakeholder **concerns may impact financial and operational performance**, influence **reputation**, or **alter customer demand**.

Innovation Opportunities

- Analyzing **new product innovations** or business model adaptations to address sustainability challenges, such as **market expansion**.

Experienced investors in today's business environment recognize that companies integrating **social and environmental considerations alongside profit maximization** are **more reliable investment choices** compared to those that neglect sustainability. These companies provide **a more stable investment environment with increasing and secure returns**.

Sustainability accounting standards enhance the **analytical capabilities of investment experts** by providing **high-quality financial reports** that **clearly reflect the economic entity's status**. This supports **investment professionals in obtaining comprehensive data** for making **strategic investment decisions**, improving **their reputation**, and **expanding their capital** (**Assad & Alshurideh, 2020, p.49**).

Key factors that **strengthen the role of sustainability accounting standards in investment decisions** include:

- **Perceived financial report quality is influenced by the quality of its management.**
- **The quality of financial reports has a direct financial impact on economic entities.**

Journal of Information Systems Engineering and Management
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- **The business model explanation is a core component of integrated sustainability reporting, as investors focus on how business models generate cash flows and align with overall strategies.**
- **Gaps in financial risk disclosure exist in traditional reporting. Investors prefer sustainability accounting standards as they provide clearer insights into risk management strategies** (**Zhang et al., 2013, p.69**).

A study of investment professionals found that **87%** of respondents believed that **the links between sustainability accounting standards, performance indicators, strategic objectives, risks, and financial data were crucial** for financial analysis. Investment decisions depend on **the clarity, transparency, and accuracy** of relevant information. By aligning **global sustainability frameworks**, sustainability accounting standards strengthen **investor-business relationships** and enhance the **market value understanding** of economic entities. This, in turn, **bridges the gap between accounting and market value** while ensuring the **long-term sustainability** of financial performance (**Knauer et al., 2014, p.1**).

On the other hand, high-quality financial information represents an important source of information that shareholders can use to monitor the company's management. This helps in establishing an oversight role in the capital market in a way that contributes to reducing agency problems between shareholders and managers, increasing shareholders' supervisory capabilities over managers, improving management performance when choosing among investment projects, and reducing external financing costs; ultimately leading to an increase in the efficiency of investment decisions (2019: 74 Li and Wang).

Financial analysis of financial reports is considered one of the fundamental tools in making investment decisions for the following reasons (Atrill, 2020: 50):

- **Immediate Performance Evaluation:** It provides up-to-date data that helps investors evaluate the company's performance in real time. This allows them to make sound investment decisions based on the most current available information.
- **Understanding Economic Trends:** The financial ratios derived from these reports help analyze trends over multiple periods, enabling investors to predict the company's future performance and assess the impact of current economic conditions on business sectors.
- **Comparison Between Companies:** By using financial ratios, investors can compare different companies within the same industry or market sector. This comparison helps identify companies with better financial performance and determine the most attractive investment opportunities.
- **Ease of Understanding and Use:** Financial ratios are easy to extract and understand, making them a valuable tool for investors at all levels, whether they are professionals or individuals seeking personal investments.
- **Assessment of Liquidity and Debt:** Ratios such as the current liquidity ratio and the debt-to-equity ratio help investors evaluate the company's ability to timely pay its debts and other obligations.
- **Detection of Potential Performance Issues:** Financial analysis may reveal management or financial problems that could affect future performance, thereby helping investors decide whether to sell their shares or avoid certain investments.

The quality of financial reports is affected by several factors that influence investors' decisions. The most important of these factors can be summarized as follows:

1. **Environmental Factors (Accounting Environment):** The economic, social, and political conditions in which the economic unit operates affect the quality of accounting information presented in the financial

Journal of Information Systems Engineering and Management
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https://www.jisem-journal.com/
Research Article

statements. The census data presented differs from one country to another due to the differences in environmental conditions. Since the accounting system operates within these environments, the latter directly determines the objectives of accounting and the accounting principles and standards, including the quality, quantity, and impact of data on the organization and the level of its usage. The accounting environment includes the conditions, constraints, and economic, social, political, legal, and cultural influences that vary from country to country and change over time. Accordingly, below we attempt to clarify the effects of the accounting environment factors on the quality of financial data: Zhang et al. 2013; 69).

a. **Economic Factors:**The type of information provided by the financial statements depends on the economic context. In a capitalist economy, financial information is important as the focus is on providing information that meets the users' needs, whereas in a socialist economy, the focus is on statistical information related to the state.

b. **Political Factors:**Political environmental issues affect the structure of accounting and accounting procedures, where it is necessary to define the requirements of accounting information for the users of financial statements according to the political conditions of each country. Specialists' opinions and institutions must develop their capacities to meet these needs in a manner that removes any contradiction between the required and available information.

c. **Social Factors:**The quality of accounting information is influenced by many social values, such as the tendency to value the confidentiality of resources and time. Confidentiality affects the process of collecting and disseminating accounting information, and the importance of time is evident since the state is very sensitive to time, focuses on profit and loss accounts, and provides accounting information at short intervals, such as quarterly, for example; and vice versa for a state that does not do so.

d. **Legal Factors:**Legal issues, most notably a set of institutions, laws, and regulations, directly and indirectly affect the auditing profession by monitoring and controlling its activities, especially with the addition of anonymous companies managed by entities with distinctive proprietary personalities. They are subject to legal and tax systems from their inception until publication, which is reflected in the way information is prepared and presented in financial statements.

e. **Cultural Factors:**This refers to the level of education and the organizational role of employees, as learning rates affect statistical practices in general and the qualitative characteristics of statistical data in particular. In countries with low educational levels, many people find it difficult to understand the content of financial data and use it for decision-making, while the opposite is true in countries with high education levels. The same applies to the state of professional organizations; countries that prioritize the establishment of associations and professional organizations that design and organize auditing processes prefer the audit information provided in audit reports.

2. **Auditor's Report (External Auditor):**The audit report provided by the auditor examines the financial data, determines the reliability of the information contained therein, and identifies whether the prepared and presented financial statements comply with the applicable legal principles. This is done correctly, according to proper accounting policies and the applicable legal requirements. It clarifies the reliability of the financial data and its meeting of investors' requirements (2019: 74 Li and Wang).

In light of the above, it can be said that sustainability accounting standards play a pivotal role in enhancing the quality of financial reports, serving the long-term interests of investors. These standards do not merely focus on traditional financial performance evaluation but extend to include environmental, social, and governance dimensions that affect the sustainability of the economic unit and its ability to create value over time. Therefore, companies that adopt these standards provide investors with comprehensive and accurate information that helps them make sound investment decisions, reflecting their commitment to transparency, and social and

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Research Article

environmental responsibility. Thus, sustainable reports become not only a tool for reporting performance but also a means to build trust and credibility with investors and enhance financial stability and long-term growth.

Based on the above, the following hypotheses can be formulated:

There is a statistically significant effect of the quality of financial reports on the relationship between sustainability accounting standards and investors' decisions.

From this hypothesis, the following sub-hypotheses emerge:

a. There is a statistically significant effect of the quality of financial reports on the relationship between environmental sustainability accounting standards and investors' decisions.
b. There is a statistically significant effect of the quality of financial reports on the relationship between social sustainability accounting standards and investors' decisions.
c. There is a statistically significant effect of the quality of financial reports on the relationship between economic sustainability accounting standards and investors' decisions.

RESEARCH METHODS

Defining the research population and sample is considered one of the fundamental steps in any scientific study, as it significantly contributes to achieving the research objectives with precision and effectiveness. In light of the nature of this study—which aims to analyze the impact of applying sustainability accounting standards on the quality of financial reports and its reflection on investors' decisions—the research population was identified to include all employees working in Iraqi industrial companies. These individuals are among the most relevant to the subject under investigation due to the nature of their work, which encompasses interrelated financial, operational, and social aspects that are influenced by and interact with sustainability principles.

The study population consists of **25 industrial companies** listed on the **Iraq Stock Exchange**. These companies are considered among the most active entities in the industrial sector and operate within a regulatory environment that allows for both financial and non-financial disclosures. The selection of these companies was based on criteria related to transparency, trading volume, and the availability of annual reports.

Given the nature and objectives of the research, the **purposive sampling method** was adopted for selecting the study sample. The sample consisted of a group of **investors and financial analysts** who hold shares or conduct transactions in **18 of the 25 industrial companies**, based on the availability of information, cooperation from the companies with the research team, and the strategic involvement of these investors in activities affected by the quality of financial reporting and the level of compliance with sustainability standards.

The selection of this sample focused on groups that directly interact with the outputs of financial reports, such as:

- Individual investors in the capital market.
- Financial analysts working in brokerage and consulting firms.
- Employees from accounting, reporting, and sustainability departments within industrial companies.

The final sample included a specific number of individuals from whom data were collected using a well-structured questionnaire tool, designed according to the five-point Likert scale. The questionnaire covered dimensions related to sustainability accounting standards, the quality of financial reports, and investor behavior.

Table (1) below presents the demographic and professional characteristics of the research sample, which include:

- **Academic qualification**: including fields such as accounting, finance, and management.
- **Years of practical experience** in investment or financial analysis.
- **Professional certifications** obtained by sample participants, such as CPA or CMA.

Journal of Information Systems Engineering and Management
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Research Article

- **Number of training courses** related to sustainability or financial reporting.

This diversity in the research sample contributes to enriching the study results and ensuring a balanced representation of various perspectives related to the research problem.

Table (1) Description of Research Sample Individuals

No.	Details	Count	Percentage
1. Specialization			
	Management	84	30%
	Accounting and Auditing	95	34%
	Other Specializations	101	36%
	Total	**280**	**100%**
2. Investment Duration			
	1–7 years	33	12%
	8–15 years	44	16%
	16–20 years	117	42%
	More than 20 years	86	31%
	Total	**280**	**100%**
3. Educational Qualification			
	Diploma	22	8%
	Bachelor's	140	50%
	Master's or equivalent	62	22%
	Doctorate or equivalent	56	20%
	Total	**280**	**100%**

It is clear from Table (1) that the individuals in the selected sample possess characteristics that align with the research objectives. The majority of the sample are either in the field of accounting and auditing or other specializations, while those working in governmental accounting units represent a small proportion relative to the sample. This indicates that they have the necessary knowledge and expertise to conduct the study.

Regarding the investment duration of the sample individuals, it shows that the majority have substantial practical investment experience, with most having between 16 and 20 years of experience. This suggests that most of the sample possess significant practical expertise.

Similarly, the academic qualifications of the sample individuals indicate that the majority hold either a master's or a bachelor's degree, with a considerable proportion also holding a doctorate. This further suggests that they possess the characteristics needed to effectively respond to the research questions.

Coding of Scale Items :The process of coding the study variables is one of the fundamental steps in statistical analysis. This is done to facilitate the entry of the study data into the statistical software programs used for statistical analysis. Below is an overview of the process of coding the scale items.

Table (2): Coding of Study Variable Items

Field Name	Code Number of Items

Journal of Information Systems Engineering and Management
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Research Article

Field Name	Code	Number of Items
Environmental Dimension	END	11
Social Dimension	SOD	10
Economic Dimension	ECD	8
Social Responsibility Standards	SAS	29
Investors' Decisions	IND	15
Quality of Financial Reports	QFR	18

Source: Prepared by the researcher.

Reliability of the Study Scale

Before undertaking the various statistical tests in this study, it was necessary to assess the reliability of the measurement scale used to collect the required data. To verify the reliability of the research instrument, Cronbach's Alpha coefficient was calculated. Through the reliability coefficient using the internal consistency method, it is ensured that the questionnaire measures what it is intended to measure and confirms its validity. Although there is no strict rule to determine the appropriate values for Cronbach's Alpha, there is a general consensus that applied research should have a Cronbach Alpha coefficient of 0.60 or higher. Accordingly, Table (4) indicates that this condition is met for all scale items.

Table (4): Cronbach's Alpha Coefficient for the Study Scale

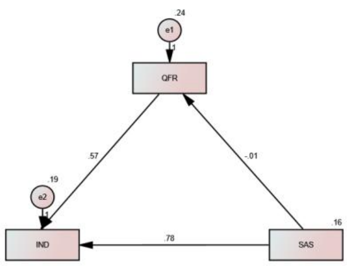
Field	Code	Number of Items	Cronbach's Alpha
Environmental Dimension	END	11	0.825
Social Dimension	SOD	10	0.816
Economic Dimension	ECD	8	0.862
Social Responsibility Standards	SAS	29	0.823
Investors' Decisions	IND	15	0.915
Quality of Financial Reports	QFR	18	0.863

Source: Prepared by the researcher based on the results of Program 24.

Results of the Main Hypothesis Test

The main hypothesis states: *"There is a statistically significant effect of the quality of financial reports on the relationship between sustainability accounting standards and investors' decisions."*

Based on the structural equation model shown in Figure (1), this hypothesis has been validated.



Journal of Information Systems Engineering and Management
2025, 10(36s)
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https://www.jisem-journal.com/ **Research Article**

Figure (1): Structural Equation Model for Testing the Main Hypothesis

Table (5): Regression Analysis for the Main Hypothesis

			Estimate	S.E.	C.R.	P	Label
QFR	<---	SAS	-.011	.098	-.110	.013	
IND	<---	SAS	.777	.088	8.869	***	
IND	<---	QFR	.571	.071	8.023	***	

Source: Prepared by the researcher based on the outputs of the statistical software (AMOS V24).

A regression analysis was conducted on the data presented in Table 5. It revealed that program budgeting and performance adaption has a significant positive impact on the strategies employed by public sector entities, (β = 0. 06), p < 0. 05. In addition, the computed value of C. R (076 .1) .which is greater than the tabulated value and the significance level (P-value) (0. 000) less than (0. 05) show that adoption of target costing strategy by financial institutions made it possible for them to price their banking services so that they could attain their goals, earn profits, and stay in business as usual. Consequently, with reference to the aforementioned analysis, we reject the null hypothesis and accept the alternative hypothesis that there is statistical relationship between sustainability accounting standards and quality financial reports impacting on investment decision making but only if proven true at 99 percent confidence level as posited below.

Results of Testing the First Sub-Hypothesis of the Main Hypothesis:

The first sub-hypothesis of the main hypothesis states: *"There is a statistically significant effect of the quality of financial reports on the relationship between environmental sustainability accounting standards and investors' decisions."*

Based on the structural equation model shown in Figure (2), this hypothesis has been validated.

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https://www.jisem-journal.com/

Research Article

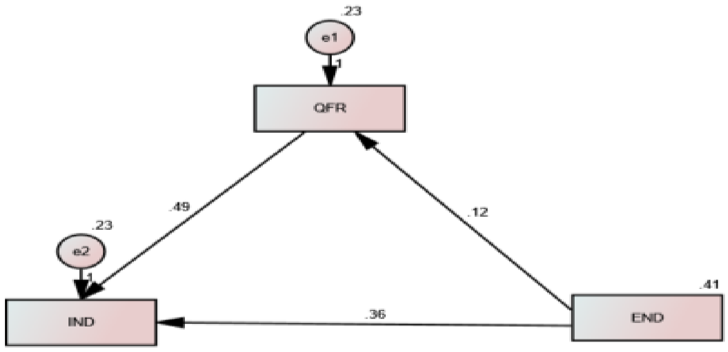

Figure (2): Structural Equation Model for Testing the First Sub-Hypothesis of the Main Hypothesis

Table (6): Regression Analysis for the First Sub-Hypothesis of the Main Hypothesis

			Estimate	S.E.	C.R.	P	Label
QFR	<---	END	.121	.059	2.046	.041	
IND	<---	QFR	.489	.080	6.140	***	
IND	<---	END	.360	.060	5.950	***	

Source: Prepared by the researcher based on the outputs of the statistical software (AMOS V24).

From the analysis in Table 6, it can be observed that the regression analysis presented statistically significant relationship between sustainability of financial records and customer decision. Sustainability of financial records has an effect on the customers' decision regarding investment (Regression coefficient=0. 360.(

This again means that we reject the null hypothesis in favor of an alternative one. The alternative hypothesis is hereby supported i. E. There exists statistical relationship between SSE disclosure quality and customer investment decisionality (β = 0. 345, t = 2. 416, p < 0. 05(The calculated t-statistic value was more than enough to reject the null hypothesis based on its comparison with the tabulated t-value at an alpha level of 0. 05. Given that the calculated t-value of 2. 416 is greater than the critical t-value (1. 645) at a specified confidence level of 95%, we reject H0: $\beta 1 = 0$ in favor of H1: $\beta 1 \neq 0$, which suggests that there is a statistically significant relationship between SSE disclosure quality and customer investment decisionality.Proceeding further from this, it can be concluded that we reject the null hypothesis in the favour of the alternate hypothesis that states about association between the dependent variable X and quality of marketing intelligence Y is not equal to zero at 0. 05 significance level.

Journal of Information Systems Engineering and Management
2025, 10(36s)
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https://www.jisem-journal.com/
Research Article

Results of Testing the Second Sub-Hypothesis of the Main Hypothesis:

The second sub-hypothesis of the main hypothesis states: *"There is a statistically significant effect of the quality of financial reports on the relationship between social sustainability accounting standards and investors' decisions."*

Based on the structural equation model shown in Figure (3), this hypothesis has been validated.

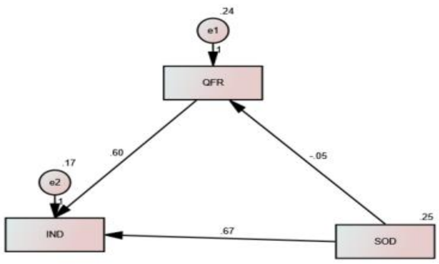

Figure (3): Structural Equation Model for Testing the Second Sub-Hypothesis of the Main Hypothesis

Table (7): Regression Analysis for the Second Sub-Hypothesis of the Main Hypothesis

			Estimate	S.E.	C.R.	P	Label
QFR	<---	SOD	.048	.077	.626	.031	
IND	<---	QFR	.599	.068	8.823	***	
IND	<---	SOD	.670	.066	10.114	***	

Source: Prepared by the researcher based on the outputs of the statistical software (AMOS V24).

From the regression analysis in Table 7, it can be seen that the quality of financial reports significantly affects the relationship between social sustainability accounting standards and investment decision. The regression coefficient value is positive (0. 670) which indicates statistical importance. Additionally, considering the computed C. R. Value of (10. 114), which is greater than the standard (tabulated) value, and (P-value) < (0. 05) = (0. 000), then it can be noted that integration of social sustainability accounting standards has an impact on enhancing investors' decisions depending on the quality of financial reports. Consequently, we reject the null hypothesis and accept the alternative hypothesis that postulates a significant statistical relationship between social sustainability accounting standards, investment decisions and financial reporting practices.

Results of Testing the Third Sub-Hypothesis of the Main Hypothesis:

The third sub-hypothesis of the main hypothesis states: *"There is a statistically significant effect of the quality of*

Journal of Information Systems Engineering and Management
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https://www.jisem-journal.com/
Research Article

financial reports on the relationship between economic sustainability accounting standards and investors' decisions."

Based on the structural equation model shown in Figure (4), this hypothesis has been validated.

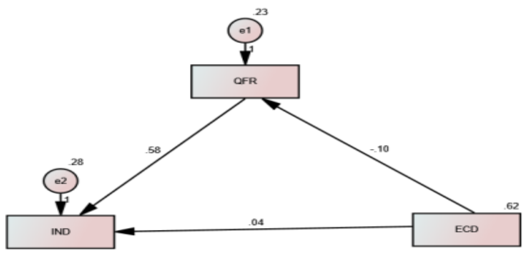

Figure (4): Structural Equation Model for Testing the Third Sub-Hypothesis of the Main Hypothesis

Table (8): Regression Analysis for the Third Sub-Hypothesis of the Main Hypothesis

			Estimate	S.E.	C.R.	P	Label
QFR	<---	ECD	.105	.048	2.168	.030	
IND	<---	QFR	.577	.088	6.545	***	
IND	<---	ECD	.041	.054	.758	.009	

Source: Prepared by the researcher based on the outputs of the statistical software (AMOS V24).

From Table 8, the statistical analysis on regression shows that financial reports quality affect economic sustainability accounting standards and thereby influences investors' choices . The above is proved by the regression coefficient of 0. 041, computed C. R. Value (0. 758) having greater significance (P-value < 0. 05), and less than (0. 000) . Conclusively, the relationship among economic sustainability accounting standards, quality financial reports, and investors' decisions is statistically significant. Consequently, we reject the null hypothesis and accept the alternative hypothesis.

Summary of Results

The research findings prove that sustainability accounting standards greatly influence financial reporting quality. This goes to show that investors highly trust financial statement that follow sustainability accounting standards because such accounts are comprehensive containing both quantitative and qualitative data of an entity. It was also

Journal of Information Systems Engineering and Management
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Research Article

found out from the study that equity investors rely on financial statements based on sustainability accounting principles. The results of this research support Habiba Al-Shaer et al. (2019).

In addition, the statistical results support the null hypothesis, which states that the quality of financial reports has no influence on the relationship between sustainability accounting standards (environmental, social, and economic) and investment-related decisions.

This result was in support of Nur et al. (2023).

Conclusions and Recommendations

Based on the results of the hypothesis testing, the researchers concluded the following:

- **Role of Sustainability Accounting Standards:** Sustainability accounting standards play a pivotal role in enhancing the quality of financial reports in several ways. They assist companies in integrating sustainability standards into their financial and administrative processes, thereby increasing transparency and credibility in financial reports. This, in turn, facilitates investors and analysts in evaluating a company's performance not only financially but also in terms of its commitment to environmental, social, and governance (ESG) standards.
- **Dependence on Quality Information:** The quality of financial reports largely depends on the quality of the accounting information contained within them. By ensuring credibility, usefulness, adherence to standards, and quality in content and presentation, financial reports can help enhance trust between management and stakeholders, thereby supporting the effectiveness of financial markets.
- **Attention to Sustainability Standards:** The results indicated that the companies in the study sample pay close attention to environmental, social, and economic sustainability accounting standards, according to the opinions of the respondents. The responses for this variable exceeded the assumed mean, demonstrating investors' satisfaction with these companies' commitment to sustainability accounting standards.
- **Impact on Investment Decisions:** The findings showed that investors consider the information contained in financial reports—whether financial or non-financial—when making decisions. Their decisions are influenced by these reports, as the responses for this variable exceeded the assumed mean, indicating that investors are satisfied with the decisions they have made regarding investments in these companies.
- **Emphasis on Report Quality:** The results demonstrated that the companies in the study sample also focus on the quality of their financial reports. The responses for this variable exceeded the assumed mean, which indicates that investors are satisfied with the companies' emphasis on producing high-quality financial reports.
- **Overall Impact on Investor Decisions:** The overall hypothesis testing and its sub-hypotheses confirmed that there is a statistically significant effect of the quality of financial reports on the relationship between sustainability accounting standards and investors' decisions. This is attributed to the companies' focus on implementing sustainability accounting standards, which is positively reflected in the preparation of high-quality financial reports that, in turn, positively influence investor decisions by providing data that accurately reflects the company's operations.

Based on these findings, the researchers recommend the following:

- **Adoption of Emission-Reducing Technologies:** Utilize techniques such as electrostatic precipitators for dust deposition, as they are an important step toward reducing emissions. Further efforts should be made to achieve more sustainable operations that are less harmful to public health and the environment.

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Research Article

- **Enhanced Monitoring and Control:**Strengthen oversight and monitoring within the companies in the study sample by increasing the use of air pollution measurement devices and improving the methods used to assess pollution levels. This will help reduce emissions and support the implementation of emission reduction technologies such as filters and emission control systems to lower levels of carbon dioxide and nitrogen.
- **Promoting Gender Balance:**Enhance gender balance by considering policies that encourage the employment of women, thereby increasing diversity and inclusion.
- **Investment in Employee Training:**Increase investment in training employees within the company. Strengthening internal capacities can reduce the high costs associated with external training and improve productivity and skills in a sustainable and effective manner.
- **Improved Commitment to ESG Standards:**Increase the focus on improving adherence to sustainability accounting standards (ESG) by developing and implementing comprehensive policies and training programs aimed at raising environmental and social awareness among all employees. Allocate additional resources to enhance sustainable infrastructure, with the goal of increasing commitment levels and reducing the environmental and social impact of the company.
- **Regular Environmental Awareness Programs:**Implement regular environmental awareness programs for all employees to enhance environmental consciousness and integrate environmental issues into the company culture.
- **Recruitment and Training of Experts:**Recruit and train more experts and qualified professionals in the fields of environmental pollution and its accounting and technical management to enhance the company's ability to effectively address environmental issues.

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