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The Impact of Accounting Disclosure of Sustainable Development Practice on Accounting Information's Predictive Ability (Applied Study)

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Abstract:

The research seeks to analyze the impact of the accounting disclosure of sustainable development practices on accounting information's predictive ability.

The study depends on a sample of 42 companies of those listed on the Egyptian Stock Exchange working in various sectors during the period from (2018-2022).

T**he results of the study** reveal that there is a positive relationship between the disclosure of sustainable development practices in its three dimensions and accounting conservatism as a measure of the predictive ability of accounting information, and, there is a positive relationship between the disclosure of sustainable development practices (as a cumulative index of three dimensions combined) and the price model of the value relevance of accounting information as a measure of the predictive ability of accounting information.

Based on the results, the research recommends motivating the Egyptian firms to increase the level of accounting disclosure of sustainable development practices as a method of enhancing accounting information predictive ability to attract new investment opportunities.

Keywords: Sustainable Development Practices, Accounting Disclosure of Sustainable Development, Predictive Ability of Accounting Information.

الملخص:

يهدف البحث إلى تحليل أثر الإفصاح المحاسبي عن ممارسات التنمية المستدامة على القدرة التنبؤية للمعلومات المحاسبية.

اعتمدت الدراسة على عينة مكونة من ٤٢ شركة من الشركات المقيدة بالبورصة المصرية في مختلف القطاعات عن مدة من عام ٢٠١٨ حتى ٢٠٢٢م.

توصلت الدراسة إلى نتائج تنص على وجود علاقة موجبة بين الإفصاح المحاسبي عن ممارسات التنمية المستدامة بأبعادها الثلاثة والتحفظ المحاسبي كمقياس للقدرة التنبؤية للمعلومات المحاسبية، وأيضاً توجد علاقة موجبة بين الإفصاح المحاسبي عن ممارسات التنمية المستدامة (كمؤشر متعدد أو ثلاثي الأبعاد) ونموذج السعر لملاءمة المعلومات المحاسبية كمقياس للقدرة التنبؤية للمعلومات المحاسبية.

واعتماداً على هذه النتائج، يُوصي البحث بأن يتم تحفيز الشركات المصرية على زيادة الإفصاح المحاسبي عن ممارسات التنمية المستدامة كوسيلة لتعزيز القدرة التنبؤية للمعلومات المحاسبية لجذب فرص استثمارية جديدة.

الكلمات المفتاحية: ممارسات التنمية المستدامة – الإفصاح المحاسبي عن القيمة المستدامة – القدرة التنبؤية للمعلومات المحاسبية.

1- Introduction:

Predictive pressure has increased to improve the companies' transparency associated with their economic, social, and environmental activities by taking into account the economic, environmental, and social dimensions as well as the disclosure of the financial statements of "sustainable development". Moreover, the need for such disclosure to meet the needs of stakeholders and to legitimize the activities of such companies is to ensure the flow of appropriate information to the users of the financial statements (Asif, 2013).

Due to the recent global financial crisis, there has been a growing belief among investment experts around the world about the importance of environmental, social and governance (ESG) aspects, as they have a significant impact on investment performance and due to increased concern regarding environmental and social issues.That is why the United Nations launched an important initiative in 2005 to develop a set of principles for responsible investment (six basic principles) as follows (The Egyptian Center for Corporate Responsibility, 2013):

1- Incorporating ESG issues into investmentanalysis and decision-making processes.
2- Motivating investors to activate ESG standards into all policies and practices of ownership.
3- Seeking to deal with institutions committed to disclosing the practices of ESG responsibility.
4- Promoting and encouraging the implementation of these Principles within the investment industry.
5- Enhancing the effectiveness of the implementation of these Principles and disseminating them.
6- Encouraging the investors to implement these Principles.

It is believed that effective management and implementation of these Principles helprestore confidence and reassurance in markets badly affected by the global financial crisis.

The disclosure in published financial statements and reports represents the minimum amount of information disclosed, and this disclosure concentrate only on historical financial information. There is a need to expand the scope of disclosure to include disclosure of the social, environmental and economic responsibilities of companies in order to provide appropriate information content for ESG practices of interest to users of such information i.e. investors and decision makers (Oluwagbemiga, 2014).

Since there is a consensus on the importance of the quality of financial reporting for various users who are in dire need of accounting information for the purpose of making investment decisions and according to the International Accounting Standards Board (IASB), the relevance feature is one of the most important basic characteristics of the quality of accounting information as it reflects the usefulness of information in making decisions. In other words, the appropriateness of accounting information shows the extent of its ability to make a change in the decision of its usersby helping them to evaluate the past and present events of the company, to predict future events and to confirm or correct the expectations created by companies.

Furthermore, the information content of the financial statements requires support from the elements of relevance for the needs of users, namely investors and decision makers, by improving the predictive power of this information due to the importance of predictive power in helping investors and decision makers to makerational decisions.

Predictive power refers to enabling accounting information to improve the ability of users to predict current and future profits or to predict current or future operating cash flows, or both to reflect the highest quality of accounting information (Hussien, 2015).

As per the foregoing, there is a need to show the impact of accounting disclosure on sustainable development practices, namely, the ESG aspects on the power expected from the outputs of the accounting system.

2- Research Problem

Due to the increasing interest in the social role of companies in light ofthe increasing awareness and interest in the concept of corporate social responsibility in recent years, companies shifted from the traditional economic perspective to adopt the concept of (Triple Bottom Line Reporting) to disclose social and environmental information in addition to financial information in order to meet the needs of Stakeholders (Arafa & Meligy, 2016).

In this context, there is interest to examine the relation between the trend towards disclosure of sustainable development and the quality of the financial reporting, as the recent collapse of many international companies has raised doubts about the ability of traditional financial reports to show the real image of companies' performance. Therefore, many companies have adopted (SustainableBusiness Strategies), and the concept of sustainable development has become at the forefront of the vision and objectives of many companies (Ebrahim, 2019).

As a result of concern for environmental and social issues, companies were required to increase the disclosure of related activities; even some governments have established mandatory rules for the disclosure of such sustainable development activities (Jason et al., 2005).

If the financial reports represent the main source of information for each party related to the establishment of current and prospective investors, etc., Business Sustainability Report is an effective tool in bridging the information gap between the management of the facility and the parties interested in the facility (Ferrero& Ballesteros, 2015).

Moreover, there is no doubt that the disclosure of business' early effortsin the field of sustainable development was in its early stages due to societal pressures suggesting that the success of the economic performance of the institution mainly is attributed to the society in which it operates. However, the growth in the voluntary disclosure of business sustainability reporting at the moment reflects in essence positive effects - benefits - achieved by businesses as a result of the disclosure of the sustainability reporting (Fouad, 2016).

Whereas companies seek to disclose a high level of high quality information regarding sustainable development practices in order to attract foreign investors, these investors are pressing companies to improve the quality of information disclosed in that context.

Moreover, the concept of the quality of accounting information indicates the relevance of accounting information for the purpose initially prepared for, namely, to assist users of financial statements and reports in making their investment decisions, as well as the reliability of this information through being free from misrepresentation and material errors and prepared in the light of accounting standards internationally and locally recognized.

In this regard, accounting information is considered relevant when it is related to the decision and thus affects users' economic decisions by assisting them in evaluating past, present and future events, or confirming, modifying and correcting their past assessments. To achieve the appropriateness of accounting information, it must have two sub-qualitative characteristics: Predictive power and confirmatory value. Predictive power refers to the ability of accounting information to improve the capacity of a decision maker to predict the outcome of events, for example, future profits and future operating cash flows related to future activity in the light of the results of past as well as present events(Hussien, 2016).

If the process of measuring predictive power is based on measuring the quality of the relevance regarding the way profits of the previous year affect to improve the ability of users to predict the profits of the current year, or the prediction of earnings per share in the next year, which helps users to assess the current situation of the company objectively and guarantees to predict its future status for users and thus make sound investment decisions.

Thus, the problem of research is demonstrating the impact of accounting disclosures on sustainable development practices in their environmental, social and economic dimensions on that predictive ability through which the earnings per share can be determined in the following year, as well as the tendency of future cash flows from operational activities.

Based on the forgoing, the problem of the study can be identified by the following questions:

1- What is the meaning of accounting disclosure of sustainable development and its elements & determinants?
2- What are the determinants of the relevance and predictive ability of accounting information?
3- Is there a significant relationship between accounting disclosure of sustainable development dimensions and the predictive ability of accounting information?
4- Does accounting disclosure of sustainable development dimensions impact the predictive ability of accounting information?

3- Literature Review:

I- Studies concerned with sustainable development practices:

The study of (Centobelli, et al., 2020) aimed to the 2030 Agenda for Sustainable Development was defined by United Nations Member States to provide a list of sustainable development goals (SDGs) aimed to achieve a more sustainable future. Greenhouse gas and CO_2 emissions are now at their highest levels in history, and freight transport and logistics service industry has been recognized as one of the main contributors to environmental degradation. Nowadays, the influence of enabling technologies and green practices on business activities is growing and offers interesting opportunities to large firms and small and medium enterprises (SMEs) operating in freight transport and logistics service industry. More in details, affordable and scalable practices and solutions are now available to support companies to adopt measures able to reduce emissions and promote climate action goals. On the other hand, specific policies supporting the adoption of innovative practices and technologies are playing a pivotal role in assisting companies and supply chains to achieve SDGs. In this context, this paper analyses the degree of adoption of emerging green practices and enabling technologies in European logistics service providers (LSPs).

The results of the cross-country analysis highlight a variety of behaviours of LSPs operating in the different countries in terms of managerial and technological strategies.

Furthermore, the study of (Zimon, et al., 2020) aimed to the main objective of the research and thinking presented in this study is to characterize the conditions and barriers related to the implementation of SDGs in supply chains. The explanation of the outlined research problem and the more detailed research issues prompted the authors to formulate the following auxiliary goals: identification and emphasis on the links between SSCM practices and UN SDGs and development of a model supporting the implementation of UN SDGs in SSCM. In summarizing our analysis of information from this field of inquiry, contributions to the literature include a new conceptual model, and a dynamic context for a three phased model for implementation of successful sustainable supply chain management initiatives. We provide a grounded approach for new theoretical insights that map supply chain practices for future research and performance measurement aligned with the United Nation's 17 Sustainable Development Goals.

The study of (Shahzad, et al., 2021) aimed to green innovations are being deployed in manufacturing industries to promote organisational sustainability by embracing sustainable development practices (SDPs). However, little is known about how corporate green innovation (CGI) is influenced by the knowledge management process (KMP). To fill this gap, we have developed a multidimensional framework based on the resource-based view (RBV) theory that provides a foundation for sculpturing the process by which KMP was observed to capture and sustain CGI through SDPs. Data were collected from 393 respondents of large and medium-sized manufacturing corporations in Pakistan and analysed using partial least squares structural equation modelling (SEM) and fuzzy set qualitative comparative analysis (fsQCA).

II- Studies concerned with assessing the level of disclosure of sustainable development practices:

Furthermore, the study of Di Vaio (2021) aimed to the shipping industry, due to the ships' gigantism trend and the concentration of operations in specific regions, is considered the source of both positive and negative impacts for port-cities. The ambitious objective of the International Maritime Organization (IMO) for the decarbonisation of the sector till 2050 has further shifted attention on the activities and policies that shipping companies adopt and implement not only for complying with international regulations but moving beyond, integrating sustainability priorities and goals into their corporate strategic planning. In the context of the 17 Sustainable Development Goals (SDGs) of the United Nations, this paper aims at investigating the nature and orientation of voluntary disclosure practices and environmental sustainability for achieving the SDGs in the maritime industry, focusing on the cruise and container shipping markets. Analysis confirms the companies' commitment towards meeting the 2030 Agenda through dedicated sustainability strategies. However, it revealed the qualitative nature of reported information and the lack of specific indicators for measuring and evaluating sustainability performance at the corporate level.

The study of (Staszkiewicz & Werner, 2021) aimed to this paper builds upon prior research regarding the quest for a sustainable measuring method. Here, we present a method to integrate sustainability and financial accounting at the level of transaction recording and introduce the concept of environmental debit and credit entry. This concept is illustrated through investment reporting. Identification of the research gap is based on the review of the initial population of 141 research papers and is supported with the European legal framework analysis. Logistic regression on the 500 largest European-based companies justifies the environmental footprint inclusion into the integrated journal entry. This study provides robust data concerning the limitations of the current financial reporting system. Our findings support the conclusion that the currently applied hybrid sustainable disclosure with synthetic ratios, indicators and unstructured narratives failed to provide a comprehensive and auditable picture of a company's environmental.

The study of (Ma, 2023) aimed to the urgency to overcome climate change under COP 26 and 27 has allowed closer attention towards environmental sustainability. As a result, businesses are under pressure from stakeholders to provide more information about greenhouse gas emissions and ecological footprints. The current study performs a systematic review of firm-level carbon disclosure under carbon disclosure project (CDP) publications to articulate key research themes based on bibliographic coupling, citation mapping and content analysis. VOSViewer was used to analyze carbon disclosure literature to provide a comprehensive overview of research themes, most-contributing authors, research journals, and keywords. Our findings reveal that climate change strategies, carbon footprint and market response to climate change (cluster 1). carbon information stock change (cluster 1), carbon information, stock market & financial performance and impact of environmental penalties over the cost of capital (cluster 2), GHG disclosure, stakeholder relevance and BOD effectiveness in environmental strategies (cluster 3) and determinants for dissemination of environmental information, carbon mitigation, and carbon management systems (cluster 4) are the most significant research themes within the existing research. Based on our research analysis, we provide several key policy recommendations to use carbon disclosure practices as a benchmark in evaluating firms' commitment to environmental sustainability.

III- Studies concerned with the quality of accounting information:

The (Farhood, 2019) study aims to measuring the predictive ability of accounting information using the application of international financial reporting standards in a sample of companies. A group of companies listed in the Iraqi Stock Exchange were selected and divided into two groups. The first one included commercial banks that applied the accounting standards. They have accounting programs and apply electronic systems In the completion of its research, the second group have electronic accounting software and use electronic systems in a limited manner in the completion of its research but did not apply international financial reporting standards, Kida Model has been used to measure the predictive capacity of accounting information and measuring the performance of all companies. The research found that whether companies applied information technology or IFRSS, there are other factors that affect the performance of research sample companies: The low liquidity index of the companie's research sample as a result of decrease in operating income. The decline in the market value of property rights which are affected by some factors, including economic factors which was the austerity in 2016 for these sample of the research, political and security factors which was a presence in three provinces of Iraq which makes current and prospective investors refrain from buying interest in the companies sample search. The decline in operating profits due to the decrease in sales revenues of the two companies which was caused by the lack of government support for national products and the presence of competing products in the market at the lowest price and in large quantities. The decrease in the cash assets of the companies in the research sample and directing them towards long-term investments while their short-term liabilities are high. This leads to a lot of commitments on the company that have not been paid on due dates, leading to mistrust between the company and the parties that deal with it.

The main aimed to (Melegy & Alain, 2020) study this paper measures the effect of disclosure quality of integrated business reports on the predictive power of accounting information and firms' value in the Egyptian Stock Market. In order to achieve the research objectives, the research relies on content analysis approach in examining the annual reports of the companies listed in the Egyptian Stock Exchange from 2015 to 2018. The study depends on measuring the independent variable ie disclosure quality of the integrated business reports on building up a disclosure index consisting of 45 items in 8 groups equally weighted, whereas; dependent variables which represents the predictive power of accounting information measured by adopting three different methodologies; namely Accounting Conservatism, Share Prices, and Discretionary Accruals. Concerning to firm value, the study uses Tobin's Q model to measure the relationship between the quality disclosure of the integrated business reports and the firm value. The results indicate that the quality disclosure of integrated business report leads to increase accounting conservatism and share prices, whereas the statistics analysis reports a negative effect towards discretionary accruals indicating that the quality disclosure of integrated business report leads to decrease in discretionary accruals.

The (Nguyen & Nguyen, 2020) was conducted for assessing the predictive ability of future cash flows from operating activities by using accounting earnings and cash flows information in the past. Data were collected from the firms listed on Ho Chi Minh Stock Exchange (HOSE) from 2009 to 2018, including the sample of 242 non-financial listed companies. Three statistical methods approaches were employed to address econometric issues and to improve the accuracy of the regression coefficients based on Ordinary Least Squares (OLS), Random Effects Model (REM), and Fixed Effects Model (FEM). The findings showed that earnings and cash flows and aggregated accruals had remarkable ability to forecast future cash flows and the model of operating cash flows combined with aggregated accruals had the most effective prediction ability for companies listed on Ho Chi Minh Stock Exchange.

As per the foregoing review, it is clear that:

A- Aspects that the literature focused on:

The literature presented and were mostly based on the importance of disclosing the elements of social, environmental and financial responsibility as elements that achieve sustainable development and have an impact on the information content of financial reports, as well as the need for users of these lists without addressing previous studies to measure the extent of the adequacy of this disclosure to achieve the appropriate value of accounting information. Although some studies recommended the adoption of the Global Sustainability Initiative criteria to achieve the appropriate value of accounting information, or that some studies have called for the adoption of another role for an external auditor to establish as a neutral third party to measure the efficiency and suitability of the disclosure to the need of users.

B- Aspects not addressed by the literature, reflecting the research gap as follows:

One aspect that was missing is the focus on the ways to disclose sustainable development practices, whether environmental, social and financial, as it did not adopt a scale or a quantitative or statistical indicator that achieves this in favor of the need of users for information in this context.

Moreover, the literature did not specify the purpose of the disclosure other than the diverse needs for users related to the relevance and quality of accounting information, while the present study tackles the focus on the concept of the ability of accounting information to predict the future performance of companies that adopt sustainability. This predictive capacity will only be achieved when the predictive value is measured and disclosed to reveal the level of sustainable development practices that influence that predictive power.

4- Research Hypotheses

- There is no significant relationship between accounting disclosure of sustainable development practices in its three dimensions and the predictive ability of accounting information.
- There is no significant impact of the disclosure of sustainable development practices in its three dimensions on the accounting conservatism as a measure of the predictive ability of accounting information.

5- Research Objectives:

The research aims to achieve its main objective, namely, "demonstrating the impact of accounting disclosures of sustainable development practices onthe predictive power of accounting information". The main objective is subdivided into the following sub-objectives:

1- Studying the relationship between accounting disclosure of sustainable development dimensions and the predictive ability of accounting information?
2- Demonstrating the impact of accounting disclosures of the sustainable development practice in its three dimensions on the predictive capacity of accounting information.

6- Research Methodology:

Methodology of the study will depend on selecting a sample of 42 companies listed on the Egyptian Stock Exchange during the period from (2018-2022) and applying accounting conservatism and the value relevance of information (price model) to measure the dependent variable (predictive ability).

The measuring indedendent variable (sustainable development practices and its dimensions economic, social & environmental) using accounting index.

In addition to using statistical methods to measure the impact of sustainable development practices on the predictive ability of accounting information.

7- Research Limitations

The spatial and temporal limitations of the research include the following:

A) **Temporal Limits**: The study selects annual reports from 2018 to 2022 issued by a number of Egyptian listed companies (the research samples).
B) **Spatial limits:** The application is limited to the Egyptian environment as the study selects several companies to disclose the practices ofsustainable development.

The research is limited to measuring the impact of practices related to three dimensions of sustainable development, namely, the environmental, social and economic dimensions on the predictive capacity that means the quality of the future predictive value of accounting information.

8- Research Structure:

Given the research problem and objectives, the research is divided into the following chapters:

Chapter 1: General Framework of the Research.
Chapter 2: The Accounting disclosure of sustainable development practices.
Chapter 3: The predictive ability of accounting information.
Chapter 4: Applied Study.
Chapter 5: Summary and Recommendations.

Sustainable Development Concept:

There are many definitions of sustainable development, as there are more than 60 definitions of this type of development. Notably (Yang, & Yan, 2020), it's not necessary to use all these definitions correctly in all cases. The first definition of sustainable development was first mentioned in the Report of the World Commission on Environment and Development in 1987, which defined itas: "The development that meets the needs of the present without compromisingthe ability of future generations to meet their own needs. (Nohen & Nuscheler, 1982) Webster Dictionary, on the other hand, defined it as "The development that uses natural resources without depleting or permanently/partially damaging it" (Church, 1998).

Sustainable development is also defined as: "A path based on participation and the guidance of democratic governance for common community choices (Kamal, 2018). Another definition of sustainable development is: Meeting the needs of the current generation without harming the ability of future generations to meet their needs". Economic units play an important and effective role in achieving this goal (Wahib, 2019).

Accordingly, the researcher defines sustainable development as: "The continuous process of growth and achievement in various fields of life that ensures the optimal utilization of available resources without destroying or depleting them, while protecting the rights of future generations in these resources (Tomislav, 2018).

Sustainable Development Goals

Sustainable development is striving to achieve a set of key goals (Hák et al., 2016):

1- Achieving equal satisfaction between individuals, while preserving the rights of future generations of resources, and promoting the process of sustainable development (SDG, 2019).

2- Achieving independence in decision-making that meets the needs of individuals, with a comprehensive model and strategy for all aspects of life, and work for integration and growth.
3- Maintaining cultural identity, promoting institutional development, and developing a strategic plan that corresponds to available resources and canbe used properly.
4- Enhancing environmental awareness through the development of a sense of environmental responsibility and participation in the preparation, implementation, and evaluation of sustainable development programs and projects (Vinuesa et al., 2020).
5- The rational use of available resources, not wasting or depleting, and protecting the rights of future generations.
6- The linkage of the modern and developed technology with what achieves the sustainable development goals, and using innovative technology for improving the quality of both services and life (Sach, 2012).

Principles of Sustainable Development:

Sustainable development is based on a set of principles that accompany the process of sustainable development. The principles are the pillars that development depends on in its strategy to achieve. The most important of these principles are (Harris, 2000):

- **The principle of efficiency**.
- **The principle of flexibility**.
- **The principle of justice**.
- **The principle of Back-up**.
- **The principle of participation**.
- **Principle of inclusion**.

Sustainable Development Dimensions

1- Economic Dimension: The economic dimension of sustainable development addresses stopping underground and surface economic resources waste, and limiting or reducing disparity in income and wealth, which results in protecting the environment and improving the economic and social conditions for current and future generations. Therefore, this process works on limiting the volume of production expenses and maintaining the resources while ensuring the optimal use of productive energy, which works on enhancing sustainable development (Al-Kubaisi, 2015).
2- Environmental Dimension: The environmental dimension of sustainable

development is based on the concept of sustainability or the ability of the ecosystem to maintain ecological integrity and adaptability; if they lose their flexibility, they become more vulnerable to water depletion, deforestation, soil erosion, and other threats (Masoudi et al., 2019). Flexibility is achieved through facing pollution, reducing energy consumption, and protecting non- renewable resources (Allawi, 2022), while acknowledging that any transgression of this natural ability (flexibility) means the deterioration of theecosystem (Al-Dafrawi, 2019).

3- Social Dimension: This dimension is based on the principle of justice and thedistributional consequences of policies. It aims to meet human needs, achieve social justice and an adequate income, and improve the standard of living for people. This dimension is also related to health, education, housing, and work, while ensuring the safety of its traditional production systems and social environment (Masoudi et al., 2019). Originally, it aims to improve the relationship between nature and humans, promote the welfare ofpeople, improve methods to access basic health and education services, and meet the minimum standards of security and respect for human rights (Allawi, 2022). We can say that sustainable development is the development of people for the people by the people (Kamal, 2018).

4- Technological Dimension: The technological dimension is considered to be the human capital, which works on creativity, innovation, supporting scientific research in various fields, stabilizing population, narrowing economic disparities, and preventing further degradation of resources and land, using improved technologies that accelerate the achievement of the dimensions of sustainable development (Dubabi et al., 2015).

Defining the concept of accounting disclosure:

Several writings illustrate the concept of accounting disclosure, amongthe most important of these definitions:

Accounting disclosure: Is this information disclosed by the management to outsider bodies using the financial statements to meet their different needs of the information related to the facility’s business. The disclosure includes any explanatory, counting non-counting, historical, or future information declared by the management and included in the financial reports (Kharma, 2003).

Furthermore, accounting disclosure is identified as The Intangible Scale that is used in the Knowledge of adequacy and clarification of data included in the financial statements (Saban, 1997).

Accounting disclosure is identified as the dissemination of the information necessary to the groups that need it for increasing the effectiveness of the operations carried out by the financial market, through which those groups can achieve their goals that are commensurate with the risk levels thatthe market desires (Al-Khatib, 2002).

Accounting disclosure can also be defined as (Wadi & Medhat, 2006):

- It is the tool that explains the financial statements and tells about what they contain.
- It is the ethical input for the two professions of accounting and auditing.
- It is one of the pillars of financial statements.
- Is the tool through which the company's practices of sustainable development can be disclosed?

The researcher can identify accounting disclosure as providing all necessary data and information for the beneficiary parties, that are disseminated or available through the financial statements issued by the company; those can identify the company's financial condition which helps with decision-making, can also identify the company's practices of sustainable development whether atthe economic, social, or environmental level and maximize the company's role of achieving the economic development.

The factors impacting the level of accounting disclosure of sustainable development practices:

Sustainability accounting is one of the latest stages of accounting development, where the accounting disclosure process aims to discuss the roleof companies or organizations in the process of sustainable development, and therefore consider companies to be a key part of the sustainable development process, as a result of the increased interest of governmental organizations and international bodies on the disclosure of sustainable accounting, in order to protect and develop organizations, because accounting disclosure increases the value of the company and develops it in the long term, and protection from crises, By measuring the company's role and environmental, economic andsocial performance through financial accounting reports and disclosure of the practice of sustainable development, there are a range of factors affecting accounting disclosure, especially since the general trend at present and the disclosure of the practice of sustainable development disclosure (environmental-economic-social) within the work of organizations and companies (La SoaNguyen, et al., 2017).

Factors affecting the accounting disclosure of the practice of sustainable development: (Hussainey, 2011):

1- ***Company Size***: The concept of company volume refers to the volume of the company’s assets and revenues. The volume of the company is one of the factors that affect the accounting disclosure of sustainable development practices, as the greater the volume of the company or organization, the greater the company’s ability in accounting disclosure and disclosure of social responsibility. Therefore, large companies have a greater ability than small companies in accounting disclosure about sustainability, and this is becauselarge companies receive more attention than small companies, whether from analysts or stakeholders, which pushes them to accountant disclosure, as well aseconomies of scale that hide costs in large companies for the accounting disclosure process compared to companies small (Cosma et al., 2020).

2- ***Company Profitability***: The profitability ratios of the companies are one of the factors that affect the accounting disclosure process, that is through the company’s pursuit to achieve greater competitiveness and continuity. Accounting disclosure seeks to enhance their roles in the community and the development processes. Moreover, companies that achieve profitability ratios are the ones that make the accounting disclosure process, which leads to higher performance rates in companies (Dhar et al., 2022).

3- ***Company Liquidity***: The higher the liquidity ratios of companies and organizations, the greater the company's accounting disclosure of sustainabledevelopment practice, unlike low liquidity companies, and their ability to publish more accounting reports on sustainability and social responsibility (Hai et al.,2019).

4- ***Company's life***: The life of the company is the period during which the company is included in the financial markets, and the age of the company is one of the factors that affect accounting disclosure, which indicates that the length of the period may affect the degree and accuracy of accounting disclosure, because the length of time during which the company practices work makes the company an impact and role in the development process, whether, at the social, economic and environmental level, and the age is correct, and therefore the accounting disclosure increases the value of the company and enhances competition and the role of the company (Masum et al.,2020).

5- ***Information Technology***: It is one of the most important factors that may affect the accounting disclosure of the sustainable development process, where scientific and technological development helps in the accounting disclosure process, through easy access to data and information, and ease of dissemination, which leads to concerns costs in exchange for higher benefits,so the higher the level of scientific and technological progress of the company the greater the ability of companies to disclose accounting, and evaluate their role in the process of sustainable<g id="2336"></g> development (Miller & Skinner, 2015).

Definitions of Predictive Ability of accounting information:

The predictive ability of accounting information is significantly important to the administration, investors, and creditors, as forecasting accounting figures is one of the most important matters for making their decisions appropriately. Among the most important figures are the figures and values of future accounting profits whose prediction helps the administration, investors, and creditors in the proper planning for the future, investing the resources in a way that achieves efficiency. Prediction of future profits, cash flows, and returns is one of the vital topics due to its positive effects on economic, political, and social development as a tool empowering the optimal use of the available resources, as the relevant parties' optimal use of the available resources is immensely unhelpful without predicting the major trends of the available alternatives, moreover, prediction assists relevant parties to draw their policies, select the best resources submitted to them, and make their best investment decisions, as prediction represents indicators and early warning bell for the Economic unit's possibility of continuation, furthermore, it enables the enterprise to avoid financial distress that is considered an early stage of that of financial bankruptcy's.

Components and significance of the predictive ability of accounting information:

There are four ways to build on the concept of predictability and the useof accounting data in predictability-based decision-making models that are key components of accounting information's predictability, which are (AL-Shatnawi, 2017):

- **Direct way**: Providing management with forecasts periodically, for example: about expected cash flows and potential uses and commitments.
- **Indirect way**: Management provides data on past events, such as prior cash flows, to enable users to predict future cash flows. This method is used only

when there is a strong correlation between past events and future events for movements.

- **How to adopt indicators guided by data with movements and changes in indicators and changes in events reported**, for example, the high receivables to intellectual property ratio is seen as an indicator of agradual deterioration in future cash flows.
- **Enhanced information method**: to provide accounting data that may be used to predict other data, for example, increased return on investment in assets could indicate an increase in management efficiency, which in turn could be indicators of an increase in cash flows. The use of this method supposes a correlation between the accounting data and other data.

The significance of the predictive ability of accounting information:

The importance of financial forecasting is attributed to that. It’s an important tool that enables economic decision-makers to make their investment or financing decisions appropriately. Furthermore, it helps mitigate uncertainty and helps to evaluate potential future risks. The importance of forecasting is reflected in the importance of future accounting information resulting from the forecasting process, which can be explained in the following points (Maseer & Flayyih, 2021).

Most investment decisions need the investor's ability to predict the volume of future cash inflows and outflows, the expected returns from the investment process, and the impact of economic events on a future return.

- Portfolio management decisions need a future study of each type of investment, the expected returns associated with it, and the degree of risk that may result from each type of investment, especially in conditions of uncertainty.
- The management of the enterprise needs to predict the taxes expected to be paid or collected, the impact on cash inflows or outflows, and the project's economic feasibility studies compared with other projects.
- Funding decisions require future information on the expected impact of each funding source on long-term profitability and liquidity and the project's ability to meet its future commitments.
- When buying or selling shares, the investor needs to predict future profits, and the share of these profits.

The measuring methods of accounting information's predictive ability:

Accounting information predictive ability is considered one of the most important functions of the accounting disclosure process, therefore, there must be a set of scientific methods and manners that underpin the forecasting process through accounting information, that helps in playing its role in prediction and forecasting, thus helping in decision-making and taking. Methods that are used in the predictive ability depend on a set of factors that assists in selecting the most appropriate methods for accounting forecasting, which is based on a set of steps to be taken in the forecasting process for accounting information.

Measuring methods of predictive ability of accounting information:

1. **Quantitative Methods:** quantitative models for financial forecasting are concerned with information that can be quantified through several periods and finding the relationship between different variables, Quantitative modelscan be divided into the following:
   - **time series**.
   - **regression analysis**.
   - **break-even**.

Quantitative Methods Importance (Muijs, 2004):

- contribute to making the problem closer to reality according to simplified scientific formulas and mathematical models to clarify the problem circumstances.
- present the findings from mathematical models and relationships in a way that helps explain the problem circumstances.
- Design standards and ideal standers for making decisions in similar problemsof business organizations in the future.
- help achieve comprehensive quality standards.

Stages of Applying Quantitative Methods:

The application of quantitative methods according to sequential and defined stages can be clarified as follows (Ayhan et al., 2013):

- stage of defining the problem.
- determining the quantitative method required for problem addressing.
- Naming the problem factors and variables.
- building the mathematical model for the problem.
- Solve the model and extract the final results.

*2. **Financial Indicators:***

This method is considered one of the most common methods; as it provides Financial Indicators that can be used in evaluating the performance of companies and evaluating the efficiency of management, in addition to being one of the important Indicators used by financial analysts in the field of forecasting the financial failures of corporates, this method is based on the fact that what happened in the past happens in the future, and it can be deleted or added to it, the basis for this method is to provide beneficiaries or financial analysts with financial indicators to assist them in making their future decisions and forecasting the financial position of the project and its ability to make future profits or maintain the profits achieved (Sanders &Manrodt, 2003)**.**

3. ***Qualitative methods:***

This type of model relies on the views of specialists and experienced decision-makers and their views on predicting future events, values, and operations based on those experiences, such models are usually used where historical data cannot be obtained or there is no confidence in the historical data that actually exists. It can be said that despite the importance of qualitative models in practical life for forecasting purposes, most recent studies - which are of great interest to a large number of researchers, critics and scholars - depend on quantitative models and modern mathematical and statistical methods, as it was more explanatory in understanding and comprehending phenomena and more credible and accurate in the forecasting process (Jaffry &Capon, 2005).

4. ***Erosion Methods:***

Allowing forecasts to increase or decrease over time is variable in the forecasting process and the ability to forecast through accounting information, with change over time (called Erosion) constant over the average change observed in historical records (Buchatskaya et al., 2015).

5. **Average way methods:** All future values are expected to be equal to the averageof the previous data.
6. **Naïve method:** The actual values for the previous month are used as an expectation for this period without any modifications or attempts to determine causal factors. naïve method is used in economic and financial time series (Newbold & Granger, 1974).

Study Population and Sample: The study population is the companies listed on the Egyptian Stock Exchange working in various sectors during the period from (2018 -2022). These companies are about 42; in addition, the researcher took into account, in selecting the study sample, the following:

- Companies listed on the Egyptian Stock Exchange, whose shares are traded in the Egyptian Stock Exchange, which did not suffer any suspension of activity during the above-mentioned period of the study.
- Financial institutions have been excluded, as they are subject to special laws and policies different from other companies.
- Availability of annual financial reports during the study period.

After applying the above conditions, the final sample of companies studied was found to be (42) during the period from (2018-2022). The table (1) shows the sample of the study according to the different sectors:

Table (1): The sample of sectors under consideration(*).

S/N	Sector Name	No. of Companies	No. of Observation	Total rate
1	IT, Media and Communications Services (IMCS)	3	15	7%
2	Food, Beverage and Tobacco (FOBT)	6	30	14%
3	Basic Resources (BASC)	6	30	14%
4	Trade and Distributors (TRDB)	2	10	5%
5	Educational Services (EDUS)	1	5	2%
6	Healthcare and Pharmaceuticals (HLTH)	4	20	10%
7	Travel and Leisure (TRVL)	1	5	2%
8	Real Estates (REAL)	10	50	24%
9	Textile and Durables (TEDU)	4	20	10%
10	Building Materials (BULM)	5	25	12%
Total		**42**	**210**	**100%**

Source: Prepared by the researcher.

Study Model and the Description and Measurement of its Variables:

The study model includes the independent variable, accounting disclosure of sustainable development practices, which is measured by (disclosure of economic dimension practices, disclosure of environmental dimension practices, and disclosure of social dimension practices), and the dependent variable (predictability of accounting information), which is measured by (accounting conservatism and the value relevance of information). The researcher relied on a set of control variables (company size, leverage, length of contract period between the auditor and the client, and the Big 4). The following table (4.2) shows the study variables and methods of measurement as follows:

(*) The sample of companies under consideration attributable to each of the study sectors (Appendix 1).

Table (2): The variables used in the study models.

Variable		Variable Procedural Explanation	Studies on Scale
Dependent Variable: Accounting Conservatism:			
Accounting Conservatism	(MTB)	Measured by dividing the capital resources market value (MV) into the capital resources book value (BV)	AL-Radaiadeh & Ibrahim (2023) Abdulhalim and Sorour (2023)
Dependent Variable: Price Model:			
Price Model	(P_RELV)	Measured due to the regression equation based on the market and book value of the company shares and earnings per share	Al-Basiouni (2019) Olayinka et al., (2017)
Independent Variable: Accounting Disclosure Index of Sustainable Development Practices (DSIndex): consists of three dimensions:			
Accounting Disclosure on the Economic Dimension	(DECO)	Measured by the number of disclosure items of DSIndex elements according to the proposed index (economic dimension) As the value (0) is taken if there is no disclosure, the value is taken from (1) if only one item is disclosed and it is taken from (2) if two items are disclosed up to the value (7), and then the total number of index vocabulary is divided by (7)	Arafa and Meligi (2015) Al-Ardi (2013) Ashour and Sorour (2022)
Accounting Disclosure on the Environmental Dimension	(DENV)	Measured by the number of disclosure items of DSIndex elements according to the proposed index (environmental dimension) As the value (0) is taken if there is no disclosure, the value is taken from (1) if only one item is disclosed and it is taken from (2) if two items are disclosed up to the value (12) and then the total number of index vocabulary is divided by (12)	
Accounting Disclosure on the Social Dimension	(DSOC)	Measured by the number of disclosure items of DSIndex elements according to the proposed index (Social dimension) As the value (0) is taken if there is no disclosure, the value is taken from (1) if only one item is disclosed and it is taken from (2) if two items are disclosed up to the value (7)	

Variable		Variable Procedural Explanation	Studies on Scale
		and then the total number of index vocabulary is divided by (7)	
Control Variables: Control Variables			
Company Size	(SIZE)	Measured through the natural logarithm of total assets.	Marei (2021) Pizzi et al., (2022)
Leverage	(LEV)	Measured through total long-term liabilities on total assets.	Pizzi et al., (2022)
The length of the contract period between the auditor and the auditor's client	(Tenure)	Measured through the number of years of contracting between the auditor and client, the value of the variable is (1) in the first year, (2) in the second year, and so on.	Oh & Jeon, (2022)
Big Four	(Big4)	A dummy variable takes value (1) if the audit company belongs to the Big Four Big 4 (PwC-E & Y- Deloitte – KPMG) and the value (0) if it was otherwise	Oh & Jeon, (2022)

Source: Prepared by the researcher.

Measurement of Dependent Variable (Accounting Information Predictability):

The researcher depends on two measures (accounting conservatism, and price model for accounting information relevance) in measuring the dependent variable (Accounting Information Predictability). The measurement method can be explained as follows:

Measurement of Dependent Variable (Accounting Conservatism):

The researcher depends on the accounting conservatism measurement as a measurement for accounting information predictability, whereas accounting conservatism can be measured by the capital resources market value and capital resources book value (Market to Book Ratio) (MTB), according to the study conducted by (Abdel Halim, Sorour, 2023; AL-Radaiadeh, & Ibrahim, 2023). However, MTB is calculated by the following equation:

$$MTB = \frac{\text{Capital resources market value MV}}{\text{Capital resources Book value BV}}$$

Whereas:

- Capital resources market value MV = Market value of the company shares at the end of the financial period.
- Capital resources Book value BV = Book value of the company shares at the end of the financial period.

Measurement of Dependent Variable (Price Model of Value Relevance of Accounting Information):

The researcher also depends on the price model of accounting information value relevance, while measuring accounting information predictability, as a method to assess predictability. This is evidence to achieve the basic characteristics of information quality which are represented in relevance and dependency. This is due to the value relevance measurement is compatible with the conceptual framework updated or modified in 2018, whereas the conceptual framework confirmed that relevance represents the truthfulness in expression, i.e., the credibility of the information included in financial reports. In addition, the value of the information reflects the ability of accounting information to interpret changes in market stock prices according to the efficiency of the financial market methodology. (Olayinka et al. 2017, El Basyoni 2019), this model was used to measure the market value of the company share in the period by the following regression equation:

$$\boxed{\mathbf{MVPS_{it} = \beta o+ \beta 1\ (BVPS)\ it + \beta 2\ (EPS)\ it + \varepsilon it}}$$

Whereas:

B = Regression coefficients.
B_o = constant in the regression equation
$MVPS_{it}$ = Market value of the i company share in the t period
$BVPS_{it}$= Book value of the i company share in the t period.
EPS_{it} = i company share profitability in the t period.
$\mathcal{E}_{it}$= Random error

Whereas the researcher depends on this, model as another way to measure the dependent variable (accounting information predictability).

Measurement of Independent Variable "Accounting Disclosure Index of Sustainable Development Practices" DSIndex:

While measuring the Independent Variable (Accounting Disclosure of Sustainable Development), the researcher depends on the Accounting Index mentioned in (Appendix 2)[(*)]. This Accounting Index was divided into three sections (dimensions); **the first section is about** accounting disclosure of the company's economic dimension, which consists of 7 elements and is referred to as (DECO), **the second section is about** accounting disclosure of the company's environmental dimension, that consists of 12 elements and is referred to as (DENV), **the third section:** accounting disclosure of the

[(*)] Accounting Disclosure Index of Sustainable Development Practices (Appendix 2).

company social dimension, that consists of 7 elements and is referred to as (DSOC). Therefore, the total index elements reached 26, compared to the study of (Al Ardiy 2013; Arafa and Meligi, 2015; Ashour and Sorour, 2022).

Measurement of Control Variables:

Control variables include some variables that affect the dependent variable. These variables are used to adjust the relationship between independent and dependent variables, represented in the following:

- **Company Size**, the company size is considered as one of the Control or Modified Variables of the model. This variable indicates the difference in measurement between the companies in terms of their size and the impact of that difference on the predictability of accounting information. This variable is measured by calculating the Natural Log of the Book Value for the total assets according to the study of (Marei, 2021; Pizzi et al., 2022) and is referred to as (SIZE).
- **Leverage (LEV)**, the leverage indicates the risks regarding the company and is measured by dividing the total liabilities by the total assets at the end of the financial period. Leverage is used in accordance with the study of (Pizzi et al., 2022) and is referred to as (LEV).
- **The Length of The Contract Period between the Auditor and the Client (Tenure)**, this variable is measured through the number of years the auditor continues to audit a particular company's accounts. Depending on this variable is due to the relation between it and the auditor’s independence regarding the client company. The shorter the contracting period is, the more independent the audit becomes. The length of the contract period between the auditor and the auditor’s client is measured through the year number, i.e., the variable value will be (1) in the first year, (2) in the second year, and so on. It is referred to as Tenure, compared to the study of (Oh et al., 2022)
- **The Big Four (Big 4),** the accounting literature stipulates that the audit process conducted by one of the four major companies (Big 4), indicates to the audit process quality and the financial reports quality. When the predictability of accounting information is considered as one of the accounting information qualitative characteristics, the researcher depends on this measure as a control variable herein, whereas it is a dummy variable that takes value (1) if the audit company belongs to the big 4 and takes value (0) otherwise. This variable was used according to the study of (Oh et al., 2022) and is referred to as (Big 4).

Study Hypotheses Tests:

1. Testing the First Hypothesis' Validity:

For verifying the validity of the first study hypothesis, stating **"there is no significant impact of the Sustainability Practices Disclosure in its three dimensions on accounting conservatism as a measure of the predictability of accounting information,"** So the researcher relied on the first model. Here is a presentation and analysis of the results of the first hypothesis:

Table (3): The results of the Multiple Linear Regressions are to test the correlation between the Sustainability Practices Disclosure and accounting conservatism as a measure of the predictability of accounting information.

Indep-Variable	**Variable symbol**	**Dep-Variable (MTB)**						
		Unstandardized Coefficients		**Standardized Coefficients**	**Statics T**	**significance level Sig.**	**Inflation Impact Factor (VIF)**	**Inter-pretation**
		B	**Std. Error**	**Beta**				
Slope constant	(Constant)	94.781	22.970		4.126	.000	-	-
Disclosure of economic dimension practices	DECO	11.935	5.745	.134	2.077	.039	1.113	significant
Disclosure of environmental dimension practices	DENV	-13.599	8.304	-.103	-1.638	.103	1.061	Non-significant
Disclosure of social dimension practices	DSOC	24.539	7.290	.221	3.366	.001	1.151	non-significant
Company size	SIZE	-12.630	2.650	-.312	-4.765	.000	1.149	non-significant
Leverage	LEV	2.102	.695	.189	3.026	.003	1.042	non-significant
The length of the contract between the auditor and the auditor's client.	Tenure	-2.100	1.279	-.103	-1.641	.102	1.061	non-significant
Big4	Big4	15.678	3.780	.272	4.148	.000	1.152	significant
Multiple correlation coefficient R		0.496						
Adjusted R coefficient of determination		0.220						
coefficient of determination R^2		0.246						
F value		9.414						
Significance level (P-Value)		0.000						

Indep-Variable	Variable symbol	Dep-Variable (MTB)							
		Unstandardized Coefficients		Standardized Coefficients	Statics T	significance level Sig.	Inflation Impact Factor (VIF)	Inter-pretation
		B	Std. Error	Beta				
Durbin Watson value DW statistics		0.735						

Source: The Statistical Analysis Outputs.

It is evident from Table No. (3) That the VIF coefficient for the independent variables of the model is less than (3), indicating the absence of multicollinearity among the independent variables. Moreover, the (Durbin-Watson) test value indicates no autocorrelation issues among the study variables. Hence, the first study model does not suffer from the problem of collinearity or autocorrelation, which indicates the possibility of relying on them.

The table (3) data indicates that the multiple linear regression equation for the first hypothesis can be formulated as follows:

The first research model to test the first hypothesis:

$$MTB_{it} = (94.781) + (11.935)\ DECO - (13.599)\ DENV + (24.539)\ DSOC - (12.630)\ SIZE + (2.102)\ LEV - (2.100)\ Tenure + (15.678)\ Big4$$

It shows that:

- The explanatory power of the model, which is represented by the value of the multiple correlation coefficient between the independent variables and the dependent variable, reached (.496), and the relative contribution (coefficient of determination) R2 to the model reached (.246), which means that the independent variables explain (24.6%) of the model's Change in the dependent variable accounting conservatism (MTB). The remainder is due to the random error in the model as a result of the non-inclusion of other independent variables of the first study model.
- There is a positive and significant relationship between {Disclosure of Economic Dimension Practices (DECO), Disclosure of Social Dimension Practices (DSOC)} and Accounting Conservatism (MTB) as a measure of the predictability of accounting information, where the regression coefficients reached (24.539; 11.935) respectively and at the level of significance is less than (.05). It was shown that there is a negative and non-significant relationship between disclosure of environmental dimension practices (DENV) and accounting conservatism (MTB) as a measure of the predictability of accounting information, as the regression coefficient

reached (-13.599) and the significance level is greater than (.05). It turned out that there is a negative relationship. There is a significant difference between the size of the company (SIZE) and accounting conservatism (MTB), where the regression coefficient reached (-12.630) and the significance level (.00), and it was shown that there is a positive and significant relationship between (financial leverage LEV, the big four) and accounting conservatism (MTB). The regression coefficients reached (15.678; 2.102), respectively, and the level of significance is less than (.05). It was shown that there is a negative and non-significant relationship between the length of the contract period between the auditor and the auditor client (Tenure) and accounting conservatism (MTB).

- The P-value of the First Phase model is found to be below the significant level (0.05) of (000), and the calculated F value is (9.414).
- This means that the model is valid to predict the predictability accounting information and the accounting disclosure of sustainable development practices.

Consequently, the null hypothesis is rejected and the alternative hypothesis is accepted, i.e., "there is a significant impact of the disclosure of sustainable development practices in its three dimensions on accounting conservatism as a measure of the predictability of accounting information".

1. Testing the Second Hypothesis' Validity:

To verify the validity of the first study hypothesis, which states that **"there is no significant impact of the Sustainability Practices Disclosure in its three dimensions on price model of accounting information appropriate value as a measure of the predictability of accounting information,"** So the researcher relied on the second model. Here are a presentation and analysis of the results of the second hypothesis:

Table (4): the results of the Multiple Linear Regressions are to test the correlation between the Sustainability Practices Disclosure the Value Relevance of Accounting Information as a measure of the predictability of accounting information.

Indep-Variable	Variable symbol	Dep-Variable (MTB)						
		Unstandardized Coefficients		Standardized Coefficients	Statics T	significance level Sig.	Inflation Impact Factor (VIF)	Inter-pretation
		B	Std. Error	Beta				
Slope constant	(Constant)	.179	.914		.196	.845	-	-
Disclosure of economic	DECO	-.772	.229	-.240	-3.376	.001	1.113	significant

Indep-Variable	Variable symbol	Dep-Variable (MTB)						
		Unstandardized Coefficients		Standardized Coefficients	Statics T	significance level Sig.	Inflation Impact Factor (VIF)	Inter-pretation
		B	Std. Error	Beta				
dimension practices								
Disclosure of economic dimension practices	DENV	-.378	.330	-.079	-1.143	.254	1.061	Non-significant
Disclosure of economic dimension practices	DSOC	.682	.290	.170	2.353	.020	1.151	significant
Company size	SIZE	.018	.105	.012	.168	.867	1.149	Non-significant
Leverage	LEV	-.043	.028	-.108	-1.570	.118	1.042	Non-significant
The length of the contract between the auditor and the auditor's client.	Tenure	.084	.051	.115	1.654	.100	1.061	Non-significant
Big4	Big4	-.048	.150	-.023	-.319	.750	1.152	Non-significant
Multiple correlation coefficient R		0.291						
Adjusted R coefficient of determination		0.053						
coefficient of determination R^2		0.085						
F value		2.678						
Significance level (P-Value)		0.011						
Durbin watson value DW statistics		0.687						

Source: The Statistical Analysis Outputs.

Table (4) shows that the VIF coefficient of the independent variables of the second model is less than (3), which indicates that there is no linear duplication between the model-independent variables. Moreover, the value of the Durbin-Watson test shows that there is no self-correlation problem between the study variables, and therefore the first study model does not have the problem of linear interference (Collinearity) or autocorrelation, which indicates that they can be relied upon.

The previous table data indicates that the multiple linear regression equation for the second hypothesis can be formulated as follows:

The second research model to test the second hypothesis:

P_RELV = (.179) - (.772) DECO - (.378) DENV + (.682) DSOC + (.018) SIZE - (.043) LEV + (.084) Tenure - (.048) Big4

It shows that:

- The model interpretive capability, which is represented in the value of the multiple correlation coefficient between the independent variables and the dependent variable, reached (0.291), and the relative contribution (coefficient of determination) R^2 of the model reached (0.085), which means that the independent variables explain the ratio (8.5%) of the change in the dependent variable of the price model to the Value Relevance of Accounting Information (P_RELV). The remainder is due to the random error in the model as a result of the non-inclusion of other independent variables of the second study model.
- There is a negative and significant correlation between the disclosure of economic dimension practices (DECO) and the Value Relevance of Accounting Information (R_RELV) as a measure of the predictability of accounting information, where the regression coefficient has reached (-0.772) with a significance level of (0.001). It was clarified that there is a positive and significant correlation between the disclosure of social dimension practices (DSOC) and the Value Relevance of Accounting Information (R_RELV); as the regression coefficient reached (0.682) and the significance level (0.02), as well as a negative and non-significant correlation between disclosure of environmental dimension practices (DENV) and the Value Relevance of Accounting Information (R_RELV), with a regression coefficient (-0.378) and a significance level greater than (0.05).
- **Concerning control variables,** a positive and non-significant correlation was found between the size of the company, the length of the contract between the auditor and the auditor's client (Tenure), and the Value Relevance of Accounting Information (R_RELV); as the regression coefficients reached (0.084; 0.018) respectively with a significance level that is greater than (0.05). It was indicated that there is a positive and significant correlation between both (Leverage and Big Four) and the Value Relevance of Accounting Information (R_RELV), with regression coefficients (-0.048; -0.043) respectively and a significance level that is greater than (0.05).

- The P-value of the second model is found to be below the significance level (0.05) of (0.011), and the calculated F value (2.678).

Consequently, the null hypothesis is rejected and the alternative hypothesis is accepted, i.e., "there is a statistically significant impact of the disclosure of sustainable development practices in its three dimensions on the price model of the Value Relevance of Accounting Information as a measure of the predictability of accounting information".

The results of the study reveal that there is a positive relationship between the disclosure of sustainable development practices in its three dimensions and accounting conservatism as a measure of the predictive ability of accounting information, and that, there is a positive relationship between the disclosure of sustainable development practices (as a cumulative index of three dimensions combined) and the price model of the value relevance of accounting information as a measure of the predictive ability of accounting information.

Summary and Recommendations

Due to the recent global financial crisis, there has been a growing belief among investment experts around the world about the importance of environmental social, and economic aspects, as they have a significant impact on investment performance and due to increased concern regarding environmental and social issues.

As the disclosure in published financial statements and reports represents the minimum amount of information disclosed, and this disclosure concentrates only on historical financial information, there is a need to expand the scope of disclosure to include disclosure of the social, environmental and economic responsibilities of companies in order to provide appropriate information content for environmental, social and economic practices investors and decision makers.

Since there is a consensus on the importance of the quality of financial reporting for various users who are in dire need of accounting information for the purpose of making investment decisions and according to the international accounting standards board, the relevance feature is one of the most important basic characteristics of quality of accounting information as it reflects the usefulness of information in making decisions.

The appropriateness of accounting information shows the extent of its ability to make a change in the decision of its users by helping them to evaluate the post and present events of the company, to predict future events and to confirm or correct the expectations created by companies.

As the information, content of the financial statements requires support from the elements of relevance for the needs of users, namely investors and decision makers, by improving the predictive power of this information due to the importance of predictive power in helping investors and decision makers to make rational decisions.

The study depends on a sample of 42 companies of those listed on the Egyptian Stock Exchange working in various sectors during the period from (2018-2022).

The results of the study reveal that there is a positive relationship between the disclosure of sustainable development practices in its three dimensions and accounting conservatism as a measure of the predictive ability of accounting information, and, there is a positive relationship between the disclosure of sustainable development practices (as a cumulative index of three dimensions combined) and the price model of the value relevance of accounting information as a measure of the predictive ability of accounting information.

Based on the results, the research recommends motivating the Egyptian firms to increase the level of accounting disclosure of sustainable development practices as a method of enhancing accounting information predictive ability to attract new investment opportunities.

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