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The Effect of Sustainability Report Disclosure on Company Value 2017-2019 (The Effect of Sustainability Report Disclosure on Firm Value)

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Abstract

This research aims to empirically test the disclosure of the Sustainability Report on firm value. The sample for this research was 22 companies that took part in ASRRAT (Asia Sustainability Report Rating) for the 2018-2020 period and were listed on the Indonesia Stock Exchange. The research method used is multiple linear regression analysis processed with SPSS 22. Based on the research results, it is concluded that the sustainability report has no effect on company value as proxied by Tobins Q, and there is no significant impact of disclosure of sustainability reports on companies that take part in ASRRAT consecutively. - contributes to firm value.

Keywords
ASRRAT; Firm Value; Sustainability Report

I. Introduction

Sustainability reporting according to the Global Report Initiative (GRI) is the practice of openly reporting an organization on its economic, environmental and/or social impacts, and therefore also including its contribution - positive or negative - to sustainable development goals. Sustainability reporting based on GRI Standards will provide information about the positive or negative contributions that companies make to sustainable development. The purpose of the sustainability report is to communicate the company's economic, environmental and social commitment and performance to stakeholders and the wider community in a transparent manner, as well as the company's efforts to become a company that is accountable to all stakeholders for the purpose of company performance towards sustainable development. (Pujiningsih, 2020). However, in Indonesia, the average number of companies that disclose sustainability reports still fluctuates compared to countries in Asia, namely Japan, South Korea and India. It was found that the highest reporting rate occurred in Japan at 90%, followed by India at 88% and South Korea at 85%. While in Indonesia it is only 72%. Of these four countries, the trend of increasing disclosure was only found in Japan, South Korea and India, while in Indonesia there were fluctuations (Laskar, 2018).

Research resultOthers also support that disclosure of sustainability reports in Indonesia is still low compared to developed countries. In the case of Indonesia, the average score is very low, namely 72.1% for disclosure level and 51.31% for quality (Laskar & Maji, 2018). Thus, Indonesian companies must disclose more information related to their sustainability reports in order to help stakeholders make valuable decisions, so it is important for companies to disclose their sustainability reports in the company's annual report.

Several regulations have been made by the government to encourage company awareness in disclosing sustainability reports, such asPresidential Regulation Number 59

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of 2017 concerning Implementation of the Achievement of Sustainable Development Goalsas a form of Indonesia's commitment to implementing and achieving SDGs (Suistanable Development Goals) in a participatory manner and involving all parties. Apart from that, the Financial Services Authority or OJK, also issued

Regulations regarding Sustainability Finance as contained in Financial Services Authority Regulation Number 51 /POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies, which requires companies to carry out making a sustainability report to complement the company's annual report as an inseparable part, which requires all LJKs (Financial Services Institutions) and issuers in Indonesia to have a Sustainable Financial Action Plan and publish a Sustainability Report so that their economic, social and environmental performance can be achieved. monitored transparently, so that companies, both companies in the natural resources sector, public companies, financial service institutions and issuers are now required to produce sustainable financial reports. However, not all companies make sustainability reports. In fact, only large companies that are listed on the Indonesian stock exchange do this. In 2017, almost 9% of companies listed on the Jakarta Stock Exchange (BEJ) had published sustainability reports.

To encourage and motivate sustainability reporting in Indonesia, NCSR (National Center for Sustainability Report) or the National Center for Sustainability Reports regularly holdsSustainability Reporting Awards(SRA) every year, so it is hoped that it can accelerate corporate sustainability reporting by appreciating extraordinary efforts to communicate corporate performance in three aspects (economic, social and environmental). Based on data from NCSR, when it was first held in 2005, there were onlyseven participants who took part in this program, then it continued to grow and over the yearsIn 2018, there were 56 companies participating in this award. Since 2018, NCSR initiated the Asia Sustainability Reporting Rating (ASRR), hereinafter referred to as ASRRAT, which replaced the Sustainability Reporting Awards (SRA). Based on NCSR data, the number of Indonesian companies participating in this award is still fluctuating, in 2018 38 companies participated, and in 2019 and 2020 41 companies participated.Meanwhile, data from GRI and BEI shows that out of a total of 629 Listed Companies as of April 23 2019, only one hundred and ten sustainability reports have been released. This means that only around 17% of companies have prepared sustainability reports in 2020 and only around 7% of companies whose sustainability reports comply with standards.

Company value is investors' perception of the level of success of managers in managing the company's resources, which is often linked to share prices. Company value is something that is very important because an increase in company value will be followed by an increase in share prices which reflects the prosperity of shareholders. Several previous studies stated that sustainability reports have a positive effect on company value (Shalihin et al., 2020; Loh, et al., 2017, Pujiningsih, 2020). Having a sustainable report that reveals the performance of economic, social and environmental dimensions can increase the company's value to investors because of the strategic plans carried out for the company's sustainability in the future.

By publishing a sustainability report, it means that the company has made efforts toincrease value creation and demonstrate seriousness in maintaining environmental balance and sustainability, minimizing social disparities and the economic welfare of society, so that disclosure of sustainability reports can increase company value. As stated in research by Shalihin et al. (2020) publishing a sustainability report has a positive effect on company value. In another study conducted on 100 Leading Brands in Singapore, results showed that there was a positive correlation between sustainability reporting and company brand value (Loh & Tan, 2020). However, other research provides resultssignificant negative relationship between sustainability reporting and company value (Nguyen, 2020). From the discussion above, the existence of inconsistencies in the research results of the sustainability report on company value is an interesting thing to study further.

1.1 Formulation of the problem

This research aims to reveal the impact of sustainability reports on company value and how sustainability reports for companies after participating in ASRRAT have a significant impact on company value. Through this research, researchers are trying to get answers to problems in the form of:

- Does sustainability reporting affect company value?
- Does disclosure of sustainability reports after participating in ASRRAT have a significant impact on company value?

Previous research conducted by Putri & Wardhani (2019) empirically investigate whether the Sustainability Reporting Award has an influence on a company's financial performance and the company value of public companies listed on the Indonesia Stock Exchange for 2010-2017. The results of this research show that the Sustainability Reporting Award has a positive and significant effect on financial performance and company value. Differences with previous researchThis research will reveal the impact of disclosure of sustainability reports after companies consistently participate in ASRRAT every year.

1.2 Research Contribution

It is hoped that this research can provide a theoretical contribution for academics and companies to broaden the understanding and importance of sustainability reports for companies, so that it can increase company participation in the disclosure of sustainability reports and ultimately contribute to influencing sustainable development in Indonesia. Finally, the information will help stakeholders, investors, policy makers and academics to increase their knowledge about the importance of sustainable reporting practices.

II. Literature of Review

2.1 Grand Theory

a. Stakeholder Theory

Edward Freeman (1990) put forward a new concept of the company by placing ethical and moral aspects on the company's mission and responsibilities as a business entity. Freeman views companies as consisting of various different groups/parties that influence and the groups that are influenced by the company are called stakeholders, including company owners and community groups such as employees, consumers, and affected communities and the natural environment. John Elkington (1994) gave this concept as the triple bottom line which includes the elements of people (society), planet (environment) and profit (company finances) or often referred to as 3P. Thus, the continuity of a company is greatly influenced by stakeholder support for the company. Having sustainable reports by companies from various aspects, especially economic, environmental and social aspects, will enable stakeholders to better understand the approach and sustainability of company performance in influencing company value.

Sustainability is actually part of the company's continuity to maintain the company's profitability in the long term.

b. Legitimacy Theory

Legitimacy theory focuses on interactions between companies and society. Legitimacy theory states that organizations continuously seek ways to ensure their operations are within the limits and norms that apply in society. According to Deegan (2004), in the perspective of legitimacy theory, a company will voluntarily report its activities if management considers that this is what the community expects. In other words, this theory places public perception and recognition as the main impetus for disclosing information in financial reports. When companies disclose transparent and appropriate sustainability reports, they have confirmed their good performance in corporate social responsibility as well as in compliance with good business practices so as to increase stakeholder perceptions of corporate social responsibility performance and transparency. As a result, company value can be increased with stakeholder perception and support. With a sustainability report, the public and investors will give a good perception because the company has a vision and mission to achieve in building and improving environmental and social sustainability in accordance with existing norms in society to be able to provide reciprocal relationships and good concern for the environment. outside the entity.

c. Agency Theory

This theory was developed by Jensen and Meckling (1976). This theory emerged because of the separation between owners and management. The company owner or principal delegates responsibility to management or agents. Scott (2000) defines agency theory as a version of game theory that creates a contractual model to motivate agents to act on behalf of the principal. The authority and responsibilities of the agent and principal are regulated in the employment contract by mutual agreement. Agency theory describes a company as a meeting point between the company owner or stakeholder (principal) and management (agent) due to differences in orientation or goals of the two interested parties. To overcome this problem, companies can impose agency costs. Agency costs can take the form of costs for monitoring management performance and applying financial incentives to managers. To publish a company's sustainability report requires costs in the process so that the profit reported for the current year is lower. These costs are agency costs for management purposes, one of which is the cost of increasing the company's value in society. Then, as a form of accountability, the manager as an agent will try to fulfill the principal's wishes by disclosing sustainable reports. This sustainable report is a meeting point between the agent and the principal where the agent and principal agree on the company's goal of increasing the value of the company so that it can improve the welfare of the principal or shareholders.

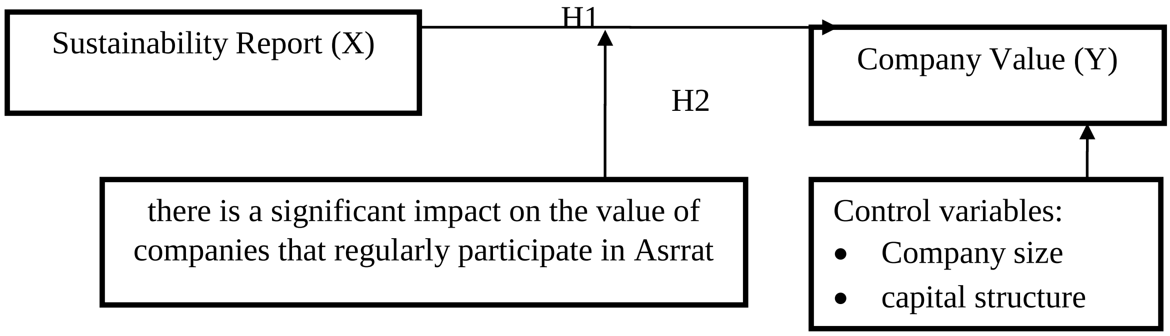
2.2 Previous research

Research conducted by Laskar (2018) which examined sustainability reports in 4 countries in Asia on company value in Japan, South Korea, India and Indonesia found that there was a positive and significant relationship between sustainability reports and company value as measured by MBR (market-to-book ratio). Loh et al. (2017) tested the relationship between sustainability reporting and company value based on market value in companies in Singapore. The results showed that disclosure of sustainability reports was positively related to the market value of a company, and the better the quality of sustainability reporting, the stronger the bond. In research on public companies in Turkey conducted by Kuzay and Uyar (2017), confirmed the positive relationship between sustainability reporting and company value as measured by Tobins Q. Other research by Swarnapali & Le (2018) revealed the results of a positive relationship between sustainability reporting (SR) and the company's market value in Sri Lanka. However, research conducted by Nguyen (2020), research findings produce a significant negative relationship between sustainability reporting and company value.

In the context of ASEAN countries, research conducted by Husnaini & Basuki (2020) shows the results that the sustainability report has a negative and insignificant influence on company value as proxied by Tobins Q. The same results are also shown by research by Wicaksono & Septiani (2020) that There is no significant relationship between sustainability reports and company value in Indonesia. This is also in line with research conducted by Febriyanti (2021), that the sustainability report has no influence on company value. Another research conducted by Fadillah & Suryawati (2021) revealed the results that the sustainability report did not have a significant influence on company value. In Latifah & Luhur's (2017) research, it was found that Sustainability Report disclosure affects company value. Likewise, research by Shalihin et al. (2020) shows the results that company sustainability reports have a positive impact on company value, in this case company value is measured using the PROPER index developed by the Ministry of the Environment. In line with this, research conducted by Putri & Wardhani (2019) revealed the results that Disclosure of the Sustainbility Reporting Award showed positive and significant results on financial performance as measured by ROA and company value with Tobins Q.

2.3 Framework

This theoretical framework aims to provide a clear and comprehensive overview of the main research problems. The theoretical framework for this research is as follows:



2.4 Hypothesis Development

Sustainability Reporthas 3 dimensions of performance, namely Economic, Social and Environmental Performance. These three aspects describe the company's responsibility to stakeholders regarding economic, social and environmental performance when carrying out its operational activities. Several empirical studies have reported the positive and significant impact of Sustainability reports on company value both in the Indonesian and global contexts. Previous research shows that there is a positive impact of Sustainability reports (both in terms of level and quality) on company value (Laskar & Maji, 2018). This is supported by other research that there is a significant positive relationship between sustainability reporting and company performance (Laskar, 2018). It was also found that there was a positive relationship between sustainability reporting and company market value (Swarnapali & Le., 2018; Loh et al., 2017). Likewise, research by Kuzey and Uyar (2017) states that disclosure has a positive effect on company value. In the Indonesian context, it also shows that the Sustainability report has a positive effect on company value (Shalihin et.al., 2020; Latifah & Luhur, 2017). Therefore, based on the discussion above, this research intends to empirically test the following hypothesis:

H1: Sustainability reports positively influence company value

The Sustainability Reporting Award program, created by the National Center Report (NCSR), has succeeded in encouraging companies to publish sustainability reports by giving awards to companies. This ranking assessment is based on the GRI (Global Report Initiative) Framework which is adopted by companies as a framework for compiling sustainability reports. Since this program was launched in 2005, the number of companies participating in this program has continued to increase every year, which means that companies gain benefits and advantages from their participation in the Sustainability Reporting Award program. Based on previous research, information about SRA winners has an impact on the value relevance of financial reports, especially information about EPS and EPSC (Sutopo et al., 2018). Other research also shows that the Sustainability Report Award has a positive and significant effect on financial performance as represented by ROA and firm value represented by Tobin's Q(Putri & Wardhani, 2019).Therefore, based on the discussion above, the second hypothesis of this research is as follows:

H2: Disclosure of sustainability reports in companies that participate in ASRRAT successively has a significant impact on company value.

III. Research Methods

3.1 Research Design

This research is hypothesis testing using a quantitative approach, to determine the influence between the independent variable, namely the Sustainability Report, and the dependent variable, namely Company Value. The unit of analysis in this research is an organization, where the object studied is a company published on the Indonesian Stock Exchange (BEI). This research uses a cross-sectional time horizon, namely research conducted for a specific object with many subjects and a short period of time observed, namely within a certain period. The type of data used is secondary data, which is collected and obtained from the NCSR website and companies.

3.2 Operational Definition of Variables and Measurement

a. The value of the company

Company value is the selling value of a company as an operating business (Pujiningsih, 2020). Company value is investors' perception of how successful a manager is in managing the company resources entrusted to him. This value is often linked to the company's share price. Company value is something that is very important because an increase in company value will cause an increase in share prices which reflects the prosperity of shareholders. With good company value, it will be able to attract potential investors to invest their capital. Company value in this research is proxied using the Tobins Q measurement.

In research by Kuzey & Uyar (2017) and Latifah & Luhur (2017), Tobins Q is formulated as market capitalization value plus total debt divided by total assets, so the Tobins Q ratio can be described as follows:

$$\text{Tobins'Q} = \frac{MVE + DEBT}{TA}$$

Information:

MVE : Share price per share multiplied by the number of shares outstanding
DEBT : total debt
TA : Total assets

b. Sustainability Report

*Sustainability Report*made based on GRI (Global Report Initiative) standards. Sustainability reporting according to GRI 101: Foundation 2016 is the practice of openly reporting an organization on its economic, environmental and/or social impacts, and therefore also including its contribution - positive or negative - to sustainable development goals. The GRI Standards create a common language for organizations and their stakeholders, so that the economic, environmental and social impacts of organizations can be communicated and understood. Disclosure of the Sustainability Report in this research was carried out using the Sustainability Report Disclosure Index (SRDI) calculation. SRDI is formulated as follows:

$$SRDI = \frac{\text{Number of items disclosed}}{\text{The expected amount is disclosed}}$$

If the company discloses an item it will be given a value of 1, whereas if the company does not disclose an item it will be given a value of 0.

c. Company size

Company size can be said to be a reflection of the total assets or wealth owned by a company. Company size can be measured using the SIZE proxy, namely the log of total assets.

d. Capital Structure

In Laskar (2018) it is stated that a lot of theoretical and empirical literature has shown that company value is influenced by its capital structure (namely leverage/debt capital). Debt capital provides a signal to the market regarding the credibility of the company and a credible company is a profitable company that is more inclined towards debt capital therefore this research also uses leverage as a control variable. To control the influence of capital structure, debt to equity ratio (DER) is used as a measurement.

3.3 Data Sampling and Conclusion Methods

This research is quantitative research. The type of data used is secondary data obtained from the Indonesian Stock Exchange (BEI) website, NCSR (National Center for Sustainability Report) and the company's official website. The data taken in this research used a purposive sampling method with the following criteria:

Table 1. Research Sample Data

Information	Sample
Participating in ASRRAT 2018-2020	60
Not listed on the Indonesian Stock Exchange	(24)
Listed on the Indonesian Stock Exchange	26
Reporting a sustainability report from 2017-2019	23
Have an annual report from 2017-2019	23
Have appropriate variables needed in research	22

Number of samples	22
Research Period	3
Total research observations	66

3.4 Data analysis method

To test the regression model in this study, multiple linear regression tests were used. The regression model formed in this research is as follows:

Tobins Q = α + β1 SRDI+ β2 SIZE+ β3 DER+ ε

Information:

Tobins Q	=*the value of the company*
α	= Regression equation constant
SRDI	= Sustainability Report
β1-3	= Regression coefficient
SIZE	=Company Size
DER	= Capital structure
ε	=*Error*

The variables in this research consist of three types, namely dependent, independent and control variables. The dependent variable in this research is company value which is measured using Tobins Q. The Independent Variable in this research is the Sustainability Report which is measured using the Sustainability Report Disclosure Index (SRDI) calculation. The index used to measure sustainability reports refers to the rules issued by the Global Report Initiative (GRI) which consist of economic dimensions, environmental dimensions and social dimensions. The control variables in this research based on previous research by Laskar (2018) are company size and capital structure (Laskar, 2018; Shalihin et al., 2020).

IV. Results and Discussion

4.1 Research result

a. Descriptive statistics

Table 2. Descriptive Statistics

	N	Range	Minimum	Maximum	Sum	Mean		Std. Dev.	Variance
	Statistics	Statistics	Statistics	Statistics	Statistics	Statistics	Std. Error	Statistics	Statistics
SRDI	66	,649	,065	,714	19,831	,300	,019	,158	,025
TOBINS Q	66	2,184	,764	2,949	79,387	1,203	,053	,430	,185
DER	66	11,764	,145	11,909	198,058	3,001	,371	3,013	9,079
SIZE	66	5,676	29,211	34,887	2,090,291	31,671	,173	1,402	1,967

Valid N (listwise)	66								

Source: Processed Secondary Data

The table above shows the results of descriptive statistical tests of the variables in this study. The average company value described by Tobins Q for companies participating in ASRRAT for the 2018-2020 period is1.20284, while the minimum value is 0.764 and the maximum value is 2.949, which means the average of companies that take part in ASRRATThe shares are overvalued and have high investment growth potential. The average value of implementing sustainability reports as described by SRDI is 0.300 or 30%, meaning that on average companies only disclose 30% of the items in their sustainability reports or are still relatively low. The minimum value is 0.065 or 6.5% and the maximum value is 0.714 or 71.4%. Meanwhile, the capital structure variable described by DER has an average value of 3.001, a minimum value of 0.145 and a maximum value of 11.909. The company size variable described by SIZE has an average value of 3.001, a minimum value of 29.211 and a maximum value of 34.887.

4.2 Classic Assumption Test

a. Normality test

Table 3. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		66
Normal Parameters, b	Mean	,0000000
	Std. Deviation	,40819015
Most Extreme Differences	Absolute	,172
	Positive	,172
	Negative	-,116
Statistical Tests		,172
Asymp. Sig. (2-tailed)		,000c

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: Processed Secondary Data

Based on the Kolgomorov-Smirnov normality test, it was found that the valueAsymp. Sig. (2-tailed) is less than 0.05 which indicates that the data is not normally distributed. Researchers then carried out outliers on extreme data and found 6 data with extreme values. Then a normality test was carried out again on the 60 data and it was found thatmarkAsymp. Sig. (2-tailed) shows the number 0.200 is greater than 0.05, which means the data has been distributed normally.

Table 4. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		60
Normal Parameters, b	Mean	-,0931894
	Std. Deviation	,22777689
Most Extreme Differences	Absolute	,073
	Positive	,073
	Negative	-,059
Statistical Tests		,073
Asymp. Sig. (2-tailed)		,200c,d

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

b. Linearity Test

Table 5. ANOVA Table

			Sum of Squares	f	Mean Square	F	ig.
TOBINSQ * SRDI	Between Groups	(Combined)	1,581	1	,051	’ 867	651
		Linearity	,041		,041	’ 695	411
		Deviation from Linearity	1,540	0	,051	’ 873	643
	Within Groups		1,647	8	,059		
	Total		3,228	9			

Source: Processed Secondary Data

From the table above, the values are obtainedDeviation from Linearity Sig is 0.643, greater than 0.05, so there is a significant linear relationship between the sustainability report variable and company value. Then the calculated F value is 0.873 and the table F is1.8687. Because the calculated F value is smaller than the table F value, there is a significant linear relationship betweensustainability report variable with company value.

c. Multicollinearity Test

Table 6. Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-,735	,791		-,928	,357		
SRDI	-,041	,210	-.025	-,195	,846	,909	1,100
DER	-,033	,012	-,405	-2,713	,009	,683	1,464
SIZE	,062	,025	,385	2,477	,016	,633	1,579

a. Dependent Variable: TOBINS Q

Source: Processed Secondary Data

The multicollinearity test in this study was seen using tolerance values and Variance Inflation Factor (VIF). If the tolerance value is greater than 0.1 and the VIF value is <10.00, this means that there is no multicollinearity in the regression model. From the table above, it is known that the tolerance for SRDI is 0.909, DER is 0.683 and SIZE is 0.633. Meanwhile, the VIF value for SRDI is 1,100, DER is worth 1,464 and SIZE is worth 1,579. So based on these results, no correlation was found between the independent variables in this study.

d. Autocorrelation Test

Table 7. Model Summary b

Model Summary b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,381a	,145	,099	,221970	1,515

a. Predictors: (Constant), SIZE, SRDI, DER

b. Dependent Variable: TOBINS Q

Source: Processed Secondary Data

The autocorrelation test in this study used Durbin Watson. Based on the model summary table above, it is known that the Durbin-Watson (d) value is 1.515. Next, it will be compared with the Durbin Watson table value at a significance of 5%. Based on the table, with a sample size (n) of 60 and an independent variable (k) of 3, the dL value is 1.4797 and dU is 1.6889. So the Durbin-Watson value (d) 1.515 is smaller than the upper limit (dU) which is 1.6889 and less than (4-dU) 4-1.6889 = 2.3111. So it can be concluded that there are no problems or symptoms of autocorrelation.

e. Heteroscedasticity Test

Table 8. Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,728	,483		1,506	,138
	SRDI	-,203	,128	-,205	-1,581	,120
	DER	-,012	,008	-,239	-1,594	,117
	SIZE	-,015	,015	-,152	-,974	,334

a. Dependent Variable: Abs_RES
Source: Processed Secondary Data

The heteroscedasticity test in this study used the Glejser test. shows that there are no symptoms of heteroscedasticity. Based on the table above, it is known that the significance value (Sig) for the SRDI variable is 0.120, while DER is 0.117 and SIZE is 0.334. All significance values show values greater than 0.05, so there are no symptoms of heteroscedasticity in the regression model.

4.3 Multiple Linear Regression Analysis

Multiple regression analysis is used to test whether there is an influence between the independent variable sustainability report, control variables (capital structure and company size) and the dependent variable (company value).

Table 9. Summary of Multiple Linear Regression Analysis

Variable	Regression Coefficients	tcount	Sig
Constant	-0.735		
SRDI	-0.041	-0.195	0.846
DER	-0.033	-2,713	0.009
SIZE	0.062	-2,477	0.016

Fcount : 3,172
R Square : 0.145
Source: Processed Secondary Data

Based on the table above, the regression formula can be obtained as follows:

Y = (-0.094) -0.041SRDI -0.033DER +0.062 SIZE + e

The constant in the table above shows a value of -0.735, which means that if all the independent and control variables have a value of 0 then the value of the dependent variable (Beta) is -0.735. The coefficient value for SRDI is -0.041 and has a negative sign. This means that for every increase in SRDI by 1, the variable Y (Tobins Q) will decrease by 0.041 with the assumption that the independent variables from the regression model are fixed. The DER coefficient value is -0.033 and has a negative sign, which indicates that DER has a relationship in the opposite direction to Variable Y, which means that for every increase in DER by 1, variable Y (Tobins Q) will decrease by 0.033 with the assumption that the variables are independent from the regression model is fixed. The SIZE coefficient value is 0.062. This means that for every increase in SIZE by 1, variable Y (Tobins Q) will increase by 0.062 with the assumption that the independent variables from the regression model are fixed.

The T test results can be seen from the Sig column, if the significance value is smaller than the probability of 0.05 then shows that there is an influence of the independent variable on the dependent variable and vice versa. The significance value obtained for SRDI is 0.846 > 0.05, so Ho is accepted and H1 is rejected, which means that Sustainability Reporting (SR) has no significant effect on company value. The significance value for DER is 0.09 and the significance value for SIZE is 0.016. So, the SRDI variable does not show an influence on company value, but the DER and SIZE variables show an influence on company value.

The F test is used to determine whether the independent variables simultaneously have a significant effect on the dependent variable. If the calculated F value is greater than the F value according to the table then all independent variables simultaneously have a significant effect on the dependent variable. The calculated F value from the table above is 3.172 which are greater than the table F value, namely2.7694, so this means that the variables SIZE, SRDI and DER simultaneously influence company value.

It is known that the value of the coefficient of determination or R Square is 0.145 or 14.5%. This means that the variables SRDI, SIZE and DER simultaneously (together) influence company value by 14.5% and the remaining 85.5% is influenced by other variables outside this regression equation or other variables not studied.

a. Independent Sample T Test

This test was carried out to determine the difference in the averages of two independent/unpaired populations/data groups. In this study, it was used to determine the difference in company value for companies that regularly participate in ASRRAT and those that do not routinely participate in ASRRAT. The sample size in this study consisted of 22 companies that took part in ASRRAT for the 2018-2020 period. A total of 12 companies participated in ASRRAT for 3 consecutive years and the remaining 10 companies did not regularly participate in ASRRAT during that period. Researchers divided companies into two groups, namely group 1 were companies that regularly participated in ASRRAT for 3 years and group 2 were companies that did not regularly participate in ASRRAT.

b. Normality test

Table 10. Tests of Normality

		Kolmogorov-Smirnova			Shapiro-Wilk		
	SRA	Statistics	df	Sig.	Statistics	df	Sig.
TOBINS Q	Regularly attending SRA for 3 years	,259	36	,000	,682	36	,000
	Not regularly attending SRA	,173	30	,022	,843	30	,000

a. Lilliefors Significance Correction

Source: Processed Secondary Data

The results of the normality test with the Shapiro – Wilk test show a significance value in the table < 0.05 which indicates that the data distribution is not normal.

c. Homogeneity Test

Table 11. Test of Homogeneity of Variance

		Levene Statistics	df1	df2	Sig.
TOBINS Q	Based on Mean	2,835	1	64	,097
	Based on Median	1,090	1	64	,300
	Based on Median and with adjusted df	1,090	1	48,136	,302
	Based on trimmed mean	1,786	1	64	,186

Source: Processed Secondary Data

This test is carried outto test homogeneity of variance in data that is not normally distributed. The Levene's Test test value is shown in the Based On Mean Value row, namely with the Sig (p value) for Tobins Q is 0.097 > 0.05 and the Sig (p value) value for SRDI is 0.819 > 0.05 which means the variance of the two groups is the same or which is called homogeneous.

d. Hypothesis testing

Next we will testhypothesisnamely the Mann Whitney test. PResearchers use this method because the data is not normally distributed.

Table 12. Ranks

Ranks

	SRA	N	Mean Rank	Sum of Ranks
TOBINS Q	Regularly attending SRA for 3 years	36	32.89	1,184.00
	Not regularly attending SRA	30	34.23	1,027.00
	Total	66		

Table 13. Test Statistics

	TOBINS Q
Mann-Whitney U	518,000
Wilcoxon W	1,184,000
Z	-,283
Asymp. Sig. (2-tailed)	,777

a. Grouping Variable: SRA

Source: Processed Secondary Data

Based on the Mann-Whitney test above, the value is knownAsymp. Sig. (2-tailed) is 0.777 for Tobins Q which shows > 0.05 which means the hypothesis is rejected. Thus, it can be said that there is no significant difference between the value of companies that regularly participate in the SRA and those that do not routinely participate in the SRA.

4.4 Discussion

a. The Influence of Sustainable Reports on Company Value

The first hypothesis in this research is that sustainability reports positively influence company value. Based on table 9 Summary of Multiple Linear Regression Analysis, the SRDI variable shows no influence on company value, which means the hypothesis is rejected, while the DER and SIZE variables show that there is an influence on company value. However, the SRDI, SIZE and DER variables simultaneously (together) influence company value by 14.5% and the remaining 85.5% is influenced by other variables outside this regression equation or other variables that were not studied. This means that the hypothesis is rejected or the sustainability report does not have a significant impact on company value.

In this study, disclosure of sustainability reports showed negative and insignificant results on company value. This is not in line with stakeholder theory which argues that disclosure of sustainability reports by companies in various aspects, especially economic, environmental and social aspects, will make stakeholders better understand how the company's approach and performance are sustainable and influence company value. This is in line with previous research by Wicaksono & Septiani, (2020), Ningrum, et.al (2021) and Husnaini & Basuki (2020) that sustainability reports have a negative effect on company value.

Based on the results of observations over 3 years, sustainability report disclosures have not shown maximum results, as indicated by the low level of disclosure in sustainability reports, namely 30%, meaning that on average companies only disclose 30% of items in their sustainability reports or are still relatively low. Thus, the level of sustainability report disclosure in companies that participate in ASRRAT is still low and does not have a significant influence on company value.

The negative relationship between corporate value and corporate sustainability reports is supported by agency theory as in research by Nguyen (2020). According to agency theory, the existence of continuous reports will give rise to agency costs which are additional costs. To disclose a company's sustainability report requires costs in the process so that the profit reported in the current year will be lower. The costs in question are agency costs for management purposes, one of which is the cost of increasing the company's value in society.

b. The influence of sustainability report disclosures on companies that participate in ASRRAT successively has a significant impact on company value

The second hypothesis in this research is that disclosure of sustainability reports in companies that participate in ASRRAT successively has a significant impact on company value. Based on the Independent Sample T Test, the results showed that there was no significant difference between the value of companies that regularly participate in the SRA and those that do not routinely participate in the SRA.

This is in line with research by Febriyanti (2021). In this research, it was stated that disclosure of sustainability reports in ASRRAT did not have a significant effect on company value. Likewise research by Fadillah & Suryawati (2021). This shows that ASRRAT is not considered very important for the company and is not an indicator of the company's success if the company follows ASRRAT. This means investors prefer to invest in companies based on accounting information in financial reports and not because the company follows ASRRAT.

Disclosure of the sustainability report in ASRRAT cannot be used by companies as a strategy to improve the company's image and reputation which can attract investor interest and thus have an impact on increasing company value. Apart from that, sustainability reports for companies participating in ASRRAT have not been able to increase stakeholder perceptions regarding the performance and transparency of corporate social responsibility because the level of disclosure of sustainability reports is still low. In line with the legitimacy theory in this research, this shows that companies have not succeeded in signaling to investors how they have fulfilled their obligations to society and the environment to legitimize their business practices through the company's participation in ASRRAT.

c. The Influence of Company Size and Capital Structure on Company Value

Based on the regression test, it was found that the control variable DER had a significance value of 0.009 and SIZE 0.016 which had a value smaller than 0.05, this indicated that the control variable had an influence on company value. Companies that have a large company size and capital structure allow the company to disclose sustainable reports. Large company size is considered to influence company value, this is also based on the ease of access of large companies to funding from external parties. (Ningrum, et.al. 2020).

V. Conclusion

There are inconsistencies in previous research regarding sustainability reports on company value, so this research is interesting to study further with differences in observations. The samples in this research are companies that participated in ASRRAT in the 2018-2020 period and have published sustainability reports, annual reports and financial reports in the 2017-2019 period and are listed on the Indonesian Stock Exchange. From the existing criteria, a research sample of 22 companies was obtained. Researchers then divided into two groupsto find out the difference in company value for companies that regularly participate in ASRRAT and those that do not regularly participate in ASRRAT during the 2018-2020 period.

The first hypothesis is that sustainability reports positively influence company value. Based on the results of hypothesis testing carried out by researchers, it can be concluded that the sustainability report variabledoes not show an influence on company value, but the variables sustainability report, company size and capital structure simultaneously influence company value by 14.5%. The second hypothesis is that disclosure of sustainability reports in companies that participate in ASRRAT successively has a significant impact on company value. From hypothesis testing, research results show that there is no significant difference between the value of companies that regularly participate in ASRRAT and those that do not routinely participate in ASRRAT.

5.1 Limitations

This research failed to prove that the sustainability report is a report that can increase company value as proxied by Tobins Q. This is because the number of samples in this research is relatively small and companies do not fully disclose all the indicators contained in the GRI standards. Apart from this, the limitation of this research is that not all companies that take part in ASRRAT are registered on the Indonesian Stock Exchange, therefore only a few companies have complete information according to the research criteria. For future research, it is hoped that a sample of companies listed on the Indonesian Stock Exchange will be used over a longer period of time. This research also only tests the sustainability report variable on company value. In future research, it is hoped that other variables will also be studied to test the relationship with company value so that the results obtained are more comprehensive.

5.2 Implications

The theoretical implications of this research are:academics, policy makers, and companies especially as a reference source for creating and increasing widespread awareness about the Sustainability report. It is hoped that the results of this research can increase company awareness regarding the disclosure of sustainability reports and also encourage the inclusion of sustainability reports as part of the company's strategy in the management process. The practical implication of these findings is that companies that participate in ASRRAT must disclose more information regarding their sustainability reports in accordance with GRI standards so that they can help stakeholders to make appropriate, valid decisions and can increase stakeholder perceptions of the performance and transparency of corporate social policies. . The implications for policymakers are to pay more attention to the disclosure of sustainability reports in companies to ensure more transparency in information disclosure, which will help countries achieve sustainable development goals. In addition, stakeholders such as investors, shareholders, creditors and debtors should increase their knowledge about sustainability reporting and the importance of sustainability reporting in business, which will enable them to make better investment choices.

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