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DOES SUSTAINABILITY REPORTS AFFECT FIRM VALUE ? EVIDENCE OF ENERGY AND MANUFACTURING SECTOR COMPANIES IN INDONESIA

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Abstract

This study aims to analyze and obtain empirical evidence regarding the disclosure of sustainability reports on firm value. This research uses quantitative methods. The population of this research is 273 companies listed on the IDX in the energy and manufacturing sectors in 2021. Using a purposive sampling technique, the sample is 70 companies. Corporate value is measured using the Tobin's Q ratio, while the disclosure of sustainability reports on economic, social and environmental aspects uses the GRI index. This study found that economic and social aspects of sustainability reports have a positive effect on firm value, but environmental aspects have no effect on firm value. The implications of this study indicate that sustainability reports are very important for firm value. Parties for the company's management try to disclose non-financial reports on economic and social aspects so that they can be used as a basis for evaluating and increasing the value of the company in the future. For investors who want to invest in companies other than using financial reports, non-financial reports in the form of sustainability reports can be considered as a tool in making investment decisions with a focus on environment, economic and social aspects disclosed in sustainability reports. For the government, this research has a contribution as a consideration in making policies on what aspects need to be emphasized first in the program to fulfill the SDGs in 2030.

Keywords: Sustainability Reporting, Firm Value

INTRODUCTION

Stakeholders, especially investors and potential investors, are interested in investing in a company, many factors influence it. Good or bad company by investors by looking at the ups and downs of share prices, asset values and the number of ownership of outstanding shares. The main reason for creating a company is to increase the prosperity of shareholders (Yunan, 2023). According to Ariantika et al., (2019) Financial performance is very important for companies to maintain the company's survival, the success achieved by the company reflects its performance which also influences the value of the company.

Sustainability reporting provides information to stakeholders so that they can assess a company's economic, environmental and social activities (Orzaline et al., 2020). Reporting studies have taken two main directions (Ebaid, 2023). The first direction is focused on tax factors that influence the extent of disclosure made by companies such as corporate governance (Ong et al., 2020), measures of company profitability (Orazaline et al., 2020), debt and liquidity (Kuzey et al. ., 2020), debt and liquidity (Kuzey et al., 2017) and board attributes (Giron et al., 2021). The second direction focuses on examining the economic sanctions of reporting performance, such as guarantees of repayment on firm value (Hadiati et al., 2023; Aifuwa, 2020; Harymawan et al., 2020; Swarnapali et al., 2018; Mulya et al., 2018; Loh et al., 2017), company reputation (Bhatia and Tuli, 2017), competitive advantage (Nnamami et al., 2017) and company performance (Alhassan et al., 2021; Oncioiu et al., 2020). This study contributes to the second direction, regarding the value of a company in the manufacturing and energy sector companies in Indonesia. In particular, this research raises the question of whether reporting of repayment generates better financial performance in the eyes of investors for companies in the sector (Ebaid, 2023).

This research is important in addition to the much research attention in recent years regarding sustainability reports, there are still many research results that are less conclusive, which means that research is still needed on the issue. Second, research on sustainability reports began in the early 1980s, and most of the research was conducted in developed countries (Ebaid, 2023). It is still difficult to generalize research results from developed and developing countries due to differences in civil society, development policies, regulatory frameworks, institutional systems and expectations from stakeholders. Previous research discusses sustainability reporting only in the Manufacturing sector. Meanwhile, according to BPS, sectors have largest contributors to waste are manufacture and Energy sector. The focus on the manufacturing and energy sectors and the investigation of every aspect of ESG are the points that differentiate this research from previous research.

After the Covid-19 Pandemic, many stock prices fell and many company operations were temporarily suspended. Many share prices fell in 2019 and began to experience improvement from 2020 to 2021 (Table 1) and with the large number of shares outstanding that were distributed or fully paid up, this is a factor to be considered in using the calculation of company value with Tobin's Q. According to Lestari et al., (2023) Share prices are formed at the request and supply of investors, so that share prices can be used as a proxy for the value of the company. The existence of investment opportunities that provide a positive signal about the company's growth in the future so as to increase the value of the company.

Table 1. Company share prices (in rupiah)

NO	Emiten Code	Share Prices	
		Year 2020	Year 2021
1	AKRA	589.13	792.57
2	HITS	486	384
3	ITMG	10369.02	16382.78
4	MBSS	472.00	1090
5	MITI	126.43	230.77
6	PTRO	1831.99	2170
7	RUIS	262.31	201.84
8	TOBA	520	1100

Source: Data processed by the author 2023 (Yahoo Finance)

To maintain the value of a company, one way is to make a sustainability report (Lestari et al., 2023; Setioningsih & Budiarti, 2022; Hadiati et al., 2023; Yondrichs et al., 2021; Taiwo et al., 2022). The basis for submitting sustainability reporting stems from the UN agreement through the SDGs Program or what is called the Sustainable Development Goals which has 17 goals that must be achieved by 2030. In Indonesia itself, these goals have begun to be adopted through the Republic of Indonesia Law No. 40 of 2007 concerning limited liability companies (PT). In article 66 paragraph 2 part c it is written that in addition to the annual report, in this report it is mandatory to report on the implementation of social and environmental responsibility. Article 74 paragraph 1 states that companies that carry out their business activities in the field of and/or related to natural resources are required to carry out social and environmental responsibility. Implementation of this responsibility is the obligation of all GO PUBLIC companies.

Energy Sector Companies are industries that use non-renewable natural resources. Which means the company has a very big responsibility to make environmental disclosures. This is because the company's operational activities have a negative impact on the environment and society, both in the short and long term, Setioningsih & Budiarti (2022). So that it can have the impact of decreasing the value of a company due to environmental and social corporate responsibility. Apart from the environmental and social aspects, the economic side also has an impact, namely by decreasing the value reflected in the company's share price. Pratoomsuwan et al.,(2022) the assessment of willingness to invest in a firm's stock is not affect.

Stakeholder theory describes the relationship between stakeholders and the company. Where this theory underlies that the activities carried out by a company can affect stakeholders. This means that disclosure of sustainability reports is one of the company's responsibilities to stakeholders, especially investors and the public.. In this case it can be seen that the company runs its business not only to get profit but also to create value for the company itself. There are several levels of companies that can be said to be good, we can adopt the CSR Pyramid (Carroll, 1991) where companies to be good companies apart from the profits they seek, companies must comply with applicable regulations, then the next company must comply with applicable ethics so that companies can be called a good company. Voluntary Disclosure Theory is a special case of game theory with the following main premise: any entity that intends to disclose will disclose information that is beneficial to the entity, and will not disclose information that is unfavorable.

There were differences in the results of previous research regarding sustainability reports on company value. According to Loh et al., (2017), Swarnapali et al., (2018), Mulya et al., (2018), Farhana et al., (2019), Lestari et al., (2023) and Hadiati et al. , (2023) shows that disclosure of sustainability reports has a positive effect on company value. In the research (Hadiati, 2023) the research conducted separated financial and non-financial companies, for research with a sample of financial sector companies, it shows that disclosure of sustainable reports has positive results. Conversely, in research in the non-financial corporate sector, disclosure of sustainability reports has no effect on firm value. This result is also supported by research findings conducted by Yondricks et al., (2021) and Dewi et al., (2022). The results of this study concluded that disclosure of a company's sustainability report cannot improve the company's reputation and image in the eyes of stakeholders. Then there are differences in the results of research conducted by Nguyen., (2020), Husnain et al., (2020) and Setioningsih & Budiarti, (2022) they found that disclosure of sustainable reports has a negative effect on company value.

The results of previous studies are still not conclusive because there are many other variables that play a role in the effect of sustainability report disclosure on firm value. This makes researchers interested in examining how extensive disclosure of sustainable reports has on company value. Sustainability reports are still a topic that is still hotly discussed because apart from having the objective of supporting the SDGs in 2030 program, they are expected to create corporate value in the eyes of investors. Researchers will analyze more deeply and get empirical evidence regarding the effect of sustainability report disclosure on the value of a company.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Signaling theory

Several theories have been found through the literature to explain voluntary disclosure practices, including agency theory, signalling theory, capital need theory, and legitimacy theory. Although the signalling theory was originally developed to clarify the information asymmetry in the labour market (Spence, 1973), it has been used to explain voluntary disclosure in corporate reporting (Ross, 1977). As a result of the information asymmetry problem, companies signal certain information to investors to show that they are better than other companies in the market for the purpose of attracting investments and enhancing a favourable reputation (Verrecchia, 1983). Voluntary disclosure is one of the signalling means, where companies would disclose more information than the mandatory ones required by laws and regulations in order to signal that they are better (Campbell et al., 2001). Signaling theory was first introduced by Akerlof, (1970). In stakeholder theory, based on all forms of activities carried out by the company, it can affect stakeholders, such as society in general and investors who will invest in the company. According to Romadhon et al., (2020) in this theory there is a form of concern and responsibility from the company towards the issue of sustainability, but when carrying out its business the company is faced with various pressures exerted by stakeholders. In the disclosure of sustainable reports it is expected to create value for the company.

Voluntary Disclosure theory (Dye, 2001) is most interesting because it sheds light on how to interpret silence or, more generally, the presence of incomplete information. This means that any disclosures made by corporate entities must be fully disclosed. A good standard that is used as a reference for disclosure in sustainability reports is by using the GRI index (Kuswant,2019). A good company will try to fulfill the disclosure requirements that have been set in order to participate in achieving the SDGs.

Sustainability reporting

Disclosure Sustainability reports published by companies should be able to provide relevant and important information to be known by stakeholders. Some of the information disclosed by the sustainability report is a report regarding the disclosure of Economic, Environmental and Social aspects. This disclosure information provides good news to other stakeholders so that it can provide positive value to the company. The more disclosures made by the company, both positive and negative, can indicate a good intention from the company to reveal the actual conditions within the company, with this it is expected to increase the value of the company.

Through Sustainability Reporting, businesses can have many great opportunities in attracting investment capital from socially and environmentally responsible investors, strengthening the confidence of stakeholders in enterprises. The use of sustainable disclosure reports based on the Global Reporting Initiative provides empirical evidence and produces significant results (Kuzey, 2017). Disclosure of sustainability reports based on the GRI Index is used in research as an indicator which is expected to be able to reflect the overall disclosure regarding the activities of a company to stakeholders, especially the public. The sustainability report is a form of company contribution in realizing the Sustainable Development Goals declared by the United Nations. Report disclosure indicators use indicators of disclosure of economic, environmental and social aspects where each has disclosure indicators on a different side. The economic aspect tends to convey more about the value of disclosing economic value to stakeholders. Environmental Aspects reveal more on the use of resources and their impact on society. On the social aspect, disclosure is more focused on responsibility towards employees and the interests of society. In carrying out its business apart from profits, the company's presence is expected to be accepted by the community and can foster a sense of trust and is expected to maintain the company's survival in the future (Setioningsih, & Budiarti, 2022).

Firm Value

Firm value is a certain condition that is achieved by a company as an illustration of public trust in the company after going through a process of operational activities, since the company was founded. Increasing the value of the company is an achievement, which is in accordance with the wishes of the owners, because with the increase in the value of the company, the welfare of the owners will also increase. The company's value will be a reflection of its share price. The market price of the company's shares formed between buyers and sellers when a transaction occurs is called the company's market value, because the stock market price is considered a reflection of the actual value of the company's assets. Like an asset, the value of a firm can be determined on the basis of either book value or market value. But generally, it refers to the market value of a company. Firm value is a more comprehensive substitute for market capitalization and can be calculated by following more than one approach (Brigham and Houston, 2015).

Tobins'Q is a ratio analysis that can be used to measure company value. Where if the Tobins'Q value is above 1 it indicates that the company has a greater value compared to the assets recorded or owned by the company. This ratio includes variables such as market value, total assets. The company's market capitalization value is the share price multiplied by the number of outstanding shares (Husnaini, 2020). This indicates that the value of a company is not only seen from its share price.

According to Kuzey et al., (2017) firm value value is investors' perceptions of company conditions that reflect an exploration of the value relevance of continuous reporting disclosures because it requires a large commitment. form a positive association between disclosure and corporate value on the basis of signaling theory and argued that transparency increases value. Therefore, firms operating in a socially responsible way are more likely to inform stakeholders by issuing sustainability reports. Another common argument regarding the connection between sustainability reporting and firm value centers on the potential of the reporting to enhance the reputational capital of the issuing firm and disclosure results in a decrease in stock price mis valuation, which, in turn, increases the value of the company.

Hypothesis Development

Effect of Sustainability Reports on Company Value

Disclosure of sustainability reports is mandatory for companies with the aim of maintaining the company's viability in the future. Through disclosure of information on each aspect of disclosure. Companies get many benefits through sustainable reports such as a reputation that is formed to attract investors, increase employee loyalty, protect the environment, and contribute to the community around the company. By increasing these disclosures, it can improve the company's performance in the sustainability program. Disclosure of sustainability reports can increase the value of a company (Lestari, 2023).

Disclosure reports have information that is value relevant to investors for making investment decisions. Sustainability reports made by companies are considered capable of being material and aspects of investment considerations and showing long-term prospects for a company. So investors do not only pay attention to short-term profits or company profits, but consider sustainability reports as a means of fulfilling all stakeholders (Farhana, 2019). According to Harymawan et al., (2020) found variations in disclosure of sustainable reports with external guarantees can affect investors' perceptions. The use of the GRI index as a disclosure can be used as a standard in reporting. The results of research by Loh et al., (2017), Swarnapali et al., (2018), Mulya et al., (2018) and Hadiati et al., (2023) also state that Sustainability Reports have a positive influence on company value. The extent of these disclosures can contribute to investors' consideration in making investment decisions. This can increase the high trust of investors in the company and be followed by an increase in the value of the company.

Signaling theory (Akerlof, 1970) and Voluntary Disclosure Theory (Dye, 2001) are theories compiled in the formation of this hypothesis, signaling theory acts as a signal from a company or management in providing guidance to investors regarding how management explains the company's future prospects. In the riot disclosure report there are those that are mandatory and voluntary. In addition to fulfilling the obligations set by the Government that companies make voluntary disclosures to prepare non-financial reports in order to support the 2030 SDGs and to increase the value of the company itself. Environmental risks arising from the company's operational activities can come from within or outside the company. Operational activities that pose a risk to environmental sustainability include issues of waste disposal, use and disposal of air, the influence of user energy, as well as issues that have a direct impact on biological capture in the vicinity where the company operates. Disclosure of activities in environmental aspects in the sustainability report aims to create a good corporate image in the eyes of the public. If the company has a good image, investors will be more interested in investing in the company which will have an impact on increasing the value of shares and increasing company profitability. Eriandani et al., (2019), have the same opinion that disclosure of environmental activities will increase stock liquidity which will have an impact on increasing trading. Because now investors will be more interested in companies that are sensitive and care about the surrounding environment (Kastutisari et al., 2015).

H1: Disclosure of the Sustainability Report on the Environment aspect, have a positive effect on firm value.

Being a theoretical basis in a disclosure in which assessing a business, there are parties that help the company's success, such as employees, investors, consumers, society, and parties involved (Dye., 2001). Sofiamira & Haryono (2017) reveal activities that can be carried out by companies such as providing explanations regarding employee rights, providing benefits to employees, providing assistance during disasters, also providing information about products or services correctly to consumers. By disclosing social activities, companies can reduce negative responses to the impacts arising from their operational activities. Signaling theory (Akerlof, 1970) argues that the information conveyed by the company can also increase public confidence in utilizing the company's products or services, so that sales and share value increase. This will increase the level of investor confidence in the company so that the level of company profitability also increases.

H2: Disclosure of the Sustainability Report on the Social aspect have positive effect on firm value.

Economic responsibility is often misunderstood to only address the company's financial problems. Based on Signaling theory (Arkelof, 1970) sustainability reports seek to provide information regarding disclosure of sustainability reports on economic aspects not only on financial performance but the delivery of information on economic activities in sustainability reports also discusses all the economic impacts of company operations. As an example of the impact on the surrounding community and other companies that affect the company's operations. Rachman & Nopiyanti, (2019) states that profit is a measure of a company's financial performance. This measurement is possible if the profit earned by the company in a certain period is high, then the company's financial performance will also increase well and vice versa. Rahmawati et al., (2015) also argues that a company's financial performance is considered good if the company benefits from operational activities in the form of profit. Voluntary Disclosure theory (Dye., 2001) argues that companies voluntarily disclose sustainability reports based on the Global Reporting Initiative (2016) Standards stating that there are several indicators to disclose economic aspects, such as market presence, indirect economic impacts, and practices procurement.

H3: Disclosure of the Sustainability Report on the Economic aspect, have a positive effect on firm value.

RESEARCH METHOD

This type of research is quantitative research. This data comes from the sustainability reports of companies in the Energy and Manufacturing sector in Indonesia which are listed on the Indonesia Stock Exchange (IDX) in 2021, because the development of sustainability reporting in Indonesia is still small. Research data obtained from the website of each company concerned. Company value is measured using TobinsQ where the data comes from financial report data taken from each company's website on the company's annual report which contains financial reports. Share price data is accessed through finance.yahoo.com using adjusted stock price data at the end of that period. Sustainability report data uses sustainability reports for each company. This study uses the GRI disclosure index for each aspect. The GRI index on the economic aspect is 17 indicators, then on the environmental aspect there are 32 indicators and on the social aspect as many as 40 GRI indicators are used. The measurement indicator uses a dummy if the company discloses one of the aspects above, then a value of 1 is purchased and vice versa 0 if it is not disclosed. And in the sustainability report on the Indonesia Stock Exchange, the number of participants is still very limited. The sampling used in this study used the Purposive Sampling technique. According to data from the Indonesian BPS Agency, companies in the energy and manufacturing sectors are the largest waste producers of all companies listed on the Indonesian stock exchange. From the results of the waste is very influential on the environment around the company. Based on the following criteria: 1) Companies in the Energy and Manufacturing sectors listed on the BEI IC in the Energy Sector on the Indonesia Stock Exchange 2) Companies that do not make sustainability reports. 3) Companies that do not apply the GRI index in their sustainability reports.

Table 2. Sample selection results

Information for 2021	Company
Number of companies listed on IDX Energy (66) and Manufacture Sector (171)	237
Companies that do not make Sustainability Reports	105
The company does not apply GRI in its Sustainability Report	62
Number of Research Samples	**70**

Operational Definition

The operational definition in this study contains an explanation of the variables used in the research and used as operational tools in data management. The following is an operational definition for each research variable:

1. **Firm Values**

Firm Value is used as the dependent variable. Corporate value is not only related to the relationship with shareholders and creditors but involves all stakeholder relationships. Therefore the Tobins,Q ratio (Hardiati et al., 2023) is used in research measurements.

$$Tobin's\ Q = \frac{(EMV + D)}{EBV} \quad (1)$$

Whereas:
EMV = Equity market value (EMV = closing price x outstanding share)
D = Book value of liabilities
EBV = Equity book value

2. **Sustainability Reporting**

The first sustainability report was initiated by Elkington in 1997 (Venia., 2022). It was explained that the Sustainability Report is a report that discloses non-financial information which consists of information on environmental, social and economic activities that enable the company to develop in a sustainable manner, so it is not just a report that discloses financial performance information. According to the Global Reporting Initiative (GRI) Sustainability reports consist of 3 aspects:

Information regarding sustainable reports regarding aspects can be used as a company's moral responsibility for the environment in which it operates (Venia., 2022) therefore the measurement ratios used for environmental disclosure are as follows:

A) Environmental

$$Envi = \frac{\sum XIJ}{\sum NJ} \text{..........} \quad (2)$$

Whereas:

Envi = Disclosure of Environmental Index
$\sum XIJ$ = Number of Indicator Items disclosed
$\sum NJ$ = Environmental disclosure indicator items (32)

B) Social

$$Social = \frac{\sum XIJ}{\sum NJ} \text{..........} \quad (3)$$

Whereas:

Envi = Disclosure of Social Index
$\sum XIJ$ = Number of Indicator Items disclosed
$\sum NJ$ = Environmental disclosure indicator items (40)

C) Ecomomic

$$Econ = \frac{\sum XIJ}{\sum NJ} \text{..........} \quad (4)$$

Whereas:

Envi = Disclosure of Economic Index
$\sum XIJ$ = Number of Indicator Items disclosed
$\sum NJ$ = Environmental disclosure indicator items (17)

RESULTS AND DISCUSSION

Results of Descriptive Statistics

Based on the results of the test output in table 3, the descriptive results of the research variables are obtained. The number of samples used in this study is 70 data. The minimum value for environmental aspects is PT Duta Pertiwi Nusantara Tbk. (DPNS) and PT Indonesian Tobacco Tbk. (ITIC) which is equal to 0.0625. The maximum value is 1; in the company PT AKR Corporindo Tbk. (AKRA). The average value of the environmental aspect variable is 0.3781 and the standard deviation is 0.18594 . The standard deviation value which is smaller than the average means that the environmental aspect variable is homogeneous. This means that the data within the company is increasingly accumulating at an average value. This means that the data is increasingly similar to environmental aspects.

Tabel 3 Descriptive Statistic

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Environmental	70	0.06	1.0	0.3781	0.18594
Social	70	0.05	0.90	0.3521	0.19480
Economic	70	0.06	1.0	0.2630	0.18594
TobinsQ	70	0.18	4.85	1.6729	1.09770

For the social aspect, the minimum value is 0.05 for PT Communication Cable Systems Indonesia Tbk. (CCSI) and PT Evershine Tex Tbk. (ESTI). The maximum value is 0.90, namely the company PT Indika Energy Tbk. (INDY) . The average value on the social aspect is 0.3521 and with a standard deviation value of 0.19480 which indicates that the data used in the research sample is increasingly gathering at its average value.

In the research variable represented by the economic aspect in the results of descriptive statistics, the minimum value obtained for the research variable is 0.06 at the company PT Mitrabahtera Segara Sejati Tbk. (MBSS), PT TBS Energi Utama Tbk. (TOBA),PT Steel Pipe Industry of Indonesia Tbk. (ISSP), PT Duta Pertiwi Nusantara Tbk. (DPNS), PT Chandra Asri Petrochemical Tbk.(TPIA),PT Charoen Pokphand Indonesia Tbk. (CPIN), (JECC), (ULTJ) dan (HMSP). The maximum value for the economic aspect variable has a value of 1, namely PT Indika Energy Tbk. (INDY). With the results of these descriptive statistics, the average value of this variable is also 0.2568 and with a standard deviation value of 0.18616 which shows that the standard deviation value is lower than the average value, it can be concluded that the variable value is homogeneous.

In the company value measurement variable represented by the TobinsQ ratio, descriptive statistical results were obtained with a minimum value of 0.18 for PT Communication Cable Systems Indonesia Tbk. (CCSI) then the maximum value is 4.85 for PT Wismilak Inti Makmur Tbk (WIIM) with an average value of 1.6729 and a standard deviation output value of 1.30382 . Because the average value of the firm value variable is greater than the standard deviation value, it can be concluded that the samples used in this study are homogeneous because they are not far from the average value.

Classic assumption test

According to the classical assumption test was used to find out whether the results of the multiple linear regression analysis in that study were free from classic assumption deviations or not. This classic assumption test was carried out to show that the tests carried out had passed the data normality, multicollinearity, autocorrelation and heteroscedasticity tests.

Normality test

The normality test aims to show the research model that the research data is normally distributed. The method used for testing the normality test uses the One-sample Kolmogorov-Smirnov test (K-S). In the research results table 4 it can be seen that the value of Asymp. Sig. (2-tiled) of 0.093 which indicates that the value is greater than 0.05 so it can be concluded that the data is normally distributed.

Table 1 Output Normality test

	Standardized Residual	Keterangan
N	**70**	
Asymp. Sig. (2-tailed)	**.093c**	**Normal**

In addition to using the One-sample Kolmogorov-Smirnov test (K-S), the regression model is said to be normally distributed if the plotted data at points that describe the actual data follow a diagonal line. From Figure 1. The Normal P-P Plot can be seen that the data points have followed the diagonal line so that as a basis for decision making it can be concluded that the regression model is normally distributed.

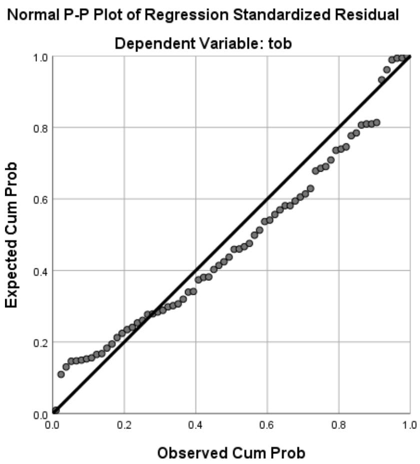

Figure 1. Normal P-Plot

Table 5 Output Multicollinearity test

Variabel	Collinearity Statistics		Keterangan
	Tolerance	VIF	
Evironmental	**.951**	**1.051**	**No multicollinearity**
Social	**.146**	**6.716**	**No multicollinearity**
Economic	**.149**	**6.845**	**No multicollinearity**

Multicolliinearity test

The regression model does not show symptoms of multicollinearity if the tolerance value is > 0.10 and VIF < 10 (Ghozali, 2018). In table 5, it can be seen that for the environmental aspect the tolerance value is 0.951 greater than 0.1 for the social aspect the tolerance is 0.146 and for the economic aspect it is 0.149 all of which are greater than 0.10. While the VIF value for Environmental Aspects is 1.051, Social Aspects are 6.716 and Economic

Aspects are 6.845 all showing less than 10 which can be concluded according to the basis of decision making that this regression model does not occur multicollinearity.

Heterokedastisitas test

The Glejser test is carried out by regressing the absolute residual value of the estimated model on the explanatory variables. To detect whether there is heteroscedasticity seen from the probability value of each independent variable. If Probability > 0.05 means there is no heteroscedasticity, otherwise if Probability < 0.05 means there is heteroscedasticity. According to the results of the Glejser table 6 test, it can be seen that the significant value of the environmental aspect is 0.160, the social aspect is 0.066, the economic aspect is 0.056, all indicating that the significant value is more than 0.05 which can be concluded that there are no symptoms of heteroscedasticity.

Table 6 Output Heterokedasticity

Variabel	Sig	Keterangan
Environmental	**0.160**	**No Heteroscedasticity**
Social	**0.066**	**No Heteroscedasticity**
Economic	**0.056**	**No Heteroscedasticity**

Multiple Regression Test Results Determination Coefficient Test

Based on the information in table 7, the Adjusted R^2 value is 0.928 or 92.8%, which means that the variation in the dependent variable can be explained by the independent variable of 92.8%, and the remaining 7.2% is explained by other variables which are not included in this research model.

Table 7 Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.965[a]	.931	.928	.24960

Statistical t Test

Based on the results of the multiple regression test shown in table 8, a multiple linear regression equation can be made as follows:

TobinsQ= 0.052 -0.202 Environmental + 1.021 *Social* + 4.662 *Economic* + e

Table 8 Statistical Test t

Model	Coefisien	t	Sig.
Constanta	0.052	0.480	0.633
Environmental	-0.202	-1.1236	0.221
Social	1.021	2.144	0.036
Economic	4.662	9.432	0.000

a. Dependent Variable: TobinsQ (Company Value)

Based on the statistical test results in table 8, it can be concluded that the social and economic aspects have a positive effect on firm value because the significance value is less than 5%. While the environmental aspect has no effect on firm value because the significance value is more than 5%.

DISCUSSION

The Effect of the Sustainability Report Disclosure on the Environmental aspect on firm value.

Sustainability reports on aspects of environmental disclosure with a significance result of 0.221 indicate that disclosures on environmental aspects have no effect on company value. One of the factors that may be the cause of environmental aspects does not affect firm value in measuring firm value using the TobinsQ ratio. Because the value of the company cannot be observed directly by investors or potential investors. Characteristics Most investors in Indonesia are still naive (Sundrata et., al. 2021). They pay more attention to profit figures or the amount of dividends distributed by the company. The results of this study contradict the findings of research conducted by Loh et al., the measurement variable used is firm value using the MV variable, which is only based on market value. The absence of the influence of sustainability reports is also supported by research by Dewi I et al (2022) where researchers measure sustainability variables with the same dimensions, regarding environmental, social and economic aspects.

The Effect of the Sustainability Report Disclosure on the Social aspect on firm value

The results of the tests shows that the social aspect in disclosing sustainable reports on company value shows a result of 0.036 which is shown to be less than 0.05, it can be interpreted that the social aspect has an influence on sustainability reports with a t value of 2.144 indicating that the influence has a positive direction . From the research results obtained, the social aspect can be one of the guidelines for investors in supporting their decision to invest. This research is supported by the ressults of research conducted by Swarnapali et al., (2018), Mulya et al., (2018)) and Hadiati et al., (2023).

The Effect of the Sustainability Report Disclosure on the Economic aspect on firm value

The results of previous studies Loh et al., (2017), Swarnapali et al., (2018), Mulya et al., (2018), Farhana et al., (2019), Lestari et al., (2023) and Hadiati et al. al. Al. , (2023) has empirical evidence that sustainability reports have an effect on company value. In the economic aspect (Loh et al., 2017) suggested that there was an influence on the financial crisis in this study proving that sustainability reports on the economic aspect have an influence on firm value so that it is hoped that the economic aspect will become an aspect that is quite important and needs to be considered in investment decisions. The statistical results in the table above show that a significance value of 0.000 is less than 0.05 indicating that the economic aspect has a very significant influence. The result of calculating the coefficient value shows a positive number, namely 4.622, which means that the direction of influence is positive.

CONCLUSION

Sustainability reports are becoming increasingly important for stakeholders, both investors, the companies themselves and the government. Company management has a responsibility in disclosing sustainability reporting in accordance with applicable standards. This study concluded non-conclusive results regarding this relationship. By examining a sample of manufacturing and energy sector companies listed on the Indonesian Stock Exchange that published sustainability reports published in 2021, this study found that sustainability reports with economic and social aspects have a positive influence on Firm value. Meanwhile, disclosure of environmental aspects with as many as 32 GRI Index apparently has no effect on company value. Future research can use a larger sample such as using the overall data of companies that publish sustainability reports and by adding government aspects as a consideration in the value of a company.

This research has implications for several parties, such as providing evidence of sustainability reports with a view to signaling theory that using the GRI index on economic and social aspects can be used as an indication that a company that fulfills the GRI index on economic and social aspects can increase the value of a company. For management, they can try to increase the disclosure of non-financial reports on economic and social aspects so that it can be used as a basis for evaluating and increasing the value of the company in the future. For investors who want to invest in companies other than using financial reports, non-financial reports in the form of sustainability reports can be considered as a tool in making investment decisions by focusing on the economic and social aspects disclosed in sustainability reports. For the government, this research has a contribution as a consideration in making policies on what aspects need to be emphasized first in the program to meet the SDGs in 2030.

LIMITATIONS

The limitations of research in conducting research are due to several things, namely subjectivity in index measurement using only the GRI index with economic, environmental, social aspects and only those obtained from separate sustainability reports. There are a number of suggestions for further researchers, such as using adding company samples to obtain accurate results and being able to add other aspects in future research so that results can be obtained which can be used as material for evaluating the effectiveness of sustainability reports in achieving the SDGs in 2030.

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