The Moderating Effect of Sustainability Report on the Relationship between Capital Structure, Firm Size, Financial Performance, and Good Corporate Governance on Firm Value

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ABSTRACT

This study examined the effect of Capital Structure, Company Size, Financial Performance, and Good Corporate Governance on Firm Value and Sustainability Reports as moderating variables in banking sector companies listed on the Indonesia Stock Exchange in 2018-2020. It used a quantitative method with the method of moderated regression analysis (MRA). The data used in this study was secondary data with a population of all banking sector companies that publish sustainability reports and are listed on the Indonesia Stock Exchange in 2018-2020. The sampling technique in this study used a purposive sampling technique and produced a total sample of 10 companies (30 set of data). The results showed that the capital structure and firm size did not affect firm value. Financial Performance and Good Corporate Governance affect the Company's Value. The Sustainability Report was able to moderate the effect of Capital Structure, Company Size, and Good Corporate Governance on firm value. On the contrary, the Sustainability Report was not able to moderate the effect of Financial Performance on Firm Value.

Keywords: capital structure; financial performance; good corporate governance; firm value; sustainability report

1. INTRODUCTION

Competition between one company and another is increasing because more and more companies are trying to get a significant profit (Amalia et al., 2021). It is the value of the company that can increase company profits. The value of a company provides an overview
or view of how investors see the company's success in using its resources. The more investors buy company shares, the company's share price will continue to rise and the value of the company will also increase. To maximize the value of the company which is reflected in the stock price, companies need to improve the quality and quantity to attract stakeholders. If the company's share price increases, the company's value can bring maximum shareholder prosperity (Wardhani et al., 2021).

Increasing the value of a company is very important because increasing the value of the company is the same as maximizing the company's main goal. Corporate value is something that is achieved by a company as a form of public trust in the company through years of activities from the company's establishment to the present day (Yosephus et al., 2019). Once the value of the company is so important, the researcher wants to examine the factors that can affect the value of the company. One of the factors that can affect the value of the company is its capital structure. Capital structure is important for a company because the quality of the capital structure directly affects the company's financial position and ultimately affects the value of the company (Pohan et al., 2020). Meanwhile, according to Irawan & Kusuma (2019) that the capital structure does not affect the value of the company. The literature on capital structure related to the trade-off theory predicts that in finding the relationship between capital structure and firm value there is an optimal level of leverage (debt ratio). Therefore, the company will always try to adjust the level of leverage toward the optimal direction. So, the company's leverage level continues to move from time to time in the direction of a target to be achieved.

Wardhani et al., (2021) explained that firm size affects firm value. Company size is defined as a large or small rating scale that will affect the value of the company (Ussu et al., 2017). Company size is divided into three categories of large-scale companies, medium-sized companies, and small businesses (Irawan & Kusuma, 2019). Company size can be seen from the total assets owned by the company. The larger the size of the company, the greater the assets owned and increase the funds needed to maintain more operational activities. The increase in company value is seen in the company's total assets exceeding the company's total debt.

Financial performance shows the success of a company in running its business, which is often reflected in financial statements. Information in financial statements serves as a tool for management to hold shareholders accountable and to assist stakeholders such as
management, shareholders, government, creditors, and other stakeholders. Asyik & Thaharah (2016) stated that the value of the company is determined by the earning power of the company's assets. Positive results indicate that the higher the earning power, the more efficient the asset turnover and the higher the company's profit margin. Therefore, return on assets (ROA) is one of the factors that can affect firm value. Suranto et al., (2017) explained that ROA has a positive effect on firm value. The positive relationship between ROA and the firm value indicates that the more profitable the firm, the higher the firm value. The higher the company's ability to generate profits by using available resources, the more successful the company's management is in carrying out its operating activities.

Another factor related to the value of the company, namely good corporate governance (GCG) plays an important role in the company. The basic premise of stakeholder theory is that the stronger the corporate relationship, the better the corporate business will be. On the other hand, the worse the corporate relationship, the more difficult it will be. Strong relationships with stakeholders are based on trust, respect, and cooperation. The company as an economic entity has several objectives, including achieving maximum profit, increasing the welfare of its shareholders, and increasing company value as reflected in share value, without focusing on non-financial performance. Elkington (1997) argues that the goal of today's business is not only to pursue profit (profit), but also the responsibility to society (people) and the earth (planet). These three things are often referred to as the triple bottom line, where companies are required to provide transparent information regarding financial governance as well as social and business environmental activities, in the form of sustainability reports or commonly known as sustainability reporting (Amalia et al., 2021).

Companies that publish sustainability reports must be supported by corporate governance within the company because through corporate governance they will be more careful in writing financial reports and sustainability reports (Gustiana et al., 2019). Sustainability reporting can also be influenced by company size, large companies are considered to be able to publish sustainability reports consistently, because company size itself is a scale that can be classified by considering total assets, log size, and market value (Gustiana et al., 2019). From this statement, the sustainability report in this study serves as a moderating variable used to determine whether it can strengthen or weaken the value of the company. The description above provides an overview of the need for further studies on The Moderating Effect of Sustainability Report on the Relationship between Capital Structure, Firm Size, Financial Performance and GCG on Firm Value.
empirical evidence of the relationship-related factors that affect firm value with sustainability reporting as a moderating variable.

From the several studies above, it appears that the variables capital structure, firm size, financial performance and good governance have a relationship that strengthens and increases firm value. Furthermore, the question that needs to be answered is whether the sustainability report can moderate all of the above variables in relation to strengthening firm value. Therefore this study aims to measure the impact of The Moderating Effect of Sustainability Report on the Relationship between Capital Structure, Firm Size, Financial Performance, and Good Corporate Governance on Firm Value.

2. LITERATURE REVIEW AND HYPOTHESIS

Stakeholder Theory

Stakeholder theory states that the company is not an entity that only operates for its interests but must provide benefits to its stakeholders, namely shareholders, creditors, consumers, society, government, suppliers, and other parties. One of the strategies to maintain relationships with the company's stakeholders is to disclose a sustainability report that informs about the economic, social, and environmental performance as well as to the company stakeholders. Thus, it can be concluded that stakeholder theory is a theory that explains that the sustainability of a company cannot be separated from the role of internal and external stakeholders with different interests from each of the existing stakeholders.

Trade-off Theory

According to the trade-off theory of Myers and Majluf (1984), firms owe a certain level of debt with the tax savings of additional debt equal to the cost of financial distress. The costs of financial distress are bankruptcy (bankruptcy costs), and agency costs that increase due to the deteriorating reputation of the company. The trade-off theory used to determine the optimal capital structure requires several factors, including taxes, agency costs, and financial constraints. (Irawan & Kusuma, 2019).
Signaling Theory

Signaling theory refers to the company's willingness to disclose information to external parties because of the information asymmetry between management and external parties. Because the company's internal parties are more closely related to the company's external parties, companies are encouraged to disclose financial statements as a result of communication between external parties and the company's internal parties. All investors need the information to assess the performance and risk profile of each company so that investors can diversify their portfolios and mix with risk preferences (Nuradawiyah & Susilawati, 2020).

Capital Structure

The capital structure is the combination of debt and equity in the long-term financial structure of a business. Capital structure can be considered an important issue for companies because the good or bad capital structure will directly affect the company's financial position which in turn will affect the value of the company (Irawan & Kusuma, 2019). Pratiwi et al., (2016) argue that capital structure should be distinguished from the financial structure. The financial structure determines how the company's assets are financed. Therefore, the financial structure is the totality contained in the balance sheet next to the credit. On the balance sheet, the credit side has long-term and short-term debt, and equity, both long-term and short-term. Thus, the financial structure includes all long-term and short-term costs. On the other hand, capital structure only deals with long-term costs without taking into account short-term costs.

Company Size

Company size is an illustration of the size of the assets owned by the company. The size of a company can affect its ability to overcome risks that may arise from risky situations (Gustiana et al., 2019) Large companies have large enough resources, so they need and can finance the provision of information not only for internal purposes but also potentially benefit from the voluntary disclosure of additional information (Dewi & Pitriasari, 2019).
Financial performance

Financial performance is usually measured using a ratio that can be observed at a certain time concerning aspects of fundraising or distribution of funds. Financial performance is managed by management who provides information about the company's financial position. Investors as parties outside the company will be interested in the disclosure of financial performance information, especially information about current and future earnings. (Gustiana et al., 2019).

Good Corporate Governance

Corporate governance is a pillar of a market economy system related to trust in the companies that implement it. The implementation of corporate governance in Indonesia is very important for the business world because it is believed to be able to support sustainable and stable economic growth. The implementation of GC encourages fair competition and supports the government in adopting GC in Indonesia. Every organization has been required to implement good corporate governance practices since the National Governance Policy Committee (KNKG) issued the General Guidelines for Corporate Governance. Implementing corporate governance will reduce conflicts between institutions, which will enable managers to increase shareholder wealth. Building effective corporate governance in the long term can improve the performance of business organizations and shareholders. The basic principles of corporate governance must be understood by every manager so that the business can be managed properly. Based on KNKG 2006, the basic principles of corporate governance are transparency, accountability, accountability, independence, fairness, and equality in (Gustiana et al., 2019).

The Value of the Company

Firm value is the market value of the market perception of investors, creditors, and other stakeholders on the condition of the company which is reflected in the stock value (Irawan & Kusuma, 2019). Firm value is a proxy that reflects the prosperity of shareholders. Shareholders can see the value of the company through financial ratios such as PBV. PBV is a rate measurement of value provided by financial markets for social management and society as a developing company by comparing stock prices and book
values. PBV shows that the higher the PBV ratio, the more confidence in the company's prospects (Gustiana et al., 2019).

**Sustainability Report**

The sustainability report is a very useful report for organizations and companies. The benefits of sustainability reporting according to the World Business Council for Sustainable Development (WBCSD) are as follows: sustainability reports provide information to stakeholders, members, and stakeholders, local community members, and government, and increase business prospects, with transparency; sustainability reports can help build a reputation as a tool to increase brand value, market share, and long-term customer loyalty; Sustainability reports can reflect how companies manage their risks.

Diagram 1. Conceptual Framework & Research Hypotheses

![Diagram 1](image-url)
3. RESEARCH METHOD

Population, Sample and Sampling Technique

<table>
<thead>
<tr>
<th>No</th>
<th>Code</th>
<th>Company name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BBCA</td>
<td>Bank Central Asia Tbk</td>
</tr>
<tr>
<td>2</td>
<td>BBNI</td>
<td>Bank Negara Indonesia (persero) Tbk</td>
</tr>
<tr>
<td>3</td>
<td>BBRI</td>
<td>Bank Rakyat Indonesia (Persero) Tbk</td>
</tr>
<tr>
<td>4</td>
<td>BBTN</td>
<td>Bank Tabungan Negara (Persero) Tbk</td>
</tr>
<tr>
<td>5</td>
<td>BJBR</td>
<td>Bank Pembangunan Daerah Jawa Barat Tbk</td>
</tr>
<tr>
<td>6</td>
<td>BJTM</td>
<td>Bank Pembangunan Daerah Jawa Timur Tbk</td>
</tr>
<tr>
<td>7</td>
<td>BMRI</td>
<td>Bank Mandiri (persero) Tbk</td>
</tr>
<tr>
<td>8</td>
<td>BNGA</td>
<td>Bank CIMB Niaga Tbk</td>
</tr>
<tr>
<td>9</td>
<td>BNII</td>
<td>Bank Maybank Indonesia Tbk</td>
</tr>
<tr>
<td>10</td>
<td>BNLI</td>
<td>Bank Permata Indonesia Tbk</td>
</tr>
</tbody>
</table>

The population in this study is a banking company. The use of banking companies as a population is due to having a good company value. This banking sector also has the value of market capitalization owned by the banking sector which has the greatest value when compared to other sectors. Sampling in this study was carried out using a purposive sampling method, where the researcher has determined certain criteria from the sample to be studied, including banking companies listed on the Indonesia Stock Exchange in 2018-2020; the company did not leave (delisted) during the research period, namely 2018-2020; companies that always present financial and annual report data for 2018-2020; the company discloses sustainability reports in a row in the 2018-2020 period. The sample is presented in the table 1.

Data analysis technique

The analysis technique used was logistic regression (logistic repression). The test was carried out using the help of a computer statistical application program.

4. RESULTS AND DISCUSSIONS

The Classic Assumption Tests

The results of the normality test using the Kolmogorov-Smirnov (K-S) statistical test show that the data used is normally distributed, the Asymp Sig (2-tailed) value is 0.200 which exceeds the alpha value which is 0.05. Based on the results of this test it can be concluded that the regression model in this study meets the normality assumption. In
addition, based on the multicollinearity test by calculating the correlation coefficient between the independent variables in this study, no signs of multicollinearity were found between the independent variables because there was no VIF value of more than 10.0 and a tolerance value of less than 0.10. So that this model passes the multicollinearity test and can be tested further. Finally, based on the heteroscedasticity test, there were no symptoms of multicollinearity between the independent variables because the significance value showed a result of more than 0.05 so that the model passed the heteroscedasticity test and could be tested further.

The t-Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.051</td>
</tr>
<tr>
<td>Capital Structure</td>
<td>.222</td>
</tr>
<tr>
<td>Company Size</td>
<td>.134</td>
</tr>
<tr>
<td>Financial performance</td>
<td>.005</td>
</tr>
<tr>
<td>Good Corporate Governance</td>
<td>.004</td>
</tr>
<tr>
<td>Source; Data processed, 2022</td>
<td></td>
</tr>
</tbody>
</table>

The t-test is used to determine whether the independent variables (Capital Structure, Company Size, Financial Performance, and Good Corporate Governance) individually or partially affect the dependent variable (Company Value).

The following are the results of the t-test in this study: Capital Structure Variable (X1) is 0.222 or more than 0.05 so it can be concluded that the Capital Structure variable (X1) does not affect Firm Value, then H1 is rejected; Firm Size variable (X2) is 0.134 or more than 0.05 so it can be concluded that the Firm Size variable (X2) does not affect Firm Value, then H2 is rejected; The financial performance variable (X3) is 0.005 or less than 0.05 so it can be concluded that the financial performance variable (X3) has a significant effect on firm value, then H3 is accepted; The Good Corporate Governance (X4) variable is 0.004 or less than 0.05 so it can be concluded that the Good Corporate Governance (X4) variable has a significant effect on firm value, so H4 is accepted.

R Square Test Results

Based on the Model Summary table, the coefficient of determination or R square is 0.530. The magnitude of the coefficient of determination (R square) is 0.530 or equal to 53.0%. This figure means that the variables of Capital Structure, Company Size, Financial Performance and GCG on Firm Value
Performance, and Good Corporate Governance simultaneously (together) affect the variable Company Value with a contribution of 53.0%.

**Multiple Linear Regression Analysis with Moderating Variables**

To see how much influence the independent variable (Capital Structure, Company Size, Financial Performance, and Good Corporate Governance) has on the dependent variable (Company Value) which is moderated by the Sustainability Report variable, multiple linear regression analysis is performed with the Moderating Variable. After the data is processed using a statistical data processor, the regression results table is presented in the table 3.

The results of the multiple regression analysis above can be concluded as follows: the significance value of the interaction variable between Capital Structure and Sustainability Report is 0.004 < 0.05, so it can be concluded that the Sustainability Report variable can moderate or strengthen the effect of the Capital Structure variable on the Firm Value variable; The significance value of the interaction variable between Company Size and Sustainability Report is 0.002 < 0.05, so it can be concluded that the Sustainability Report variable is capable to moderate or strengthen the influence of the Firm Size variable on the Firm Value variable; The significance value of the interaction variable between Financial Performance and Sustainability Report is 0.132 > 0.05, so it can be concluded that the Sustainability Report variable is not able to moderate or weaken the influence of the Financial Performance variable on the Firm Value variable; The

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**Table 3. Results of Multiple Linear Regression Analysis**

<table>
<thead>
<tr>
<th>Model B</th>
<th>Unstandardized Coefficients</th>
<th>Std. Error</th>
<th>Standardized Coefficients</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>54.232</td>
<td>12.514</td>
<td>-</td>
<td>4.334</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Capital Structure</td>
<td>-1.411</td>
<td>0.416</td>
<td>-</td>
<td>-7.393</td>
<td>-3.395</td>
<td>0.003</td>
</tr>
<tr>
<td>Company Size</td>
<td>-1.844</td>
<td>0.5</td>
<td>-</td>
<td>-3.838</td>
<td>-3.687</td>
<td>0.001</td>
</tr>
<tr>
<td>Financial performance</td>
<td>147.209</td>
<td>69.173</td>
<td>-</td>
<td>-2.456</td>
<td>-2.128</td>
<td>0.046</td>
</tr>
<tr>
<td>Good Corporate Governance</td>
<td>-7.513</td>
<td>3.196</td>
<td>-</td>
<td>-2.389</td>
<td>-2.351</td>
<td>0.029</td>
</tr>
<tr>
<td>Sustainability Report</td>
<td>-74.507</td>
<td>18.048</td>
<td>-</td>
<td>-12.654</td>
<td>-4.128</td>
<td>0.001</td>
</tr>
<tr>
<td>X1_Z</td>
<td>1.971</td>
<td>0.599</td>
<td>7.436</td>
<td>3.29</td>
<td>0.004</td>
<td></td>
</tr>
<tr>
<td>X2_Z</td>
<td>2.51</td>
<td>0.719</td>
<td>8.528</td>
<td>3.491</td>
<td>0.002</td>
<td></td>
</tr>
<tr>
<td>X3_Z</td>
<td>161.757</td>
<td>103.13</td>
<td>1.794</td>
<td>1.568</td>
<td>0.132</td>
<td></td>
</tr>
<tr>
<td>X4_Z</td>
<td>13.617</td>
<td>4.645</td>
<td>3.674</td>
<td>2.931</td>
<td>0.008</td>
<td></td>
</tr>
</tbody>
</table>

Source; Data processed, 2022
significance value of the interaction variable between Good Corporate Governance and Sustainability Report is 0.008 <0.05, so it can be concluded that the Sustainability Report variable might to moderate or strengthen the influence of the Good Corporate Governance variable on the Firm Value variable.

**R Square Test Results with moderation**

Based on the Model Summary table above, it is known that the coefficient of determination or R square is 0.805. The magnitude of the coefficient of determination (R square) is 0.805 or equal to 80.5%. This figure means that the contribution of the variables of Capital Structure, Company Size, Financial Performance, and Good Corporate Governance to the Firm Value variable after the moderating variable (Sustainability Report) is 80.5%. So it can be concluded that the moderating variable (Sustainability Report) can strengthen the influence of the variables of Capital Structure, Firm Size, Financial Performance, and Good Corporate Governance on the Firm Value variable.

**DISCUSSION**

**Effect of Capital Structure on Firm Value**

Based on the results of hypothesis testing, the coefficient value is -0.038 and the t-count is -1.252 with a significance level. 0.222 > 0.05, indicates that the capital structure has a negative and insignificant effect on firm value. Capital structure is an important decision that every business has to make, the positive and negative sides of this decision play an important role in determining the future of every business. However, companies have different levels of leverage and managers try to achieve the best set to achieve an optimal capital structure. Based on the trade-off theory, it predicts a positive impact between capital structure and firm value. Financing using a capital structure needs to be considered carefully by the company because the structure of determining the company will affect the value of the company. Thus, the larger the capital structure, the higher the firm value. However, the company will not be able to use 100% debt in its capital structure. Indeed, the higher the debt, the higher the financial risk of the company. but this contradicts the results of this study.
The Effect of Firm Size on Firm Value

Based on the results, the coefficient value is -0.114 and t count -1.550 with a significance level. 0.134 > 0.05, this indicates that firm size has a negative and insignificant effect on firm value. Company size is one indicator to measure the performance of a company; a large company size can reflect whether the company has a strong commitment to continuously improve its performance, so that investors will pay more to buy their shares because they believe they will benefit from the company (Wardhani et al., 2021). This result contradicts the signaling theory (Signaling Theory) which explains that the company's management provides positive and negative signal information about how management views the company's value and whether the company is profitable or not. Thus, if the size of the company gives a positive signal, it can provide a favorable signal for investors. This is very important for investors in making investment decisions because the greater the total assets owned by the company, the more profitable investors are in terms of the company's profit growth rate.

The Influence of Financial Performance has an Effect on Firm Value.

Based on the test results, the coefficient value is -31.258, and the t-count is -3.086 with a significance level. 0.005 <0.05 indicates that financial performance has a positive and significant effect on firm value. High company value is the desire of the owner of the company because high company value indicates the level of prosperity of shareholders. The high value of a company indicates that the company's performance is good. One of them is the consideration of the company's value to creditors, if the company's implicit value is not good then investors will rate the company with a low value, and vice versa if the company's implicit value is good then investors will value the company with a high value (Winda & Praptoyo, 2021). According to stakeholder theory, there is a positive relationship between financial performance and firm value. This theory argues that meeting the diverse interests of stakeholders will lead to their satisfaction. Stakeholder satisfaction can be achieved in various ways, one of which is by improving financial performance, the survival of the company will have the support of stakeholders so that it affects the value of the company. Based on signal theory, companies need to provide financial reports to third parties, this information is presented to protect the interests of investors so that there is no information asymmetry between the company and outsiders,
providing information about a high and stable return on assets (ROA) can send a positive signal to investors and add value to the company.

The Influence of Good Corporate Governance on Company Value.

Based on the test results, the coefficient value is 1.385, and the t-count is 3.184 with a significance level. 0.004 <0.05 indicates that Good Corporate Governance has a positive and significant effect on firm value. Good Corporate Governance (GCG) is a set of regulations that stipulate the relationship between management stakeholders, creditors, government, employees, and other internal and external stakeholders concerning their rights and obligations, or in other words a system that directs and controls the company (Princess, 2020). Based on signal theory, good corporate governance (GCG) is one of the signals that companies give to their stakeholders. Stakeholders will respond positively to signals in the form of GCG given by the company, stakeholders will find that companies that implement GCG well will pay more attention to the interests of their stakeholders.

Effect of Capital Structure on Firm Value Moderated by Sustainability Report

Based on the test results, the coefficient value is 1.971, and the t-count is 3.290 with a significance level. 0.004 <0.05, indicates that the capital structure moderated by the sustainability report affects firm value. A sustainability report is a corporate sustainability report, which reflects not only the quality of the company's financial work, but also non-financial reporting, including social activities, and environmental information based on the reporting framework established by the Global Reporting Initiative (GRI) (Dewi & Pitriasari, 2019). Stakeholder theory holds that companies are accountable to their stakeholders by making social statements. Corporate SR must go beyond the act of maximizing profits for the benefit of shareholders but more broadly the welfare that can be created by the company is not limited to the interests of shareholders, but also the interests of the parties involved. This is because investors are more interested in investing their capital in environmentally friendly corporations. So the fulfillment of the value of the sustainability report index will also increase the value of the company (Khasanah & Sucipto, 2020).

The Effect of Firm Size on Firm Value Moderated by Sustainability Report

Based on the test results, the coefficient value is 2510 and the t count is 3.491 with a significance level. 0.002 <0.05 this indicates that the size of the company moderated by
the sustainability report has a positive and significant effect on firm value. Sustainability reports can strengthen the relationship between company size and company value. Sustainability reporting, it can improve the relationship between company size and company value (Nursasi, 2020). Signaling theory explains that signals are intentionally given by very profitable companies, with the hope that the market will be able to distinguish between good and bad companies. These signals are related to the information communicated by the company in its annual report. It could be said that the higher the company's profit, the higher the value of the company as required by investors. Sustainability reports are used by regulators to signal a company's profitability to investors and help support sustainability and executive compensation. Thus, a better company will be more open and transparent in communicating information about its company.

**Effect of Financial Performance on Firm Value moderated by Sustainability Report**

Based on the test results, the coefficient value is 161.575 and the t count is 1.568 with a significance level. 0.132 > 0.05, this indicates that financial performance moderated by the Sustainability Report has a negative and insignificant effect on firm value. Disclosure of CSR with sustainability reports or SR is different, although both are claims of the company's SR activities, the wider community can see through the company's sustainability report itself. Disclosure of sustainability reports is more detailed, while CSR disclosure is integrated into the company's annual report. Disclosure of sustainability reports is a form of the company's commitment to sustainability reporting. The sustainability report is based on the Global Reporting Initiative (GRI) guidelines for sustainability reporting (Tobing et al., 2019). Based on stakeholder theory, corporate social claims are related to economic, environmental, and social performance. The higher the company's record in improving the environment (economic, environmental, and social performance), the higher the value of the company increases because investors invest their shares in the company. This is because investors are more interested in investing in environmentally friendly businesses and it will be a plus for investors to believe that their business will continue to grow and be sustainable. Sustainability reporting is the company's strategy to fulfill the wishes of shareholders. A higher level of disclosure indicates a positive signal that the company sends to stakeholders and shareholders.
The Influence of Good Corporate Governance on Company Value moderated by Sustainability Report

Based on the test results, the coefficient value is 13.617 and the t-count is 2.931 with a significance level 0.008 <0.05, indicates that Good Corporate Governance moderated by the Sustainability Report affects firm value. The sustainability report provides non-financial information contained in the Sustainability Report to encourage investors to invest in the company to increase its value. In other words, the existence of sustainability disclosures from companies with good corporate governance will strengthen investors' decisions to invest their shares in the company. Based on stakeholder theory, Good Corporate Governance (GCG) is an effort to build a strong and sustainable company. The implementation of GCG aims to improve corporate governance and increase transparency for stakeholders. The implementation of GCG expects guarantees to employees throughout the company as a basic guideline and requires top management to follow and implement GCG as a code of ethics that must be obeyed by all parties present in the company. The management will strive to achieve the company's main goal, namely maximizing profit, and then it can improve the welfare of the company owner and also the stakeholders.

5. CONCLUSIONS AND SUGGESTIONS

Based on the results of data analysis and discussion, it can be concluded as follows: capital structure and firm size variables do not affect firm value; variables of financial performance and good corporate governance affect firm value; the sustainability report variable can moderate or strengthen the effect of the capital structure variable, good corporate governance firm size on the firm value variable; the sustainability report variable is not able to moderate or weaken the influence of the financial performance variable on the firm value variable. This research certainly has limitations even though the existing scientific research procedures have been carried out. The following are some of the limitations contained in this study: the existence of subjectivity in assessing content analysis in the sustainability report; there are still few companies in Indonesia that publish sustainability reports, especially the banking sector.
REFERENCES


