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ANALYSIS OF THE INFLUENCE OF SUSTAINABILITY REPORTS ON FIRM VALUE WITH COMPANY SIZE AS MODERATION

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Abstract

This study aims to analyze and obtain empirical evidence of the effect of disclosure sustainability performance on firm value and the effect of disclosure sustainability performance on firm value moderated by firm size. This study uses annual report data of the mining industry sector companies from period 2015 to 2019. The sample in this study is 15 mining companies listed on the Indonesia Stock Exchange (IDX). Total data to be analized are 75. Firm value is measured by price to book value (PBV), sustainability performance is measured by GRI-G4 items and firm size is measured by dummy 0 and 1. The data is processed using Partial Least Square. The analysis consist of descriptive statistics, inner model evaluation analysis, direct effect significance test and moderating effect significance test. The result found that the extent of sustainability performance has a negative effect on firm value and the firm size is moderate the relationship between sustainability performance and firm size. The implication of this research gives information to companies to contribute to increasing the value of the company by paying attention to sustainability performance disclosure. Large or small companies are required to disclosure sustainability performance.

Keywords *Sustainability Performance, Firm Value, Firm Size*

INTRODUCTION

The interest of Investors and potential investors to invest in a company are influenced by the good or bad value of the company reflected in its market value. Market value reflects the value of the company. According to Putra et al., (2021) firm’s value is the investor's view of the company's level of success which is always associated with stock prices. Firm’s value is an investor's view that reflects the value of the company's success in relation to stock prices. Widiastari & Yasa, (2018) stated that if the stock price is high, the firm value is also high, which is indicated by a high dividend rate to shareholders.

The company's stock price change has become a phenomenon that is widely discussed as it is related to the compnany’s value. And one of the companies experiencing a decline in stock prices was a mining company engaged in coal and oil and gas (oil and gas). At the beginning of trading, Friday morning (05/24/2019) the share price of PT Medco Energi Tbk (MEDC) was recorded to have fallen 1.84%. Then followed by PT Adaro Energy Tbk (ADRO) shares fell 0.78% and PT Harum Energy Tbk (HRUM) shares fell 0.70%. The stock price fell when the Jakarta Composite Index (JCI) was in the green zone. In trading at 09.43, MEDC shares were minus 1.84% at Rp.800;/share, ADRO fell 1.17% to Rp.1,265;/share and HRUM fell 0.35% to Rp.1.420;/share (Saragih, 2019). The decline in share prices was followed by a decrease in the company’s value.

The company can do many ways to maintain the existence and increase its value. And one of the ways is reporting on a sustainability report (Putra et al., 2020; Mukhtaruddin et al., 2019). The sustainability report is a form of the implementation of corporate social responsibility (CSR). Well performed companies are not only reflected in financial performance but also in the extent of CSR disclosure. Large companies which experience profits every year, should not be ignored by their responsibilities to protect the environment and social.

Companies are required to be responsible for the environment and social. The company environment is a place to manage all its operational activities. This

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activity directly or indirectly has a negative and positive impact. CSR in Indonesia is regulated in the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies (PT). Article 66 paragraph 2 part c states that in addition to the annual report, this report must report on the implementation of social and environmental responsibilities. Article 74 paragraph 1 states that companies that carry out their business activities in the field of and/or related to natural resources are obliged to carry out social and environmental responsibilities. The implementation of this responsibility is the obligation of all go public companies. The implementation of CSR is voluntary for companies that are not related to natural resources. Febriansyah et al., (2021).

Mining Industry Sector Companies are extractive industries whose operations use non-renewable natural resources. It can be defined that mining companies have a great responsibility to make environmental and social disclosures as a form of corporate concern. The reason is that operational activities have both positive and negative impacts on the environment and society either in the short or in long term. Thus the companies that are not responsible for the impact will have a bad image from the public so that it can cause a decrease in company's value or its share prices.

Signal theory explains that the extent of CSR disclosure can create good news for both investors and the public. This means that there is a concern for the company in managing its operations and not just maximizing the profits. Conversely, if the company does not practice CSR well, the company will get a bad response which can reduce its value.

The company's good or bad value reflected in its share price, is also often influenced by the size of the company. The Company size is an illustration of the its big or small. Companies that are categorized on a large scale have more sources of funds so that they are able to carry out far more CSR practices. This can create better corporate value. According to Ayem & Nikmah, (2019) companies that have large assets have greater social responsibilities. This means that the company will disclose the CSR more widely and the greater the impact on the value of the company. Therefore, it can be assumed that the effect of CSR on firm value depends on firm size. The larger the size of the company, the wider the CSR disclosure on the value of the company and the smaller the size of the company, the smaller the effect of CSR disclosure on the value of the company. This motivates researchers to make firm size a moderating variable in the study. In accordance with research conducted by Kesumastuti & Dewi, (2021), and Kiptoo et al., (2017) that company size can moderate CSR on firm value.

There has been a controversy from the results of previous studies dealing with the effect of CSR on firm value. According to Ta et al., (2018), Rahmantari et al., (2019) and Putra et al., (2020) CSR shows that CSR has a positive effect on firm value. Meanwhile, according to Mukhtaruddin et al., (2019) and Astuti et al., (2020) that CSR has a negative effect on firm value. However, this is contrary to the results of Hutabarat & Siswantaya, (2018) and (Kwok & Kwok, 2020) which show that CSR has no effect on firm value. Then there is also a contradiction for the results of research on firm size on firm value. According to the results of research by Hardian & Asyik, (2016) and Mipo, (2022) that firm size has no effect on firm value. Meanwhile, according to Rahmadhani & Anwar, (2021) shows that firm size has a negative effect on firm value. This makes researchers interested in researching further with the correlation of the effect of sustainability reports on firm value with firm size as the moderating variable.

The results of previous research haven't been conclusive yet, as many other variables play role in the influence of CSR on firm value (Jogiyanto, 2014). This has become a motivation for researchers to examine how widely the company's sustainability report disclosures can affect the value of the company depending on the size of the company. Therefore, the researchers analyzed and obtained empirical evidence of the effect of sustainability report disclosure on firm value and the effect of sustainability report disclosure on firm value moderated by firm size.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Teori Sinyal

Firstly the Signal Theory was introduced by Akerlof, (1970). It explains how the failure or success signals of management (agent) should convey information to the owner (principle). Reporting of company information by management aims to attract and retain investors and stakeholders. According to Ta et al., (2018) company management conveying social responsibility information presented in the annual report can reduce information asymmetry so as to improve good relations with stakeholders.

The published annual report should contain information that is relevant and important for information users to know. One of the information contained in the annual report is the disclosure of CSR by the company. This disclosure information provides good news to investors and other stakeholders so that it can provide positive value to the company. The more good news from CSR activities, the better the prospects for company performance that can increase firm value.

Firm Value

According to Putra *et al*., (2021) firm value is an investors view of the company's level of success which is always associated with stock prices. Firm value is the investors perception of the company's condition which is reflected in the companys stock. The firms value for going public can be seen the Indonesia Stock Exchange (IDX). Firm value will increase if management manages it properly and competently. When the stock price is high, the company is considered to be performing well. This can increase the value of the company. Conversely, when the stock price falls, it is followed by a decrease in the value of stock. If the market provides more value, it means that the market considers the company to have good prospects, and vice versa.

Firm value indicates the markets desire for and belief in intrinsic value.the market appreciates the value of the company with a stock price above book value, and market depreciation is indicated by a stock price below book value. The market value can be seen from the Price to Book Value (PBV) (Putri & Wiksuana, 2021). PBV describes how much the market appreciates the book value of a companys shares. The higher the value of the PBV ratio, the market believes in the company's prospects.

Corporate Social Responsibility (CSR)

Corporate social responsibility (CRS) is a concept of corporate responsibility that is committed to contributing to a sustainable economy by taking into account the balance of economic, social, and environmental aspects (Rahmantari *et al*., 2019). According to Mukhtaruddin *et al*., (2019), CSR is one strategy to increase firm value by building the right image from a stakeholder perspective. In addition, CSR that is carried out consistently has many benefits. The company's presence can be accepted by the community, foster a sense of trust, and help maintain the company's sustainability in the future. This means that the company does not only focus on making profits but also pays attention to the environment and social aspects. This is good news for investors and stakeholders. They believe that the company is performing well.

Firm Size

Firm size is a description of the size of a company. Companies that are large have the advantage of having greater and wider access to sources of funding from outside parties. Large companies have the opportunity to win the competition or survive in the industry. According to Goh & Simanjuntak (2018), firm size is a measure of the total assets of the company as a reflection of wealth. Large companies tend to carry out larger operations than small companies. This allows the company to expand so as to attract investors. This means that large companies will easily develop.

Hypothesis Development

The Effect of Sustainability Report Disclosure on Firm Value

CSR is an action that must be carried out by companies that aim to maintain the viability of the company in the future. Companies will get many benefits if they out CSR programs, such as products that are increasingly in demand by consumers, increasing trust, a maintained environment, increased employee loyalty, acceptance of company presence, increased company reputation in the eyes of society, and so on. This shows that implementing CSR can improve company performance so that companies are in great demand by investors and stakeholders (Weiss, 2022).

Implementation of CSR is very beneficial for the company. Communities can accept the company's presence easily so that their operational activities can run without interruption and they can maintain their operations in the future. The company obtains a good image from the community so that it can increase the value of the company. Disclosure of environmental and social responsibility is expected to be useful information for investors and stakeholders making investment decisions (Mukhtaruddin *et al*., 2019). The company will get a good response when the CSR disclosure is wider in the annual report (Sabatini & Sudana, 2019). Therefore, it is suspected that CSR disclosure has a positive effect on firm value. The wider the disclosure of CSR, the higher firm value. This is supported by the results of research from Rahmantari (2021), Ta *et al*., (2018), and Putra *et al*., (2020), which state that *corporate social responsibility* has a positive effect on firm value. CSR carried out by the company will expand the disclosure in the annual report. The extent of disclosure becomes a guideline and attracts investors to make investment decisions. This will increase the confidence of investors in the company, ensuring a good response. Therefore, it is followes by an increase in the firm value.

Based on this description, the first hypothesis of this study is:

H_1 : The wider the disclosure of sustainability reports, the higher the firm value

Effect of Sustainability Report Disclosure on Firm Value, Moderated by Firm Size

Large companies find it easier and more extensive to obtain funding from outside parties. Firm size is a measure of the total assets of a company, which is usually reflected as a measure of company wealth (Goh & Simanjuntak, 2018). This means that large companies have more funds, so they are better able to carry out CSR programs compared to small companies. According to Irawan & Kusuma, (2019), companies with large assets make management flexible in managing their assets. This triggers management to expand information disclosure so that it does not become a concern for investors. The extent of the disclosure of information made by the company will get a positive response from investors and stakeholders. Companies that have large assets have greater social responsibility, so CSR disclosure is wider. Therefore, the influence of CSR on firm value can depend on the size of the company. The larger the firm size, the wider the disclosre of CSR on firm value, and the smaller the firm size, the smaller the effect of CSR disclosure on firm value. This condition makes the firm size allegedly capable of moderating its CST on firm value. The research result of Putri *et al*., (2016), Fodio *et al*., (2013), and Puspaningrum (2017), show that firm size is able to moderate the impact of *corporate social responsibility* (CSR) on firm value. Large companies easily get access to funding from external parties. In order to maintain its existence, companies will be encouraged to disclose more information about their CSR activities. As a result, the company will get a good response from investors, which will increase the firm value.

Based on this description, the scond hypothesis of this study is:

H_2 : The larger the size of the company, the greater the influence of the extent of disclosure of sustainability reports on firm value

RESEARCH METHODS

The type of data in this study is quantitative data from the annual reports of companies in the mining industry sector in Indonesia that are listed on the Indonesia Stock Exchange (IDX) from 2015-2019. Research data was obtained through the website www.idx.co.id, which is the official IDX website. Data processing uses *Partial Least Squares* (PLS). PLS was chosen to analyze because it can find actual relationships between latent variables in SEM *(Structural Equation Modeling)* (Sholihin & Ratmono, 2020). This software also provides coefficient result and significance values for the moderation model directly compared to other software. This study's population included 47 companies, and only 12 samples were chosen using the purposive sampling twchnique. The following are some sample criteria for mining industry sector companies:

1. Companies listed on IDX before 2015
2. Have a complete annual report for 2015-2019 period
3. Experience the benefits of the 2015-2019 period

Based on these criteria, 15 mining industry sector companies were selescted, with the selected procedure as follows:

Table 1. Sample Selection Procedure

NO.	Sampling Step	Amount
1	Number of mining industry sector companies listed on the IDX	47
2	Companies listed on the IDX after 2015	(8)
3	Companies that do not complete annual reports in the 2015-2019 period	(10)

4	Companies that suffer losses	(14)
	The number of samples selected for research	15
	Number of Periods	5
	Total company data for the samplel	75

Source: Processed data, 2022

Operational definition

The operational definition in this study contains an explanation of the variables that are used in research so that they can be operationalized in data processing. The operational definition of each variable is as follows:

1. Firm Value
   Firm value as the dependent variable. This variable measures the success of the company, which is reflected in the stock price. The share price can be seen from the *Price To Book Value* (PBV) (Putri & Wiksuana, 2021). Firm value is measured by PBV, which adopts Putri & Wiksuana, (2021). The higher the value of the PBV ratio, the more the market believes in the company's prospects. PBV is calculated as follows:

$$PBV = \frac{Market\ price\ per\ share}{Book\ value\ per\ share}$$

2. Sustainability Report
   Sustainability report as an independent variable. This variable is the disclosure of corporate social responsibility (CSR) information. CSR measures how much companies disclose Global Reporting Initiative (GRI-G4) items. GRI-G4 contains 91 indicators consisting of three categories: economic, environmental, and social. Measuring sustainability reports using GRI-G4 by adopting research from Rahmantari (2021) To assess CSR, a score of 1 is given if the GRI-G4 item is selected, and a score of 0 is given if it is not desired. The calculation of the GRI-G4 score is as follows:

$$CSRIj = \frac{\sum xij}{nj}\ x\ 100\%$$

Detail:

CSRIj : CSR company index j
∑xij : the number of items for each indicator disclosed
Nj : 91

3. Firm Size
   Firm size as a moderating variable. This variable determines the size of the company based on the total assets it owns. According to Magerakis *et al*., (2020), firm size is measured using dummy. The company is given a number 1 if its total assets are above the median value of the total asset value in the sample, and the company is given a number 0 if the total assets are below the median value. Number 1 shows companies in the large category, and number 0 is in the category of small companies.

RESULTS AND DISCUSSION

Descriptive Statistics Results

Table 4.1 Research Descriptive

Descriptive Variable

	N	Minimum	Maximum	Median	Mean	Std. Deviation
Firm Size	75	57.361.387	7.217.105.000	401.800.000	1.096.640.690	1.686.305.967
Firm Value	75	0,1962	4,462	1,055	1,299	0,887
Sustainability Report	75	0,1978	0,714	0,374	0,405	0,147

Source: Source: Data processed by the author, 2022

Based on the test output in Table 4.1, the descriptive results of the research variables are obtained. The number of samples used in this study is 75. The minimum value for the firm size variable is USD 57.361.387. The smallest company size is Main Radiant Company Interinsco Tbk. (RUIS) in 2019. The maximum value is USD 7.217.105.000 at Adaro Energy Tbk. (ADRO) in 2019. The median value for this variable is USD 401.8 million. Companies that have total assets above the median value are Adaro Energy Tbk. (ADRO) from 2015 to 2019, Dian Swastatica Sentosa Tbk. (DSSA) from 2015 to 2019, Surya Esa Perkasa Tbk. (ESSA) from 2016 to 2019, Golden Energy Mines Tbk. (GEMS) in 2019, Indo Tambangraya Megah Tbk. (ITMG) in 2018, J Resources Asia Pacific Tbk. (PSAB) from 2015 to 2019, and Bukit Asam Tbk. (PTBA) from 2015 to 2019. Companies that have total assets below the median value are Baramulti Suksessarana Tbk. (BSSR) from 2015 to 2019, Darma Henwa Tbk. (DEWA) from 2015 to 2019, Elnusa Tbk. (ELSA) from 2015 to 2019, Surya Esa Perkasa Tbk. (ESSA) in 2015, Golden Energy Mines Tbk. (GEMS) from 2015 to 2018, Indo Tambangraya Megah Tbk. (ITMG) from 2015 to 2017 and in 2019, Resource Alam Indonesia Tbk. (KKGI) from 2015 to 2019, Mitrabara Adiperdana Tbk. (MBAP) from 2015 to 2019, Samindo Resources Tbk. (MYOH) from 2015 to 2019, Radiant Utama Interinsco Tbk. (RUIS) from 2015 to 2019 andToba Bara Sejahtera Tbk. (TOBA) in 2015 to 2019. The average value (mean) of the firm size variable is USD 1.096.640.690, and the standard deviation is USD 1.686.305.967. The standard deviation value is higher than the average value (mean), indicating the company size variable is heterogeneous because the data in the variable is increasingly spreading from its mean value (Sugiyono, 2013: 57). This means that the majority of sample companies have a firm size value of USD 1.096.640.690.

Then for the variable value of the company, the minimum value of 0.1962 is found in Toba Bara Sejahtera Tbk Company (TOBA) in 2019. In 2016, Golden Energy Mines Tbk. (GEMS) had the highest value of 4.4462. The median value is 1.055. The average value (mean) of the firm value variable is 1.299, and the standard deviation is 0.887. The fact that the standard deviation value is smaller than the average means that the firm value variable is homogeneous. This means that the data in the firm value variable is increasing at an average value. This indicates that the data for firm value are more similar among the mining companies studied.

The sustainability report disclosure variable has a minimum value of 0.1978, which is found in Surya Esa Perkasa Tbk. (ESSA) in 2015 and 2016. The maximum value of 0.714 is for Adaro Energy Tbk. (ADRO) in 2018 and 2019. The median value is 0.374. The average value (mean) for the sustainability report disclosure variable is 0.405, and the standard deviation is 0.147. The fact that the standard deviation value is smaller than the average means that the sustainability report disclosure variable is homogeneous. This indicates that the data in the sustainability report disclosure variable are increasing on average. This means that the data for disclosing sustainability reports is increasingly similar among the mining companies sampled in this study.

Table 4.2 Inner Model Test Output

Pengujian	**Hasil**	**Kesimpulan**
Average Path Coefficient (APC)	P 0.005	Full the criteria
Average R-Squared (ARS)	P 0.017	Full the criteria
Average Adjusted R-Squared (AARS)	P 0.039	Full the criteria
Average Block VIF(AVIF)	1.366	Full the criteria
Average Full Collinearity VIF (AFVIF)	1.156	Full the criteria
Tenenhaus Gof (GoF)	0.395	Full the criteria
Q Squared	0.148	Full the criteria
R Squared	0.156	Full the criteria
Adjusted R Squared	0.121	Full the criteria
Sympson's Paradox Ratio (SPR)	1.000	Full the criteria
R-Squared Contribution Ratio (RSCR)	1.000	Full the criteria
Statistical Suppression Ratio (SSR)	0.7	Full the criteria
Nonlinear Brivariate Causality Direction Ratio (NLBCDR)	0.7	Full the criteria

Source: Output WarpPls 7.0, 2022

The test output in Table 4.2 shows the results of the evaluation of the inner model. The p value for APC, ARS, and AARS must be less than 0.05, which means the model meets the criteria or has a significant goodness of fit (Sholihin & Ratmono, 2020). AVIF and AFVIF values must be below 5, which means that there is no multicollinearity. Another important fit indicator is the Tenenhause Gog (Gof), which measures the explanatory power of the model (Kock, 2015).

The results of the inner model test show that the p values of APC, ARS, and AARS are 0.005, 0.017, and 0.039, respectively, less than 0.05, which means the model meets the criteria for goodness of fit. AVIF and AFVIF values are 1.366 and 1.156 below 5, respectively, which means they meet the criteria so that this study does not exhibit multicollinearity. The value of Tenenhause Gof (Gof) is 0.395, which means that the research model is said to be strong (large) because it is more than 0.36. The Q-squared value of 0.148 > 0 means the research model has predictive relevance. R squared is adjusted to 0.121. This shows that the variables in the study are able to explain 12.1% and that 87.9% are influenced by variables outside this study. Therefore, it can be concluded that the research model has met the criteria for evaluating the inner model (Ghozali & Latan, 2017; Sholihin & Ratmono, 2020).

Hypothesis Test

Hypothesis testing aims to prove the truth of the allegations in this study. Following are the results of the Partial Least Square test:

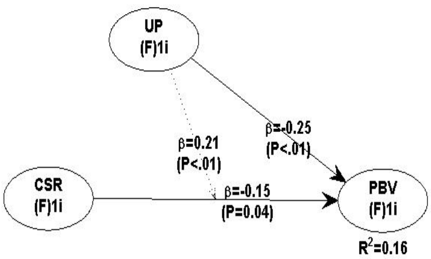

Image 4.1 Partial Least Square Test Results

Table 4.3 Research Hypothesis Summary

Hypothesis	Coefficient	P-Value	Result	Conclusion
The wider the disclosure of sustainability reports, the higher the firm value	-0.151	0.02	Negative influence	Hypothesis Rejected
The larger the size of the company, the greater the influence of the extent of disclosure of sustainability reports on firm value	0.206	<0,005	Firm size can have a positive impact	Hypothesis Accepted

Source: Data processed by the author, 2022

In hypothesis testing with one direction (a negative or positive effect) and a significance level of 5%, the results of the significant value or p-value must be divided in half first (Dachlan, 2014).

Discussion

The Effect of Sustainability Report Disclosure on Firm Value

The results of testing the disclosure of sustainability reports on firm value in table 4.3 show a p-value of 0.02 0.05 and a coefficient of -0.151. This means that the extent of disclosure in sustainability reports has a negative effect on firm value. The wider the disclosure of the sustainability report, the lower the company's value. This could be due to the company having to pay for carrying out a sustainability disclosure program, which is reflected in the implementation of corporate social responsibility (CSR). The more information that is revealed, the more the company must pay. These costs will increase the company's burden and will reduce the level of profitability so that it can reduce the value of the company. The level of profitability is often one of the benchmarks used by investors and potential investors in assessing the company.

Disclosure of sustainability reports is an obligation that must be carried out by companies whose operations use non-renewable natural resources, which have been regulated by Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies (PT) Article 74 Paragraph 1. The activities of mining companies have a very large negative impact on society, the environment, and the economy. so that companies in the mining industry sector are included in the group of companies that are obliged to carry out CSR. Therefore, mining companies cannot avoid their obligations to protect the environment, society, and economy. Investors assess the good or bad value of the company based on the high or low profitability achieved by the company. In fact, investors only pay attention to and are concerned with high dividend rates. This means that Indonesian investors are ignorant of CSR reports, so CSR is considered to add to the burden and reduce the level of dividends they will receive.

This study contradicts the signal theory, which states that the greater the disclosure of sustainability reports, the more positive feedback the company will receive from the community, increasing its value. However, in reality, the extent of disclosure in sustainability reports is not able to increase the firm value.

The results of this study are in line with research by Mukhtaruddin et al. (2019) and Astuti et al. (2020), which found that corporate social responsibility (CSR) had a negative effect on firm value. However, contrary to the results of research by Ta et al. (2018), Rahmantari et al. (2019), and Putra et al. (2020), which prove that corporate social responsibility (CSR) has a positive influence on firm value. The results of research from Hutabarat & Siswantaya (2018) and Kwok & Kwok (2020) show that corporate social responsibility (CSR) has no effect on firm value.

Effect of Sustainability Report Disclosure on Firm Value, Moderated by Firm Size

The results of testing the effect of sustainability report disclosure on firm value, moderated by firm size, A p-value of 0.005 0.05 and a coefficient of 0.206 are shown in Table 4.3. This means that the size of the company is able to moderate the relationship between the disclosure of sustainability reports and the value of the company.

The results of this study found empirical evidence that CSR disclosure depends on company size. Companies with high asset capitalization are able to make investors and other shareholders provide high firm value to companies that disclose their extensive sustainability reports.

Large companies are considered to have larger funds than small companies so they are able to run broader CSR programs. Therefore the extent of disclosure of sustainability reports depends on the size of the company which in this study is measured by its total assets.

Basically investors expect high dividends on their investment. Meanwhile, the implementation of CSR program disclosure for the company will add to the burden and can reduce the value of the company. However, the larger the size of the company will make the company get more attention/highlight from the government and society. This encourages companies to become more aware of the importance of disclosing CSR programs. This CSR disclosure is to gain trust, develop and maintain the company in the future. In addition, CSR disclosure can also attract investors that the company's financial performance is in good condition and the company's behavior is considered good. So that it can increase the value of the company. That is what causes the effect of CSR on firm value depending on company size. The results of this study are in line with the research of Kesumastuti & Dewi, (2021) and Kiptoo et al., (2017) that company size can moderate corporate social responsibility (CSR) on firm value. Large companies have large total assets, large sales, good employee skills, sophisticated information systems, many types of products, a complete ownership structure. This can facilitate extensive CSR disclosure. The more CSR activities disclosed by large companies, the more investor confidence will increase. This in turn can increase the firm value.

The results of this study are in contrast to the research of Ayem & Nikmah (2019), Rahmantari et al. (2019), and Rehanil et al. (2021), which prove that company size is unable to moderate CSR on firm value. The results of this study are in line with signal theory. The disclosure of sustainability reports by large corporations results in a positive response from investors and stakeholders. This can be useful for maintaining the company in the future so that it can add to the good views of investors, which can increase the firm value. According to Weiss (2022), the implementation of CSR can improve the company's performance so that the company is in great demand by investors and stakeholders.

CONCLUSION

Based on the test results using partial least squares, this study finds that the extent of sustainability report disclosure has a negative effect on firm value. The second finding is that company size is able to moderate the relationship between sustainability report disclosure and firm value. The extent of disclosure in the sustainability report depends on the size of the company. That is, the larger the firm size, the greater the influence of the broad disclosure of sustainability reports on the value of the company.

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