ABSTRACT

This study aims to examine the effect of sustainability reporting disclosure on firm value and the moderating role of institutional ownership in this relationship. A quantitative research approach was employed using secondary data from 37 consumer non-cyclical sector companies listed on the Indonesia Stock Exchange during the 2019-2023 period, selected via purposive sampling. Data were analyzed using panel data regression with the Random Effect Model (REM) framework via EViews 13. The findings reveal that sustainability reporting disclosure has a negative and significant effect on firm value (Tobin's Q). Furthermore, institutional ownership fails to moderate the effect of sustainability reporting disclosure on firm value. Simultaneously, all variables significantly influence firm value with an explanatory power of 5.7%. These findings suggest that the stock market still perceives sustainability initiatives and disclosures as long-term investment expenditures whose economic benefits are not immediately realized in the short run, and the relatively low level of institutional ownership has not been optimal in monitoring or amplifying the credibility of these sustainability reports.

Keywords: Sustainability Reporting, Firm Value, Institutional Ownership, Random Effect Model, Tobin's Q.