

ABSTRACT

Non-financial companies facing increasingly complex demands to maintain firm value, along with increasing investor attention and growing global awareness of various non-financial risks, including environmental aspects, social responsibility, and Corporate Governance quality. Therefore, this study aims to analyze the effect of Sustainability Assurance and Corporate Governance on firm value in non-financial companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period, considering firm size and leverage as control variables.

This research employs a quantitative approach using a non-probability sampling method with purposive sampling technique. Secondary data were obtained from sustainability reports and annual reports of non-financial companies listed on the IDX 2021-2023, complemented by supporting data from Bloomberg, resulting in a total sample of 70 observations. Sustainability Assurance and Corporate Governance as independent variables, with components being Managerial Ownership, Institutional Ownership, and Size of Board. Firm value, as the dependent variable, was measured using the Tobin's Q ratio. Firm size was calculated using the natural logarithm of total assets, and leverage was calculated using total debt to total equity.

The results indicate that Sustainability has no significant effect on firm value, suggesting that assurance practices have not yet provided additional confidence to investors. Managerial ownership has a negative and significant effect on firm value, indicating the potential for agency conflicts and opportunistic behavior. Meanwhile, institutional ownership and board size have a positive and significant effect, implying that the presence of institutional investors and a larger board of size can strengthen monitoring functions. Firm size has a positive and significant effect, indicating that large companies have a good reputation among investors, while leverage has a negative and significant effect because high debt risk can raise investor concerns about financial risks.

Keywords: Tobin's Q, Sustainability Assurance, Managerial Ownership, Institutional Ownership, Board Size, Firm Size, Leverage