The Effect of Systematic Risk and Sustainability Report Disclosure on Company Value

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ARTICLE INFO

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Keywords: *Systematic Risk, Economic Dimension, Social Dimension, Environmental Dimension, Company Value.*

ABSTRACT

Company value is very important in an effort to gain attention from every investor. So in increasing this value, companies need to pay attention to the influence of systematic risk and Sustainability Report Disclosure on company value. The purpose of this study is to determine the effect of systematic risk and sustainability report disclosure on company value. The type of research used in this study is quantitative research. The sample in this study was companies listed on the Sri-Kehati Index for the 2020-2022 period, totaling 25 companies. The data analysis technique used multiple linear regression analysis and hypothesis testing. The results of this study indicate that Systematic Risk has a positive but insignificant effect on the value of listed companies. The economic dimension of Sustainability Report Disclosure has a significant positive effect on company value. The social dimension of Sustainability Report Disclosure has a significant positive effect on the value of listed companies. The environmental dimension of Sustainability Report Disclosure has a significant positive effect on the value of companies listed on the Sri-Kehati Index for the 2020-2022 period. Companies should maintain and pay attention to company value. Namely by paying attention to the market price per share and the book value per share. Because the higher the value of the company, the greater the level of prosperity that will be received by shareholders.

ABSTRAK

Nilai perusahaan sangat penting dalam upaya untuk memperoleh perhatian dari setiap investor. Sehingga dalam meningkatkan nilai tersebut prusahaan perlu memperhatikan pengaruh risiko sistematik dan Sustainability Report Disclosure terhadap nilai perusahaan. Tujuan penelitian ini untuk mengetahui pengaruh risiko sistematik dan sustainability report disclosure terhadap nilai perusahaan. Jenis penelitian yang digunakan dalam penelitian ini adalah jenis penelitian kuantitatif. Sampel dalam penelitian ini adalah perusahaan yang terdaftar di Sri-Kehati Indeks periode tahun 2020-2022 sebanyak 25 perusahaan. Teknik analisis data menggunakan analisis regresi linier berganda dan uji hipotesis. Hasil penelitian ini menunjukkan Risiko sistematik berpengaruh positif tidak signifikan terhadap nilai perusahaan yang terdaftar. Sustainability Report Disclosure dimensi ekonomi berpengaruh positif signifikan terhadap nilai perusahaan. Sustainability Report Disclosure dimensi sosial berpengaruh positif signifikan terhadap nilai perusahaan yang terdaftar. Sustainability Report Disclosure dimensi lingkungan berpengaruh positif signifikan terhadap nilai perusahaan yang terdaftar di Sri-Kehati Indeks periode tahun 2020-2022. Hendaknya perusahaan untuk mempertahankan dan memperhatikan nilai perusahaan. Yaitu dengan memperhatikan harga pasar per lembar saham dan nilai buku per lembar saham. Karena semakin tinggi nilai perusahaan, tingkat kemakmuran yang akan diterima oleh pemegang saham semakin besar.

INTRODUCTION

Competitive business development causes companies to struggle for their companies to survive. Companies innovate, buy new technologies, develop products and even expand their business areas in dealing with it, the efforts made by the company require a lot of money. The capital market is an alternative to funding for companies so that companies can operate on a larger scale and ultimately increase profits. Stocks are used as an investment substitution in the scope of the capital market which is often used by every investor because they get a much larger surplus and the funds needed by investors to invest are not too large when compared to bonds. Companies that invest in stocks hope to get maximum luck for those who hold shares by trying to optimize the value of the shares in the company which will later affect the stock price. The value of a company is defined as the price that can be paid by the party who buys the shares if the company is sold. (Sartono, 2014).

Considerations made by investors when determining the value of the company are the potential and development of the company in the future if the value in the company is high, the success achieved by the company will also be higher and easier to obtain by those who hold shares. In accordance with this explanation, it can be seen that the company has the value needed for the development of the company. (Gunawan et al., 2020). This is also confirmed by Sintyana & Artini (2018: 2) This is also confirmed by Sintyana & Artini (2018: 2) that companies often strive to obtain expectations that can be reached in a short time, for example, providing profits that are of maximum value and expectations that want to be obtained in a long time, such as being able to provide an increase in the value of the company and provide welfare for each party holding shares. Companies that have *gone public* and have provided stock offerings to the public, the value owned by the company becomes the investor's response to the company. Investors can utilize the value of the company to be the basis for providing an assessment of the performance of the company in the future, then the value of the company is also often associated with the price of the shares. Investors will get an advantage if the price owned by the company's shares is very high (Gunawan et al., 2020). (Gunawan et al., 2020). Thus, the effort to get the attention of every investor is the desired expectation, namely to provide an increase in the value of the company. The value that exists in the company as the price that potential buyers can pay when the company is sold.

An investor invests, namely to get profits and minimize the risks that will be received, things that must be known before investing, namely a high level of risk will create increased profits if on the contrary, the lower the risk, the lower the return that investors will receive. (Ariyadi, 2020). In this case, the risk is grouped into 3 types of risk. We recognize the first as a risk that is categorized as systematic, then the second is unsystematic risk, and the third is risk that is calculated in total (Darmayanti et al., 2020). (Darmayanti et al., 2018). Risks that are categorized as systematic are general risks that occur in the capital market, while the risks contained in non-systematic risks are state policies, the last total risk is the risk that exists and is written on the company's portfolio. According to (Sari & Nardo, 2022) in his research that systematic risk or market risk is usually calculated by market returns and the Composite Stock Price Index (CSPI) or the performance value of all shares. Because it can be used as a measure of the level of risk that shows the relationship between the price of a stock and its market price.

In the *Global Reporting Initiative* (GRI) the use of *Sustainability Report Disclosure* to measure and disclose responsibility to *Stakeholders* as a form of company performance towards sustainable development, with the intention of describing the environmental, social, and economic reporting impacts of a company. The purpose of using the *Sustaibility Report* is to notify the company's commitment regarding environmental, social, and economic reporting impacts for each holder of needs and the general public in an open manner and the company's efforts to become a company that is accountable to *Stakeholders* for the development of the company. *sustainbility report disclousure* shows that it can minimize *asymmetry information* can be found in the relationship between managers and investors.

According to *Signaling* Theory, *sustainability report disclosure* is useful for signs signaled by the company for investors if the company has carried out its responsibilities related to the economic scope, environmental scope and social scope. Companies that have carried out their duties well will be a sign if investors to obtain provisions when making investments (Sudana, 2011).(Sudana, 2011). In the *Trade off theory* presented by (Jogiyanto, 2014)In the Trade off theory presented by (Jogiyanto, 2014), that providing an increase in the systematic impact of a stock will create interest from the investor itself to invest because investors have the thought that a high impact will be able to generate a lot of return. Return and risk are things that are closely related because they are reviewed using factors to make considerations when someone invests. if an investment is high, the share price contained in the company will also affect the values in the company. Based on this explanation, researchers will discuss the effect of systematic risk on firm value and the effect of *Sustainability Report Disclosure* on firm value. Therefore, researchers are interested in conducting research with the title "The Effect of Systematic Risk and *Sustainability Report Disclosure* on Firm Value".

RESEARCH METHOD

The type of research used in this research is quantitative research. The population in this study were companies listed on the Sri-Kehati Index with a total of 25 companies. The sample in this study were companies listed on the Sri-Kehati Index for the period 2020-2022 totaling 25 companies. The data source used by researchers in this study is secondary data. In this case the data used is in the form of financial statements of companies listed on the Sri-Kehati Index for the period 2020 - 2022. The data analysis technique uses normality test, heteroscedasticity test, multicollinearity test, autocorrelation test, multiple linear regression analysis and hypothesis testing.

RESULTS AND DISCUSSION

The Indonesian Biodiversity Foundation (Kehati) has published a green index called the *Sustainable and Responsible Investment* (Sri)-Kehati Stock Index which was launched on June 8, 2009, with reference to the *United Nations' Principles for Responsible Investment* (PRI) and published in collaboration with the Indonesia Stock Exchange (IDX). The financial statements of the companies listed on the Sri-Kehati Index for the 2020-2022 period are obtained from the website of each company which includes:

Table 1. List of Companies in Sri-Kehati Index for the period 2020-2022

No.	Code Company	Name Company
1	AALI	Astra Agro Lestari Tbk
2	ANTM	Aneka Tambang (Persero) Tbk
3	ASII	Astra International Tbk.
4	ASRI	Alam Sutera Realty Tbk.
5	BBCA	Bank Central Asia Tbk.
6	BBNI	Bank Negara Indonesia (Persero) Tbk.
7	BBRI	Bank Rakyat Indonesia (Persero) Tbk
8	BMRI	Bank Mandiri (Persero) Tbk.
9	BTPS	Bank Tabungan Pensiunan Nasional Syariah Tbk
10	DSNG	Dharma Satya Nusantara Tbk.
11	ICBP	Indofood CBP Sukses Makmur Tbk
12	INDF	Indofood Sukses Makmur Tbk.
13	INTP	Indocement Tunggal Prakarsa Tbk.
14	JPFA	JAPFA Comfeed Indonesia Tbk
15	JSMR	Jasa Marga (Persero) Tbk.
16	KLBF	Kalbe Farma Tbk.
17	PGAS	Perusahaan Gas Negara (Persero) Tbk.
18	PTPP	PP (Persero) Tbk.
19	SIDO	Industri Jamu dan Farmasi Sido Tbk.
20	SILO	Siloam International Hospital Tbk.
21	SMGR	Semen Indonesia (Persero) Tbk.
22	TLKM	Telekomunikasi Indonesia (Persero) Tbk.
23	UNTR	United Tractors Tbk.
24	UNVR	Unilever Indonesia Tbk.
25	WIKA	Wijaya Karya (Persero) Tbk.

Descriptive Analysis

Descriptive analysis provides an overview or description of data seen from the average value (mean), standard deviation, variance, maximum, and minimum regarding the effect of systematic risk and *sustainability report disclosure* on firm value.

Table 2. Descriptive Analysis of Variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Systematic Risk	75	0	1,53820	0,0819	0,24219
Economic Dimension	75	3	8	5,0267	1,27315
Social Dimension	75	0	14	5,6933	2,69621
Environmental Dimension	75	0	8	4,0267	2,11796
Company Value	75	0,17322	22,8846	2,5624	4,11057
Valid N (listwise)	75				

The table above shows the amount of data (observations), minimum, maximum, average value, and standard deviation of each research variable. The amount of data studied from 25 companies and 75 data for each variable for 3 years. The minimum value for the Systematic Risk variable is 0 and the maximum value is 1.53820 with an average value of 0.0819 and a standard deviation of 0.24219. The minimum value for the Economic Dimension variable is 3 and the maximum value is 8 with an average value of 5 and a standard deviation of 1.27315. The minimum value for the Social Dimension variable is 0 and the maximum value is 14 with an average value of 5 and a standard deviation of 2.69621. The minimum value for the Environmental Dimension variable is 0 and the maximum value is 8 with an average value of 4 and a standard deviation of 2.11796. The minimum value for the Company Value variable is 0.17322 and the maximum value is 22.8846 with an average value of 2.5624 and a standard deviation of 4.11057.

Normality Test

The results of the normality test are as follows:

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		75
Normal Parametersa,b	Mean	0E-7
	Std. Deviation	42.60697332
Most Extreme Differences	Absolute	.223
	Positive	.223
	Negative	-.157
Kolmogorov-Smirnov Z		1.841
Asymp. Sig. (2-tailed)		.072
a. Test distribution is Normal.		
b. Calculated from data.		

Based on the table above, it is known that the *Asymp. Sig. (2 tailed)* of 0.072, which means that this value is greater than the significance level of 0.05 so that it can be said that the data is normally distributed.

Heteroscedasticity Test

Below are the results of the heteroscedasticity *scatterplot* test:

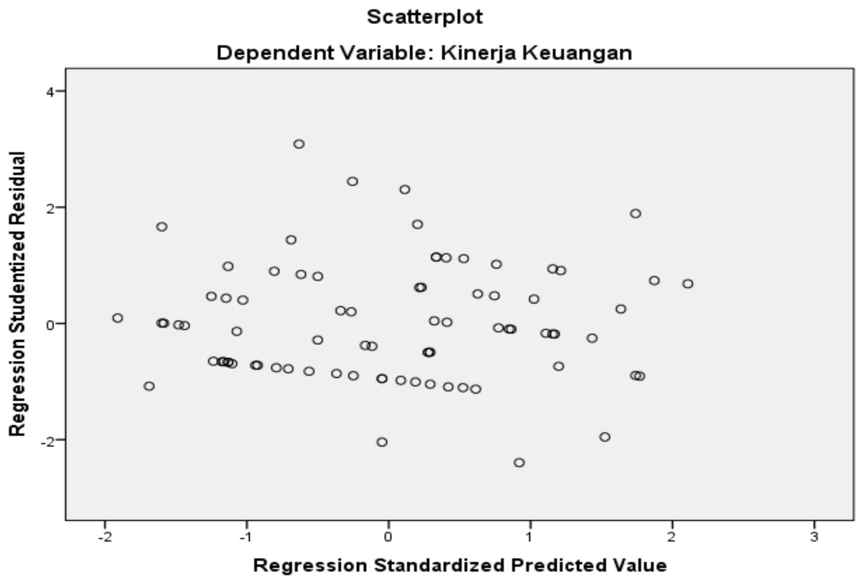

Figure 1. Heteroscedasticity Scatterplot Test

From the *Scatterplot* image pattern above, it shows that the data points spread between the number 0 on the Y axis, the points spread randomly and the distribution of the points is not patterned. This means that there is no heteroscedasticity so that the regression model is suitable for use.

Multicollinearity Test

Table 4. Multicollinearity Test

Coefficientsa								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.795	6.189		3.992	.000	.968	1.069
	X1	.037	.742	.078	2.260	.445	.039	5.576
	X2	.195	.145	.161	4.344	.014	.968	1.034
	X3	.881	.158	.286	7.928	.003	.910	3.857
	X4	.296	.707	.249	5.465	.000	.039	5.612
a. Dependent Variable: Y								

Based on the table above, it can be seen that the tolerance value of all variables shows a value> 0.1 and the *Variance Inflation Factor* (VIF) value of all variables shows a value < 10. Therefore, it can be concluded that there is no Multicollinearity problem in this model.

Autocorrelation Test

Detecting the presence or absence of autocorrelation by looking at the D-W (*Durbin-Watson*) table, the basis for decision making is the D-W number below -2 means there is positive autocorrelation. The D-W number between -2 to +2 is no autocorrelation. The D-W number above 2 is negative autocorrelation.

Table 5. Autocorrelation Test

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.336a	.113	.072	43.59414	1.740
a. Predictors: (Constant), X1, X2, X3, X4					
b. Dependent Variable: Y					

From the table above, it shows that the *Durbin-Watson* value is 1.740 which means that it is between -2 and +2, so it can be concluded that the research does not occur autocorrelation in other words this research is feasible to use.

Multiple Linear Regression Analysis

The multiple linear regression test results are as follows:

Table 6. Multiple Linear Regression Test

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.795	6.189		3.992	.000
	X1	.037	.742	.078	2.260	.445
	X2	.195	.145	.161	4.344	.014
	X3	.881	.158	.286	7.928	.003
	X4	.296	.707	.249	5.465	.000
a. Dependent Variable: Y						

Based on the table above, the regression test results obtained the equation:

Where:

Company Value = 1.795 + 0.037 Systematic Risk + 0.195 *Sustaibility Report* Economic Dimension + 0.881 *Sustaibility Report* Social Dimension + 0.296 *Sustaibility Report* Environmental Dimension + e

The conclusion of the above equation is as follows:

- The constant of 1.795 states that if Systematic Risk, Economic Dimension *Sustaibility Report*, Social Dimension *Sustaibility Report*, and Environmental Dimension *Sustaibility Report* are each constant (fixed) then the Company Value will increase by 1.795.
- The Systematic Risk coefficient of 0.037 indicates that every one unit increase in the Systematic Risk variable, the Company Value will increase by 0.037.
- The Economic Dimension *Sustaibility Report* coefficient of 0.195 indicates that every one unit increase in the Systematic Risk variable, the Company Value will increase by 0.195.
- The Social Dimension *Sustaibility Report* coefficient of 0.881 indicates that every one unit increase in the Systematic Risk variable, the Company Value will increase by 0.881.
- The Environmental Dimension *Sustaibility Report* coefficient of 0.296 indicates that every one unit increase in the Systematic Risk variable, the Company Value will increase by 0.296.

Hypothesis Testing

Hypothesis testing is a test of a statement using statistical methods so that the test results can be declared statistically significant. This test is conducted to determine whether each independent variable significantly affects the dependent variable. Testing can also be done through observing the significance value of t at the level a used (this study uses a level a of 5% = 0.05). It is known that the t-table (α/2; n-k-1), then (0.05/2; 75-4-1) = 0.025; 70 so as to obtain a t-table value of 1.99444.

Table 7. T-test

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.795	6.189		3.992	.000
	X1	.037	.742	.078	2.260	.445
	X2	.195	.145	.161	4.344	.014
	X3	.881	.158	.286	7.928	.003
	X4	.296	.707	.249	5.465	.000
a. Dependent Variable: Y						

Source: Secondary Research Data processed, 2024

From the above output it can be concluded that:

- The t value of Systematic Risk is 2.260. This means that t count> t table, namely 1.99444 with a significant level of 0.445> 0.05. The results show that Systematic Risk has a positive and insignificant effect on Firm Value.

- The t value of the Economic Dimension *Sustaibility Report* is 4.344. This means that t count> t table is 1.99444 with a significant level of 0.014 <0.05. The results show that the Economic Dimension *Sustaibility Report* has a positive and significant effect on Firm Value.
- The t value of the Social Dimension *Sustaibility Report* is 7.928. This means that t count> t table, namely 1.99444 with a significant level of 0.003 <0.05. The results show that the Social Dimension *Sustaibility Report* has a positive and significant effect on Firm Value.
- The t value of the Environmental Dimension *Sustaibility Report* is 5.465. This means that t count> t table, namely 1.99444 with a significant level of 0.000 <0.05. The results show that the Environmental *Sustaibility Report* has a positive and significant effect on Firm Value.

DISCUSSION

The Effect of Systematic Risk on Firm Value

Systematic risk can occur due to price changes or fluctuations in the prices of shares traded on the stock exchange. Changes in budget costs and factors such as operations cause fluctuations. Factors that occur can be macro such as economic conditions, government regulations, etc. Based on the research results on companies listed on the Sri-Kehati Index for the period 2020-2022, systematic risk has a positive and insignificant effect on firm value.

Systematic risk affects but is not significant to firm value, this condition illustrates that the volatility of market conditions influences firm value, relatively stable market conditions make company performance increase but not significantly, when market conditions are unstable or market conditions change quickly it also reduces company performance insignificantly. So, when market conditions are unstable and rapidly changing, it will not cause market risk to increase or decrease significantly. In *Trade off theory* by (Jogiyanto, 2014)(Jogiyanto, 2014) states that the increase in risk that occurs continuously makes a stock will increase then the interest held by investors to invest because they have the thought that if the risk increases, it will create an increased return as well. Return and impact are two things that are related because investment must be considered by reviewing many factors. In all policies set by investment, each investor will be addressed with a percentage of investment returns and is welcome to make investment choices that can make investors profitable. High or low systematic risk, investors still buy company shares in the banking sector. This condition shows that company risk can be captured as a signal by investors, where the stock performance of a business entity is not so influenced by conditions that occur in the country's economy and market changes. According to *Signaling* Theory*, the* performance of a company is a sign if investors to obtain a determination when making an investment (Sudana*, 2011).* (Sudana, 2011). This situation results in company management not being able to do much to reduce risk so that it will attract investors to invest in their company. Systematic risk has an insignificant effect on firm value, therefore the results of this test indicate that PBV as an indicator of firm value is influenced by systematic risk but not so large and significant.

Risks owned by the market or risks that are categorized as systematic, namely risks that cannot be verified. This risk has the characteristic of affecting all companies (Hairul, 2020). Systematic risks have a relationship to the number of companies when managerial authority is more aimed at strategies to increase public confidence in relation to the company. The stability possessed by stock prices is needed because this stability will determine the continuous stock price index with the number of stock markets that run smoothly, this index will be stable and have an influence on the beta coefficient on stocks (Alghifari, 2013).(Alghifari, 2013). Research by (Alghifari, 2013)shows that there is an insignificant influence between systematic risk and firm value. Research by (Nurfadilah, 2018) systematic risk has a relationship to firm value.

The Effect of Economic Dimension Disclosure on Company Value

Sustainability Report Disclosure in the economic dimension is a report that reveals the company's economic performance. *Sustainability Report Disclosure* as a form of corporate responsibility to stakeholders. (Sartono, 2014). Economic performance reports can be an attraction for investors to invest their funds in a company. The company's responsibility for the effects that occur as a result of its business activities can affect the company's value. Based on the results of research on companies listed on the Sri-Kehati Index for the period 2020-2022, the economic dimension has a positive and significant effect on firm value. With the disclosure of economic performance as a form of corporate transparency to investors, it will be able to improve the company's image in the eyes of investors and attract interest in investing in the company, this will directly maintain good relations between the company and stakeholders, especially investors, so that the company's value in the eyes of investors will increase with the disclosure of performance. (Kumalasari, 2016). This research is in line with research conducted by (Hafni, A. F., 2018) and (Astuti, 2017) which states that the economic category *sustainability report disclosure* has a positive effect on firm value. Research conducted by (Cahyandito, 2015) revealed that reporting *sustainability report* economic performance will increase company transparency which has an impact on increasing investor confidence and financial performance.

The Effect of Social Dimension Disclosure on Company Value

Disclosure of the social dimension in the form of social performance obligations by companies to respond effectively to community and stakeholder issues. Corporate social performance is one of the important aspects in sustainability report. Social performance identifies aspects of performance including labor, human rights, product responsibility and so on. Based on the results of research on companies listed on the Sri-Kehati Index for the period 2020-2022, the social dimension has a positive and significant effect on firm value. Firm value reflects the company's performance, which can be observed through the company's stock price. The company will make efforts to maintain its share price. *Sustainability reports* provide reports that are non-financial in nature, namely social as a form of accountability that investors are interested in because it can reduce information asymmetry in the company. (Prihadi, 2019). According to *Signaling* Theory*, the Sustainability report* functions as a signal given by the company to investors that the company has been responsible for the economy, environment and social. Companies that have carried out social responsibility are a signal for investors to make investment decisions (Sudana, 2011). (Sudana, 2011). Corporate social performance is one of the important aspects in sustainability reports. Social performance identifies aspects of performance including *Labor Practices, Human Rights, Society and Product* Responsibility. (Prihadi, 2019). Disclosure of information on the dimensions of social performance will have an impact on stakeholder perceptions of the company's treatment of surrounding human resources. The company in running its bismis requires reliable, competitive, creative and effective human resources in managing company assets. Disclosure of social performance is used to attract stakeholders to work with the company. This is supported by research conducted by (Tarigan,

J. and Semuel, 2014) which states that social performance is positively and significantly related to financial performance in terms of profitability ratio. Where the increasing social performance of the company will increase finance in terms of profitability ratio. The greater the company's ability to generate profits will increase investor confidence to invest.

The Effect of Disclosure of Environmental Dimensions on Company Value

Disclosure of environmental dimensions is intended to provide relevant and accurate information about the company's environmental dimensions to stakeholders. The environmental dimension report is used by stakeholders to evaluate the impact caused by the company's business operations on the environment. Based on the results of research on companies listed on the Sri-Kehati Index for the period 2020-2022, the environmental dimension has a positive and significant effect on firm value.

Sustainability report disclosure for companies shows evidence of accountability to stakeholders for company activities. Companies that publish *Sustainability reports* will gain the trust of stakeholders needed for the continuity of the company's business. Disclosure of environmental performance aims to provide relevant and accurate information about the company's environmental performance to stakeholders. It is necessary to disclose *sustainability reports* to answer the demands of stakeholders who want to know the performance of companies that care about the environment which will then respond positively and increase investor confidence so that they will provide funding for the company (Prastiw, 2015). (Prastiw, 2015).

In addition to being used for accountability for the company's operational activities, the *Sustainability report* is also used by investors to see and control the company's performance so that it can be used as a medium for decision making, besides that the *Sustainability report* is also used as a form of responsibility for the company's commitment to stakeholders in protecting the environment around the company. (Rizki, 2019). Previous research conducted by (Puspitasari, 2017) stated that environmental performance has a relationship with ROA and is supported by research (Sopian, 2017). (Sopian, 2017) that partial disclosure of environmental performance has a significant positive effect on the company's financial performance. Research by (Rizki, 2019) shows that environmental *sustainability reports* have an effect on firm value. (Pujiningsih, 2020) This study shows that environmental *sustainability report* has a significant effect on firm value.

CONCLUSIONS

Based on the results of the analysis that has been done, it can be concluded that systematic risk has a positive and insignificant effect on the value of companies listed on the Sri-Kehati Index for the period 2020-2022. Sustainability Report Disclosure of the economic dimension has a significant positive effect on the value of companies listed on the Sri-Kehati Index for the period 2020-2022. Sustainability Report Disclosure of the social dimension has a significant positive effect on the value of companies listed on the Sri-Kehati Index for the period 2020-2022. Sustainability Report Disclosure of the environmental dimension has a significant positive effect on the value of companies listed on the Sri-Kehati Index for the period 2020-2022. Based on the results of the research that has been done, several suggestions can be submitted that can be input, for the company, the company should maintain and pay attention to the value of the company. Namely by paying attention to the market price per share and book value per share. Because the higher the company value, the greater the level of prosperity that will be received by shareholders. It is also expected for companies to increase systematic risk because systematic risk has an insignificant effect on firm value. That is by paying attention and considering price changes or fluctuations in the prices of shares traded on the stock exchange. It is expected for investors to invest their capital in a company by paying attention to the factors that affect firm value. Investors can pay attention to variables that have a significant influence on firm value which can reflect company performance. This is a consideration so that the investment made can provide the maximum level of profit and reduce the risk of high losses.

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