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THE IMPACT OF ENTERPRISE RISK MANAGEMENT, CORPORATE SOCIAL RESPONSIBILITY, AND SUSTAINABILITY REPORT ON FIRM VALUE IN BANKING SECTOR OF INDONESIA, MALAYSIA, AND THAILAND

Abstract:

The purpose of this research was to determine the impact of disclosure on enterprise risk management (ERM), corporate social responsibility (CSR), and sustainability reports (SR) on firm value. Data for this research is taken from financial reports, annual reports, and reports issued by firms. In this study, the sample used was banking firms listed on Indonesia, Malaysia, and Thailand Stock Exchanges from 2019-2020. Sampling using purposive sampling technique with four criteria. Firms that meet these criteria are 36 Indonesian firms, 10 Malaysian firms, and 8 Thai firms.

The method of data analysis is multiple regression analysis using the Eviews software. The results show that Enterprise Risk Management positively influences firm value. Meanwhile, the Corporate Social Responsibility and Sustainability Report has no effect on banking firm's value. The results of this study can be used as a reference for potential investors to know the condition of each company they want to invest in.

Keywords:

Firm Value; Enterprise Risk Management; Corporate Social Responsibility; Sustainability Report

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Introduction

The primary purpose of a firm is to make a profit and increase the firm value. The firm value can measure the firm's performance in utilizing the resources it has for profit. The better the firm's performance in generating earnings, the higher the firm's value (Indawati, 2021). For public firms, the indicator of firm value is reflected in the firm's stock price on the stock exchange. The higher the firm's stock price on the stock exchange, the higher the firm's value (Hermuningsih, 2014). A high firm value gives investors confidence in the firm's performance and the firm's sustainability in the future. Information related to a firm's performance can be seen from the financial statements issued by the firm every year. Financial statements are the basis for assessment for external parties to evaluate a firm's financial performance in a certain period to get an idea of the firm's condition before investing.

When this research was conducted, the world was still hit by the COVID-19 outbreak since 2020. The pandemic condition had a significant effect, especially on the world economy. Many firms are affected by this global pandemic because people's mobility is limited and trading activities both domestically or abroad are very limited. This condition has resulted in the firm's performance during the pandemic declining a lot. The results of the Badan Pusat Statistik (BPS) survey in 2020 revealed that 82.85% of firms in Indonesia were affected by the Covid-19 pandemic. Along with the decline in firm performance during the COVID-19 pandemic, the firm's value will also decrease.

Hidayat (2021) research shows a decrease in financial performance and firm value from before and during the COVID-19 pandemic.

Many factors can affect the firm's value, whether it's a factor related to its financial performance or even a factor related to its non-financial performance. Therefore, in conditions like today, when many firms' financial performance is declining, non-financial performance factors are needed to determine the firm's value. Investment decision-making must also consider non-financial information because financial information only is not sufficient as a basis for assessing a firm (Devi et al., 2017). Non-financial factors that can affect the firm's value include disclosure of Corporate Social Responsibility (CSR), Sustainability Report (SR), and Enterprise Risk Management (ERM). A firm is considered better if it discloses both financial and non-financial information widely because it has implemented the principle of transparency (Rustriani, 2012).

According to ISO 3100 in 2018, Enterprise Risk Management is actions accomplished by the firm in a coordinated manner to manage and control the risks faced by the firm. COSO (2006) defines Enterprise Risk Management as a process influenced by management and other personnel within the firm that is applied in strategy and throughout the firm's activities to identify risks faced by the firm and how the firm manages those risks to provide adequate confidence in the achievement of firm goals. For parties outside the firm, such as investors, disclosure of Enterprise

Risk Management is very useful because investors can get information on how the firm manages the risks it faces and how the firm carries out the impact of risk management on the firm's condition in the future. Research from Devi et al. (2017) stated that Enterprise Risk Management (ERM) disclosure significantly positively affects firm value. While the results of research from Cristofel & Kurniawati (2021) state that Enterprise Risk Management (ERM) has a significantly negative effect on firm value.

According to WBCSD (1999), Corporate Social Responsibility is an ongoing commitment by a firm to make a contribution to economic growth and improve the quality of life of its workers, their children, and the wider community. Firms that have implemented CSR activities to the community indirectly indicate that the firm is committed to running a business in the long term and will provide a positive image in the eyes of investors so that the firm value will also increase. Rahmantari (2021) states that Corporate Social Responsibility (CSR) significantly positively affects firm value. Meanwhile, Stacia & Juniarti (2015) states that Corporate Social Responsibility (CSR) has no significant effect on firm value.

According to the Global Reporting Initiative (GRI, 2011) Sustainability Report (SR) is a report made by a corporation to assess, disclose, and be accountable to internal and external parties for the firm's performance in environmental, social, and economic aspects in realizing sustainable development goals. By issuing a sustainability report, the firm provides additional information to interested parties, information that

has not been included in the Annual Report or Financial Statement. With this additional information, investors will gain confidence in the firm for the firm's business continuity prospect. According to Siregar & Safitri (2019), the Sustainability report significantly affects firm value. Meanwhile, according to Puspita & Fairuz (2018), the Sustainability report does not affect the firm's value in BUMN firms that go public from 2010 to 2016.

Based on that background and the results of previous studies, which show results that are still inconsistent for each variable. The author will also focus more on examining the influence between variables during the covid 19 pandemic. Therefore, the author will conduct a study entitled The Effect of Disclosure of Enterprise Risk Management, Corporate Social Responsibility, and Sustainability Reports on Firm Value.

Literature Review

This section provides the definitions and literature on theoretical link between variables.

Signalling Theory

Akerlof first put forward this theory in 1970 in his work entitled "The Market for Lemons." Akerlof studied the phenomenon of unfair information held between sellers and buyers by conducting tests on the used car market. According to (Akerlof, 1970) this situation can be minimized by providing a signal in the form of information the seller owns about the product being sold to the buyer. According to Siregar & Safitri (2019), signalling theory tells us how

important it is for firms to provide information that explains the firm's actual state to external parties who will use this information as a basis for making investment decisions. This condition is due to the existence of information asymmetry between the firm and the investor. Therefore, the disclosure of information in the report issued by the firm is expected to explain the firm's prospects in the future, give good signals to investors, and increase the firm's value. Disclosure of information to external parties can be financial or non-financial information. For financial information it is usually submitted in financial reports and for non-financial information, it is usually submitted in annual reports and sustainability reports. The information examined in this research is related to Sustainability Report, Corporate Social Responsibility, and Enterprise Risk Management.

Firm Value

The firm value can measure the firm's performance in utilizing the resources it has for profit. The better the firm's performance in generating profits, the higher the firm's value (Indawati, 2021). Tambunan et al. (2017) explain that firm value is the perception of investors on the achievement of the firm's performance in managing its resources which is reflected in the firm's stock price on the stock exchange. Following the signalling theory, the firm will try to provide information to its stakeholders to communicate. One of the information needed by stakeholders is information related to the firm's environmental, social, and economic performance in realizing sustainable development goals reported in the Sustainability

Report. Providing information related to the sustainability report will show that the firm has been responsible for stakeholders and will be captured as a signal by investors because the firm has sustainable goals and will positively impact the value of the firm (Devi et al., 2017).

Enterprise Risk Management

According to ISO 3100 in 2018, Enterprise Risk Management is actions carried out by the firm in a coordinated manner to manage and control the risks faced by the firm. COSO (2006) defines Enterprise Risk Management as a process influenced by management and other personnel within the firm that is applied in strategy and throughout the firm's activities to identify risks faced by the firm and how the firm manages those risks to provide adequate confidence in the achievement of firm goals. The purpose of Enterprise Risk Management is to manage the risks faced in the firm's activities simultaneously with structured and strategic framework guidelines rather than managing risks independently (Bogodistov & Wohlgemuth, 2017). The firm's disclosure of information related to Enterprise Risk Management can be used as material for analysis for investors to make investment decisions. The relationship with signalling theory is that the firm's disclosure of information related to Enterprise Risk Management is a form of a signal given by the firm to external parties. With this disclosure, external parties can find out information about the risks faced by the firm and the efforts made by the firm in dealing with these

risks and the impact of these risks on the prospect of firm condition (Devi et al., 2017).

Corporate Social Responsibility

According to WBCSD (1999), Corporate Social Responsibility is an ongoing commitment by a firm to make a contribution to economic growth and improve the quality of life of its workers, their children, and the wider community. Corporate Social Responsibility was first proposed by Bowen (1953), who defined Corporate Social Responsibility as a form of an obligation of the firm in making decision-making policies to carry out activities following the firm's goals and values in society. In addition, disclosure of information related to Corporate Social Responsibility that the firm has issued can increase the firm image in the stakeholders. The relationship with signalling theory is that disclosure of information related to Corporate Social Responsibility funds that the firm has issued is a form of signalling to external parties related to social responsibility activities that have been carried out by the firm (Siregar & Safitri, 2019). This information is considered important because it will affect the firm's image in the market and affect the firm's value.

Sustainability Report

According to the GRI (2011) Sustainability Report is a report made by a firm to assess, disclose, and be accountable to internal and external parties for the firm's performance in environmental, social, and economic aspects in realizing sustainable development goals. Elkington (1997) defines the sustainability Report is a report issued by a firm that contains information related to the firm's

financial performance and non-financial information including of information related to environmental and social activities that enable the firm to grow sustainably. The relationship with signalling theory is that the disclosure of sustainability reports is also a signal given by the firm to investors in the form of information related to the firm's activities on environmental, social, and economic aspects in realizing sustainable development goals (Wicaksono & Septiani, 2020).

Previous Research

Researchers used several previous studies to determine the model of this research. The first research conducted by (Candra & Wiratmaja, 2020) regarding the effect of enterprise risk management on firm value resulted that enterprise risk management has a positive effect on firm value because investors will respond positively to various risk information disclosed by the company. The second research conducted by (Rahmantari, 2021) related to the effect of corporate social responsibility on firm value resulted that corporate social responsibility has a positive effect on company value because it will build a positive image in society with the company's corporate social responsibility program. The third research conducted by (Pujiningsih, 2020) related to the effect of the sustainability report on firm value resulted that the sustainability report has a positive effect on the value of the company because the sustainability report or in the annual report is able to reflect the level of accountability, responsibility, and transparency of the company to investors and

other stakeholders. From some of these studies a hypothesis was made for this research which will be explained later.

Hypotheses Development

This research was conducted to test the following hypotheses:

Enterprise Risk Management on Firm Value

Following signalling theory, the firm will try to provide information to its stakeholders as the basis for investment decisions (Supriyadi & Setyorini, 2020). One of the information needed by stakeholders is related to the firm's management of the risks it faces (Enterprise Risk Management). Disclosure of information related to Enterprise Risk Management permits investors to assess the firm's capability to control the risks it faces and see the firm's potentialities in the future after controlling these risks (Cristofel & Kurniawati, 2021). With this information, investors will respond positively that the firm has managed the risks faced by the firm. Investors will invest their funds in the firm because it is considered to have future prospects, so the firm value will increase (Candra & Wiratmaja, 2020). Based on research, Devi et al. (2017), Iswajuni et al. (2018), Supriyadi & Setyorini (2020), Candra & Wiratmaja (2020), and Dinoyu & Septiani (2020) states that the Enterprise Risk Management (ERM) variable has a significantly positive effects on firm value. So that in this study, the hypotheses formulated is:

H1: Enterprise Risk Management has a positive effect on Firm Value

Corporate Social Responsibility on Firm Value

Following the signalling theory, the firm will try to provide information to its stakeholders as the basis for investment decisions (Supriyadi & Setyorini, 2020). One of the information needed by stakeholders is information related to Corporate Social Responsibility that firms have issued. Disclosure of information related to Corporate Social Responsibility that the firm has issued shows the firm's concern and responsibility to the society (Nugraha & Hwihanus, 2019). Corporate Social Responsibility activities will provide a good image for the firm in the market. Therefore, the greater the firm's corporate social responsibility, the firm value will increase because investors will catch the information as a positive signal (Siregar & Safitri, 2019). Several studies that have been carried out, such as Rahmantari (2021), Siregar & Safitri (2019), Arora et al. (2021), Nurhayati et al. (2021), and Harjoto & Laksmana (2018), state that Corporate Social Responsibility has a significantly positive effect on firm value. So that in this study, the hypotheses formulated is:

H2: Corporate Social Responsibility has a positive effect on Firm Value

Sustainability Report on Firm Value

Following the signalling theory, the firm will try to provide information to its stakeholders as the basis for investment decisions (Supriyadi & Setyorini, 2020). One of the information needed by

stakeholders is information related to the firm's environmental, social, and economic performance in realizing sustainable development goals reported in the Sustainability Report. Providing information related to the sustainability report will show that the firm has been responsible for the stakeholders and captured as a signal by investors because the firm has sustainable goals and will have a positive effect to the firm value (Erkanawati, 2018). This opinion is in line with research conducted by Siregar & Safitri (2019), Pujiningsih (2020), Pramita et al. (2021), Imaniar Arvida Natalia & Soenarno (2021), and Mulya & Prabowo (2018), which show that the Sustainability Report has a significantly positive effect on firm value. So that in this study, the hypotheses formulated is:

H3: Sustainability Report has a positive effect on Firm Value

Research Methodology

Population and Sample

This research uses secondary data in a quantitative form collected by documentation method on documents or data issued by the firm in the form of annual reports and firm sustainability reports. The population used for this research are banking firms listed on the Indonesia Stock Exchange (IDX), the Malaysia Stock Exchange (MYX), and the Thailand Stock Exchange (SET). Sample selection using purposive sampling method with the following criteria: Banking companies that went public in Indonesia, Malaysia, and Thailand in 2019-2020, Banking companies that publish annual reports for 2019-2020, Banking companies that

publish sustainability reports for 2019-2020, and Banking Companies that have the data needed in this study. The data collected will be analyzed using multiple linear regression to see the relationship between variables. The tool used in the research to process the data that has been collected is the Eviews software.

Variable Operation

Firm value is the dependent variable in this study. This variable was measured using the PBV ratio. The higher the ratio, the better the firm's performance will be. The equation calculates the PBV value:

$$PBV = \frac{\text{Market Price per Share}}{\text{Book Value (Equity Value : Outstanding Shares)}}$$

The first independent variable in this study is the disclosure of the firm's Enterprise Risk Management. This variable is measured based on ISO 31000, including five dimensions using 25 disclosure items. These items are calculated using a dummy variable by assigning 1 point to the disclosed item and 0 points to the undisclosed item. Enterprise Risk Management disclosures are obtained from the firm's annual report. After the points have been awarded, they will be added up and the disclosure is calculated using the formula:

$$ERM = \frac{\sum \text{Disclosed items}}{25}$$

The second independent variable in this study is the disclosure of the firm's corporate social responsibility funds. This variable is measured using the natural logarithm of the total funds issued by the company to finance the firm's

Corporate Social Responsibility. These variables are calculated using the formula:

$$CSR = Ln (\text{Corporate Social Responsibility Fund})$$

The third independent variable in this study is the disclosure of the Sustainability Report. This variable was measured using the Sustainability Report Disclosure Index (SRDI) based on the General Reporting Initiatives (GRI) G4. The calculation gives 1 point to the disclosed item and 0 points to the undisclosed item. After the points have been awarded, they will be added up and the disclosure is calculated using the formula:

$$SRDI = \frac{\sum \text{Disclosed items}}{\text{items that must be disclosed}}$$

This analysis is used to see whether there is an effect of the dependent variable on one or more independent variables. The regression line equation is a model of the relationship between the dependent variable and the independent variable. The formula is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Information:

Y = Firm Value

X1 = Enterprise Risk Management

X2 = Corporate Social Responsibility

X3 = Sustainability Report

Data analysis method

The use of regression models in panel data has three models that can be used depending on the

characteristics of the data collected. The three models consist of:

a. Common Effect Model

This model is the most common because it only combines cross-section data and time-series data. This model does not consider the dimensions of time and individuals because they are considered the same behaviour of company data in a certain time period. This model is estimated using Ordinary Least Square (OLS).

b. Fixed Effect Model

This model assumes that differences between individuals can be accommodated from differences in their intercepts. Intercept differences can occur due to differences in incentives, managerial, and work culture. This model is estimated using Least Squares Dummy Variable (LSDV).

c. Random Effect Model

This model assumes that the disturbance variables in the panel data are interconnected between time and individuals. In contrast to the fixed model, in this model, the different intercepts are accommodated by the error terms of each company. This model is estimated using the Error Component Model (ECM).

After determining the model, research is carried out using several tests to see the effect of the independent variable on the dependent variable

a. Chow Test

Chow test is used to determine the use of the model between the common effect model or the fixed effect model. If the test results show a probability value > 0.05 then the model chosen is the common effect model. Meanwhile, if the probability value is < 0.05 , the model chosen is the fixed effect model.

b. Hausman Test

The Hausman test is used to determine the use of the model between the fixed effect model or the random effect model. If the test results show a probability value > 0.05 then the model chosen is a random effect model. Meanwhile, if the probability value is < 0.05 , the model chosen is the fixed effect model.

c. Lagrange Multiplier Test

The lagrange multiplier test is used to determine the use of the model between the common effect model or the random effect model. If the test results show a probability value > 0.05 then the model chosen is the common effect model. Meanwhile, if the probability value is < 0.05 , the model chosen is the random effect model.

Results and Discussion

Based on selection using criteria, the samples used for this study were 36 Indonesian companies, 10 Malaysian companies, and 8 Thai companies with an observation period from 2019 to 2020.

Variable	Indonesia		Malaysia		Thailand	
	Coefficient	T-Statistic	Coefficient	T-Statistic	Coefficient	T-Statistic
(Constant)	-1.318070	-1.346576	-0.724011	-0.697180	-0.778130	-0.648105
ERM	3.421387	3.295781***	1.777509	2.740632**	1.419245	2.676543**
CSR	-0.045900	-0.884650	0.019915	0.520725	0.017462	0.383605
SR	-0.328424	-0.409176	0.465943	0.581093	0.677357	1.348719
Adj R-squared	0.099442		0.266586		0.332534	
F	F	Significance	F	Significance	F	Significance
	3.613349	0.017487	3.302082	0.047362	3.491018	0.049973
Durbin W	2.026067		1.737080		2.281776	
	There is no autocorrelation		There is no autocorrelation		There is no autocorrelation	
*** Significant at the level 1%						
** Significant at the level 5%						
Table 1. Hypothesis Test Result						

In the table above, it can be seen that the results of hypothesis testing for banking in Indonesia resulted in a significant Enterprise Risk Management variable at the 1% level, which

means that the first hypothesis in this research was accepted, namely Enterprise Risk Management influences firm value. The Corporate Social Responsibility variable is not significant at the

1%, 5%, or 10% levels, which means that the second hypothesis in this study is rejected. Corporate Social Responsibility does not affect firm value. The Sustainability Report variable is not significant at 1%, 5%, or 10%, which means that the third hypothesis in this study is rejected. Sustainability Report does not affect firm value. For the sample of banks in Indonesia, the independent variable can provide information about the dependent variable of 9.94%. The dependent variable can also jointly affect the firm value variable because the significance value is <0.05 ($0.017 < 0.05$).

The table above shows the results of hypothesis testing for banking in Malaysia, which resulted in a significant Enterprise Risk variable at the 5% level, which means that the first hypothesis in this research is accepted, namely Enterprise Risk Management influences firm value. The Corporate Social Responsibility variable is not significant at the 1%, 5%, or 10% levels, which means that the second hypothesis in this study is rejected, namely Corporate Social Responsibility does not affect firm value. The Sustainability Report variable is not significant at 1%, 5%, or 10%, which means that the third hypothesis in this research is rejected. The Sustainability Report does not affect firm value. For the banking sample in Malaysia, the independent variable can provide information about the dependent variable of 26.66%. The dependent variable can also jointly affect the firm value variable because the significance value is <0.05 ($0.047 < 0.05$).

The table above shows the results of hypothesis testing for banking in Thailand, which resulted in a significant Enterprise Risk Management variable at the 5% level, which means that the first hypothesis in this research was accepted, namely Enterprise Risk Management influences firm value. The Corporate Social Responsibility variable is not significant at the 1%, 5%, or 10% levels, which means that the second hypothesis in this research is rejected. Corporate Social Responsibility does not affect firm value. The Sustainability Report variable is not significant at 1%, 5%, or 10%, which means that the third hypothesis in this study is rejected. The Sustainability Report does not affect firm value. For the banking sample in Thailand, the independent variable can provide information about the dependent variable of 33.25%. The dependent variable can also jointly affect the firm value variable because the significance value is <0.05 ($0.049 < 0.05$).

The Effect of Enterprise Risk Management on Firm Value

The first hypothesis (H1) in this research is the Enterprise Risk Management variable positively affects firm value in Indonesia, Malaysia, and Thailand. Based on the results of hypothesis testing, it produces a significance value less than 0.05. Therefore, the first hypothesis (H1) is accepted, which means that the Enterprise Risk Management (ERM) variable positively effect on firm value in Indonesia, Malaysia, and Thailand. The results of this research are in line with research conducted by Supriyadi & Setyorini (2020), Candra & Wiratmaja (2020), and Dinoyo & Septiani

(2020), which state that Enterprise Risk Management positively effect on firm value. Based on signalling theory, the results of this research conclude that the firm's disclosure of Enterprise Risk Management will be captured as an information signal that investors consider in the market in making decisions. Then investors will invest their funds in the firm because it is considered to have prospects so that the firm value will increase. According to Supriyadi & Setyorini (2020), investors in the market believe that Enterprise Risk Management disclosure can be used as one of the applicable information in identifying the prospects and sustainability of the firm. Investors will consider the firm's lack of information about risk management in the annual report as a firm weakness in risk management.

The Effect of Corporate Social Responsibility on Firm Value

The second hypothesis (H2) in this research is that the Corporate Social Responsibility variable positively affects firm value in Indonesia, Malaysia, and Thailand. Based on the results of hypothesis testing, it produces a significance value greater than 0.05. Therefore, the second hypothesis (H2) is rejected, which means that the Corporate Social Responsibility variable does not affect firm value in Indonesia, Malaysia, and Thailand. The results of this research are in line with research conducted by Stacia & Juniarti (2015), which states that Corporate Social Responsibility does not have a significant effect on firm value. Based on signalling theory, the results of this sresearch conclude that Investors do not see

corporate Social Responsibility information in the market in making investment decisions. This is because the reporting of Corporate Social Responsibility activities that the firm has carried out is still newly implemented based on the regulations from OJK number 51/POJK.03/2017. Based on this regulation, Financial Services Institutions, Issuers, and Public Firms must implement Sustainable Finance in their business activities. Reports on the use of TJSI (Social and Environmental Responsibility) funds are included in the Sustainability Report. Therefore, the new regulation makes information about Corporate Social Responsibility not yet considered information by investors in the market in making investment decisions.

The Effect of Sustainability Report on Firm Value

The third hypothesis (H3) in this research is that the Sustainability Report variable positively affects firm value. Based on the results of hypothesis testing, it produces a significance value greater than 0.05. Therefore, the third hypothesis (H3) is rejected, which means that the Sustainability Report variable does not affect firm value in Indonesia, Malaysia, and Thailand. The results of this research are in line with research conducted by Puspita & Fairuz (2018) and Ibrahimi & Artinah (2020), which state that the Sustainability Report does not affect firm value. Based on the signalling theory, the results of this study conclude that the disclosure of firm information in the Sustainability Report is not captured as information that investors consider in the market in making decisions. This is because the obligation to report

Sustainability Reports by firms is still newly implemented based on regulations from OJK number 51/POJK.03/2017. Based on this regulation, Financial Services Institutions, Issuers, and Public Firms must implement Sustainable Finance in their business activities. They must prepare a sustainability report separately from the annual report. The new regulation makes the Sustainability Report not yet a source of information considered by investors in the market in making investment decisions.

Conclusion

The study was conducted using a sample of 36 Indonesian firms, 10 Malaysian firms, and 8 Thai firms with an observation period from 2019 to 2020.

The test was carried out using multiple linear regression and the data was processed using Eviews version 12 software. Data processing analysis that the author has done, the results of the study can be concluded as follows:

1. Enterprise Risk Management has a significant positive effect on firm value in Indonesia, Malaysia, and Thailand. Enterprise Risk Management disclosures made by the firm will be captured as an information signal that investors in the market pay attention to making investment decisions.

2. Corporate Social Responsibility does not affect Firm Value in Indonesia, Malaysia, and Thailand. Investors do not see information on corporate social responsibility in making investment decisions. This is because there are still new regulations regarding the disclosure of

corporate social responsibility. It has not become information considered by investors in the market in making investment decisions.

3. The Sustainability Report does not affect Firm Value in Indonesia, Malaysia, and Thailand. Firm information in the Sustainability Report is not captured as information investors consider in making decisions. This is because there are still new regulations regarding Sustainability Report reporting so that it has not become information that investors consider in the market in making investment decisions.

The results of this study are expected to be a material consideration for companies in disclosing non-financial information of the company in the future. For potential investors, the results of this study are expected to be considered in making investment decisions in a company. From the research that has been done, the writer would like to give some suggestions to further researchers who want to do research related to the title of this study so that they can get better results, among others, by adding other non-financial information variables issued by the company. In addition, further researchers can also increase the observation period to obtain a sample that can describe the relevant results and try to cover other company sectors besides banking used by the author in this study.

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