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Profitability as a Moderating Factor in Voluntary Sustainability Report Disclosure and Firm Value in Indonesian Non-Bank Corporations

Weli[1]*; Muhammad Afif Tamin[2]

[1,2]Magister Akuntansi, Fakultas Ekonomi dan Bisnis, Universitas Katolik Indonesia Atma Jaya Jakarta
Jakarta, Indonesia 12930
[1]weli.imbiri@atmajaya.ac.id; [2]muhamma.201801020261@student.atmajaya.ac.id

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ABSTRACT

The research investigated the effect of voluntary sustainability reporting on firm value, moderated by profitability, specifically targeting Indonesian non-financial public companies. Its originality lied in examining sustainability reporting as voluntary disclosure, given that Indonesian regulations mandated it only after 2020. The research introduced a new approach by integrating moderating variables that differentiated effects at different profitability levels, where this measure was an extension of previous studies. The research also investigated whether the level of profitability affected the strength of the relationship between sustainability reporting disclosure and firm value, as measured by stock price. The sample consisted of 41 sustainability reports from non-financial public companies between 2018 and 2020, allowing the researchers to capture the impact of voluntary disclosure on firm value before the regulatory requirements. The research utilized the PROCESS Macro by Hayes in the SPSS program to analyze the data. The findings indicate that voluntary sustainability reporting disclosure positively impacts firm value, and profitability significantly moderates this relationship. Specifically, firms with lower profitability exhibit a greater positive effect of sustainability disclosure on firm value, underscoring the importance of financial performance in enhancing the impact of voluntary disclosure. These findings contribute to stakeholder theory by highlighting the role of profitability in shaping the effectiveness of sustainability reporting. The research adds to the literature by providing new insights into the strategic value of voluntary sustainability disclosure for non-financial firms, particularly those with strong financial performance, in enhancing firm value.

Keywords: profitability, sustainability report disclosure, firm value, non-bank corporations

INTRODUCTION

Financial and non-financial reports that companies present serve to assess business processes, provide performance insights to stakeholders, and influence decisions (Monteiro et al., 2022). However, companies focusing on financial reporting have historically ignored social and environmental aspects (Echobu & Echobu, 2023; Hörisch et al., 2020). Company operations directly and indirectly impact the public, so financial and non-financial information is crucial (Monteiro et al., 2022). Non-financial data, such as human resources, marketing, sales, and logistics, are essential because of their environmental impact, as mismanaged resources can damage the environment (Dmitrović et al., 2023). Poor industrial waste management can pollute, affect the health of communities around production sites, and create externalities that affect economic activities (Dmitrović et al., 2023; Joyce & Paquin, 2016). Comprehensive reporting on economic, ecological, and social perspectives is essential to reduce negative impacts, and sustainability reports assess a company's contribution to development at multiple levels (Christensen et al., 2021).

Sustainability reports emphasize the economic,

*Corresponding Author

environmental, and social impactof operations (Al-Swidi et al., 2024). This sustainability report helps companies to manage social, environmental, and economic activities, improve resource management, and maintain stakeholder relationships. One of the sustainability observer institutions, such as the Global Reporting Initiative (GRI), has published sustainability reporting guidelines since 1997 and guided best practices for sustainability (GRI, 2020). The GRI standards help businesses to communicate their impacts through sustainability reporting that includes financial, environmental, and social aspects. The financial element describes information on economic performance, market presence, indirect economic effects, procurement practices, anti-corruption, anti-competitive activities, and taxation. Furthermore, the environmental aspect describes materials, emissions, waste, energy, water, product management, and environmental activities. Meanwhile, the social element explains employment, labor-management relations, health and safety, professional development, equality, union support, child labor regulations, community rights, supplier and customer relations, product safety, privacy, and social and economic actions.

Sustainability has also become a serious concern in Indonesia, as demonstrated by the Financial Services Authority in Indonesia, which has mandated financial institutions, issuers, and public companies to submit sustainability reports (POJK Number 51/POJK.03/2017) (Agnes et al., 2023; Suryaputra et al., 2024). In addition, the authority has created a Corporate Sustainable Finance Roadmap to improve financial stability by managing social and environmental risks (Setijawan, 2017; Alabi & Issa, 2022). The first phase of the roadmap aims to increase awareness and capacity of the financial sector in implementing environmental, social, and governance practices and adapting to climate change for a low-carbon economy. This initiative underlines the authority's commitment to a green economy. Therefore, companies must integrate considerations of natural resources and social impacts into profit-generating activities, focusing on long-term prosperity (OJK, 2021). The government regulation has responded well, as indicated by the increasing practice of Sustainability Report Disclosure in Indonesia, where 100 new companies were disclosed in 2020, bringing the total to 154 in 2022 (Pranesti et al., 2022).

The research is framed within stakeholder theory, which posits that the information that companies provide to their stakeholders plays a crucial role in their decision-making. Stakeholders assess whether the information enhances their knowledge, resources, and workforce. If not, they may withdraw their support (Echobu & Echobu, 2023). Effective communication of information by management can generate economic value for the company, particularly in terms of business operations and value assessment, which is expected to increase over time (Christensen et al., 2021; Freudenreich et al., 2020; Alabi & Issa, 2022).

Based on the mentioned description, the emphasis is that sustainability reports are essential for sustainable business growth because they comprehensively describe the impact of company activities on the financial, environmental, and social aspects of business activities that are relevant to stakeholders. According to Petrescu et al. (2020), many investors consider sustainability report disclosure a long-term strategy to develop a forward-looking business model. As a result, this disclosure guides investor decisions and stock value assessments through economic, social, and environmental metrics. The findings of Petrescu et al. (2020) are in line with other studies showing a positive relationship between companies that manage sustainability aspects with firm value and financial performance (Ahmad et al., 2024; Akhter et al., 2023; Deb, 2023; Dmitrović et al., 2023; Hardiyansah et al., 2021; Osazuwa & Che-Ahmad, 2016; Alabi & Issa, 2022).

In addition, firm value, which reflects investors' assessment of management success, is often correlated with profitability (Hardiyansah et al., 2021). Higher firm value generally leads to increased stock prices and positive market reactions, indicating favorable prospects (Hardiyansah et al., 2021). However, the impact of sustainability report disclosure on firm value and financial performance is still debatable. Several studies by Deb (2023), Dewi et al. (2019), Loh et al. (2017), Panjaitan (2017), Rakhman et al. (2019), and Susilowati and Bawono (2021) show a positive relationship with stock prices or financial performance, while others do not find a significant relationship (Erkanawati, 2018; Weda & Sudana, 2021). Moreover, research by Manisa et al. (2017) also shows mixed results. The inconsistency in previous findings suggests the opportunity to introduce moderating variables, such as firm-specific characteristics like profitability (Dewi et al., 2021; Osazuwa & Che-Ahmad, 2016; Setiani, 2023; Alabi & Issa, 2022). Corporate sustainability reports, financial performance, and capital value influence investors' decisions to buy shares. Therefore, the research proposes firm profitability as a moderator in the relationship between sustainability report disclosure and firm value (Amalia & Triwacananingrum, 2022). Firms that publish sustainability reports tend to attract investors, particularly with strong financial results. Hence, examining whether profitability enhances the link between sustainability report disclosure and firm value is crucial. In addition, the submission of profitability as a moderator aligns with the framework of stakeholder theory (Dewi et al., 2021; Felita & Faisal, 2021; Hapsoro & Falih, 2020). Since profitability measures a company's net profit from operations, higher profitability increases the company's capacity to carry out corporate social responsibility, thereby increasing stakeholder trust and firm value.

Good financial performance strengthens the influence of sustainability information on stock prices (Amalia & Triwacananingrum, 2022; Carmo & Miguéis, 2022). Beyond sustainability report data,

profitability is crucial in investor decision-making (Arif & Handayani, 2024; Monteiro et al., 2024; Osazuwa & Che-Ahmad, 2016). Previous studies also support that profitability is a moderating factor between voluntary disclosure and firm value (Dewi et al., 2021; Osazuwa & Che-Ahmad, 2016; Paramita, 2020; Yanto, 2018). Thus, the research introduces a new approach by integrating moderating variables to distinguish the impact of different levels of profitability on the relationship between sustainability reporting and firm value, which is an extension of previous studies. By filling the gap in the existing literature, the research provides new empirical evidence on the strategic role of voluntary sustainability disclosure in enhancing firm value, especially in non-financial firms with strong financial performance. Based on the two hypotheses formulated, the model in Figure 1 shows how sustainability report disclosure influences firm value and financial performance by moderating the relationship between the two variables.

H1: Sustainability reporting disclosures influence firm value,

H2: Profitability moderates the relationship between sustainability reports and stock prices.

METHODS

The research examines the impact of sustainability reports on firm value, measured by stock prices, and explores the moderating role of profitability. The population comprises sustainability reports of non-financial public companies from 2018 to 2020. The basis for selecting the research period is to examine the impact of voluntary sustainability disclosure prior to the enactment of POJK Number 51/POJK.03/2017, which made it mandatory in 2021. The sampling method is purposive, resulting in 41 companies that have disclosed sustainability reports during the specified period. The research data sources come from the respective company websites or the Indonesia Stock Exchange website.

Measurement of sustainability report disclosure variables using specific GRI indicators sections 200, 300, and 400. The detailed indicators will be explained in the result section. The sustainability disclosure score is the ratio of the indicators disclosed in the company's report to the total number of GRI indicators assessed, which is 89 items.

The firm value is measured using the stock price at the closing price at the end of 2018-2020. Meanwhile, for the level of profitability, the measure used is the company's Return on Assets (ROA) value category at the end of 2018-2020. The assessment uses categories, namely: a value of 0 indicates the company is experiencing a loss, a value of 1 indicates a moderate level of profitability, and a value of 2 indicates a high level of profitability.

The data analysis method uses descriptive statistics to describe the existing data set comprehensively. Meanwhile, the research uses PROCESS Macro by Hayes (2022) in the SPSS program to test the research hypothesis. PROCESS Macro is developed as an analysis tool designed explicitly for mediation and moderation analysis and a combination of both. PROCESS Macro simplifies the analysis by automatically creating interaction variables, calculating regression coefficients, and testing the significance of moderation effects without the need for complicated manual data processing. Additionally, the output produced is comprehensive, including simple slope analysis and the Johnson-Neyman technique for identifying significant moderation points. PROCESS Macro can also handle various forms of moderation, both linear and non-linear, and moderation with categorical variables. Its use is practical because it does not require complicated syntax and is sufficient with simple parameter settings. This tool is also widely used in academic research due to its strong methodological basis and recognition in the scientific literature. Therefore, PROCESS Macro is an efficient and valid choice for testing the role of moderating variables in research models.

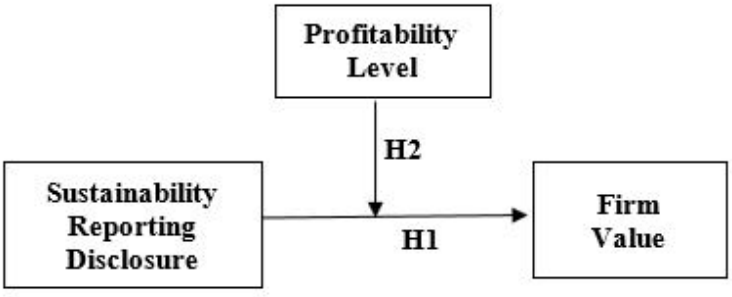

Figure 1 Research Model

RESULTS AND DISCUSSION

The results of descriptive statistics presented in Table 1 indicate a mean stock price of IDR 3,227.69 with a standard deviation of IDR 5,616.08. These findings suggest a relatively low average share price, considering that data from Statistics Indonesia (www.bps.go.id) reports an average closing value of IDR 6,157.68 for the Composite Stock Price Index from 2018 to 2020. Furthermore, the standard deviation exceeding the mean value indicates substantial variability in stock prices among the samples. Additionally, the mean value of the sustainability report is 0.3507 with a standard deviation of 0.1102, showing that the average disclosure score of non-financial companies in Indonesia is low, less than 50% of the total items.

Table 2 (see Appendices) shows the average information disclosure score, only 31 out of 89 items. Within the financial sub-sections, only the "direct economic value generated and distributed" category scores over 90%, while the other categories score below 50%. This result implies that companies primarily focus on general economic aspects, especially financial information, without fully explaining sector benefits in accordance with GRI 200 standards.

Voluntary disclosure conditions reveal that companies respond to non-mandatory regulations by selectively disclosing relevant information with a direct financial impact (Mahmudah et al., 2023). Companies often emphasize economic aspects, particularly financial performance, to meet the expectations of stakeholders, especially investors. Voluntary disclosure policies lead companies to disclose minimal information that meets basic sustainability reporting standards, focusing on financial stability or economic growth indicators (Ali, 2022; Carmo & Miguéis, 2022; Mahmudah et al., 2023). They avoid extensive social or environmental impact disclosures, as expected by GRI 200, due to perceived administrative burdens and costs. In short, voluntary disclosure allows companies to prioritize traditional economic information, leaving gaps in broader sustainability aspects of the disclosure, such as social and environmental impacts, unless governments implement strict regulatory enforcement.

In the social aspect, only two indicators demonstrated values exceeding 70%: energy consumption within the organization and waste by type and disposal method. Similarly, in the environmental domain, only three indicators exhibited values above 70%: new employee hires and employee turnover; occupational health and safety management system; hazard identification, risk assessment, and incident investigation. These findings suggest that companies in Indonesia have not fully implemented the concept of sustainability. This practice remains in its nascent stages, as evidenced by the increasing awareness of sustainability report presentations by non-financial companies in Indonesia, as previously reported by CSR.id Magazine in 2022 (GRI, 2020).

Regarding profitability, the mean ROA value is 0.0482 with a standard deviation of 0.1074. According to Hargrave (2025), a favorable ROA value is 5%. Thus, the average ROA ratio in this research sample is considered low at 4.82%. Consequently, the profitability of the companies comprising the sample in the research is not optimal.

Before conducting these analyses, it is essential to examine the data to ensure it meets the assumptions of normal distribution, homoscedasticity, and absence of multicollinearity. Preliminary data analysis indicates that all assumptions are satisfied. Consequently, the subsequent step involves hypothesis testing using Process Macro Hayes. The results of the Kolmogorov-Smirnov One-Sample test, as presented in Table 3 (see Appendices), demonstrate that the data follows a normal distribution ($p = 0.200$).

Subsequently, the results of Spearman's test, as presented in Table 4 (see Appendices), indicate that both the sustainability report and profitability disclosure variables exhibit a p-value exceeding 0.05. It demonstrates homoscedasticity in the research data. Moreover, the results of the multicollinearity test, as depicted in Table 5 (see Appendices), reveal the absence of multicollinearity issues within the data. The regression model's Variance Inflation Factor (VIF) value is below ten, and the tolerance value exceeds 0.100.

Next is the hypothesis testing. As described previously, the research used PROCESS Macro version 4.2 to test the research hypothesis. Following the research model, the SPSS and PROCESS Macro programs apply Model 1, which is suitable for analyzing the effect of one independent variable on one dependent variable by involving one moderator variable. All variables are analyzed using the mean centering technique to minimize multicollinearity(Iacobucci et al., 2016). The significance value of the interaction

Table 1 The Output of Descriptive Statistics

	Min	Max	Mean	Std. Deviation
Firm's Value	50.0000	42150.0000	3227.6911	5616.0822
Sustainability Report	0.1573	0.7753	0.3507	0.1101
Return on Asset	-0.4509	0.4666	0.0482	0.1074
Valid N (listwise)	123			

between the independent and moderator variables (X\M) will happen if the p-value is less than 0.05 (Hayes, 2022). In addition, the analysis of conditional effects at three levels of profitability moderators (low, medium, and high) using the Johnson-Neyman technique identifies the range of values where the moderator variable significantly moderates the relationship between the independent and dependent variables.

The summary model in Figure 2 (see Appendices) reveals a significant effect of sustainability report disclosure on firm value, indicated by a t-value of 3.0643 and a p-value of 0.0027. Thus, H1, proposing that sustainability report disclosure influences firm value, is empirically supported. The t-value greater than 1.96 (at a confidence level of 0.05) indicates a strong relationship between the sustainability report disclosure and firm value. The companies that actively and transparently report their sustainability activities tend to have higher firm values. Such reporting can increase investor confidence, strengthen the company's reputation, and reflect responsible management of ESG aspects. Therefore, these results not only support the research hypothesis but also strengthen the argument that sustainability practices are an important factor in creating long-term value for the company.

H2, examining the moderating effect of profitability, yields a coefficient of determination (R-squared) value of 0.612 for the unconditional interaction test, significant at a p-value of 0.0094, supporting the model with the moderating variable. Additionally, the F-value of 8.2965 is significant at a p-value of 0.0000, with an R-squared value of 0.2617, indicating that sustainability report disclosure and profitability together explain 26.17% of the variance in firm value. The result supports the research model, demonstrating that sustainability report disclosure and profitability jointly influence firm value, with profitability as a moderator.

Additionally, the test examines the profitability conditions of companies and the impact of sustainability disclosure on firm value. In loss-making companies, the effect is substantial (coefficient = 8.1708) and statistically significant ($p < 0.01$), suggesting significant benefits from sustainability disclosure, likely due to enhanced reputation or market perception. For companies with below-average profitability, the effect decreases to 3.4627 but remains significant ($p < 0.01$), indicating benefits, though it is less pronounced than in loss-making firms. When profitability is above average, the effect becomes statistically insignificant (coefficient = -1.3076, p = 0.4667), implying no significant impact on firm value. Highly profitable companies may not find sustainability disclosure crucial for market value.

The significant interaction in the above-average profitability category (interaction coefficient of -9.4783, $p < 0.01$) suggests a potential negative relationship, indicating that sustainability disclosure may not be necessary or impactful for highly profitable firms (Arif & Handayani, 2024). Thus, sustainability disclosure's effect on firm value varies with profitability levels. It benefits loss-making or low-profitability companies more, while highly profitable companies see minimal impact.

Here are the explanations referring to Figure 3 (see Appendices) for a visual representation. First, it is the blue line (M (moderation effects) = 0, loss). It is $Y = 1.48 + 8.17X$. It indicates a strong positive relationship between sustainability disclosure (X) and firm value (Y) for loss-making companies. Higher sustainability disclosure significantly increases firm value in loss-making firms. Second, the red line (M = 1, below mean) with $Y = 2.31 + 3.46X$ shows a positive but moderate relationship for below-average profitability companies. Sustainability disclosure increases firm value but less than loss-making firms. Last, the green line (M = 2, over mean) with $Y = 3.75 - 1.31X$ describes a negative relationship for above-average profitability companies. Increasing sustainability disclosure slightly reduces firm value or has minimal impact on highly profitable firms.

The analysis results indicate that sustainability disclosure impacts firm value differently based on profitability levels. Specifically, for loss-making companies, sustainability disclosure significantly boosts firm value, suggesting that transparency in sustainability practices improves market perception and reputation, thereby enhancing firm value. In companies with below-average profitability, sustainability disclosure still positively affects firm value, albeit more moderately than in loss-making firms, indicating that it adds value to a lesser extent. For highly profitable companies, sustainability disclosure does not significantly increase firm value. It may even show a slight negative relationship, suggesting that sustainability reporting is not a major factor in enhancing value for very profitable firms, as they may already have a positive market perception.

The research empirically shows that investors respond to sustainability reports, reflected in stock prices. The quality of sustainability disclosures positively correlates with stock prices. Previous research indicates that companies maintaining operational sustainability through financial management and environmental and social impact add to their value, perceived by the market through stock prices (Akhter et al., 2023; Carmo & Miguéis, 2022; Dewi et al., 2019; Felita & Faisal, 2021; Hardiyansah et al., 2021; Osazuwa & Che-Ahmad, 2016; Rakhman et al., 2019; Susilowati & Bawono, 2021).

These findings support stakeholder theory, showing that sustainability report disclosures influence investors' decisions by informing stakeholders about management's resource, environmental, and financial responsibilities (Hörisch et al., 2020; Monteiro et al., 2024). It assures stakeholders that management addresses the social, environmental, and economic impacts of business operations, indicating their capacity to generate economic value and ensure sustainable development (Freudenreich et al., 2020). The findings also enhance stakeholder theory

knowledge by showing that profitability moderates the impact of sustainability report disclosures on firm value (Dewi et al., 2021). These results are consistent with previous studies on the moderating effect of profitability on the relationship between voluntary disclosure and firm value (Dewi et al., 2021; Osazuwa & Che-Ahmad, 2016; Paramita, 2020; Yanto, 2018).

CONCLUSIONS

The data analysis indicates that the sample company's sustainability report disclosure does not fully comply with the GRI 200, 300, and 400 standards. Voluntary disclosure leads companies to emphasize economic aspects, particularly financial performance, over broader sustainability issues, such as social and environmental impacts, as specified by the GRI 200 standard. Without regulatory requirements, firms disclose minimal information pertinent to investors and key stakeholders, limiting sustainability disclosure to economic items and neglecting broader sector impacts.

The analysis results, as illustrated by the PROCESS Macro Hayes, show that sustainability report disclosure affects firm value, with profitability serving as a moderating variable. By considering different levels of profitability, the effects are more pronounced in loss-making companies and companies with moderate profitability levels than in highly profitable companies. The research indicates that the benefits of voluntary sustainability disclosure in enhancing firm value are greater for loss-making or less profitable companies, as it improves market perception and reputation. For highly profitable companies, sustainability disclosure has a negligible effect on firm value, indicating that other factors are more relevant to increasing value.

Practical implications suggest that sustainability disclosure is more effective in increasing corporate value for companies with low profitability or losses. Highly profitable companies may need to integrate sustainability disclosure with other strategies to increase value. Companies with low profitability should prioritize sustainability disclosure to enhance corporate value, whereas highly profitable firms might focus on different areas for long-term value growth.

These insights contribute to the theoretical understanding of the moderating role of profitability levels in voluntary disclosure conditions. The research limitations include a restricted sample size due to the limited availability of companies' sustainability reports online. Therefore, readers must be careful when interpreting these findings, which apply to sustainability reporting conditions with moderating effects across sectors. Further research is needed as sustainability reporting becomes more prevalent among public companies.

AUTHOR CONTRIBUTIONS

Conceived and designed the analysis, W. and M. A. T.; Collected the data, M. A. T.; Contributed data or analysis tools, W. and M. A. T.; Performed the analysis, W.; and Wrote the paper, W.

DATA AVAILABILITY

The authors confirm that the data supporting the findings of the research are available within the article [and/or] its supplementary materials.

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APPENDICES

Table 2 Sustainability Report Disclosure Score

Code	Indicators	Score
Economic Aspect		
201 - 1	Direct economic value generated and distributed	90.37
201 - 2	Financial implications and other risks and opportunities due to climate change	41.48
201 - 3	Defined benefit plan obligations and other retirement plans	42.22
201 - 4	Financial assistance received from the government	35.56
202 - 1	Ratios of standard entry-level wage by gender compared to local minimum wage	30.37
202 - 2	The proportion of senior management hired from the local community	11.85
203 - 1	Infrastructure investments and services supported	51.11
203 - 2	Significant and indirect economic impacts	57.78
204 - 1	The proportion of spending on local suppliers	36.30
205 - 1	Operations assessed for risks related to corruption	30.37
205 - 2	Communication and training about anti-corruption policies and procedures	39.26
205 - 3	Confirmed incidents of corruption and actions taken	32.59
206 - 1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	17.04
207 - 1	Approach to tax	6.67
207 - 2	Tax governance, control, and risk management	4.44
207 - 3	Stakeholder engagement and management of concerns related to tax	3.70
207 - 4	Country-by-country reporting	0.74
	Average Economic Aspect	31.29
Social Aspect		
301 - 1	Materials used by weight or volume	41.48
301 - 2	Recycled input materials used	32.59
301 - 3	Reclaimed products and their packaging materials	17.78
302 - 1	Energy consumption within the organization	78.52
302 - 2	Energy consumption outside of the organization	21.48
302 - 3	Energy intensity	54.81
302 - 4	Reduction of energy consumption	50.37
302 - 5	Reduction in energy requirements of products and services	16.30
303 - 1	Interactions with water as a shared resource	57.78
303 - 2	Management of water discharge-related impacts	22.22
303 - 3	Water withdrawal	22.96
303 - 4	Water discharge	11.11
303 - 5	Water consumption	13.33
304 - 1	Operational sites owned, leased, managed in, or adjacent to protected and high biodiversity value outside protected areas	40.74
304 - 2	Significant impacts of activities, products, and services on biodiversity	24.44
304 - 3	Habitats protected or restored	37.78
304 - 4	International Union for Conservation of Nature (IUCN) Red List species and National Conservation List species with habitats in areas affected by operations	29.63
305 - 1	Direct (Scope 1) Greenhouse Gas (GHG) emissions	54.07
305 - 2	Energy indirect (Scope 2) Greenhouse Gas (GHG) emissions	36.30
305 - 3	Other indirect (Scope 3) Greenhouse Gas (GHG) emissions	8.15
305 - 4	Greenhouse Gas (GHG) emissions intensity	47.41
305 - 5	Reduction of Greenhouse Gas (GHG) emissions	47.41
305 - 6	Emissions of Ozone-Depleting Substances (ODS)	11.11
305 - 7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions	29.63

Table 2 Sustainability Report Disclosure Score
(continued)

Code	Indicators	Score
306 - 1	Water discharge by quality and destination	37.78
306 - 2	Waste by type and disposal method	70.37
306 - 3	Significant spills	22.96
306 - 4	Transport of hazardous waste	29.63
306 - 5	Water bodies affected by water discharges and runoff	16.30
307 - 1	Non-compliance with environmental laws and regulations	52.59
308 - 1	New suppliers that are screened using environmental criteria	29.63
308 - 2	Negative environmental impacts in the supply chain and actions	13.33
	Average Social Aspect	33.75
Environmental Aspect		
401 - 1	New employee hires and employee turnover	74.81
401 - 2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	65.93
401 - 3	Parental leave	42.96
402 - 1	Minimum notice periods regarding operational changes	34.81
403 - 1	Occupational health and safety management system	78.52
403 - 2	Hazard identification, risk assessment, and incident investigation	77.04
403 - 3	Occupational health services	54.81
403 - 4	Workers' participation, consultation, and communication on occupational health and safety	52.59
403 - 5	Workers' training on occupational health and safety	28.15
403 - 6	Promotion of worker health	23.70
403 - 7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	22.96
403 - 8	Workers covered by an occupational health and safety management system	17.78
403 - 9	Work-related injuries	26.67
403 - 10	Work-related ill health	10.37
404 - 1	Average hours of training per year per employee	66.67
404 - 2	Programs for upgrading employee skills and transition assistance programs	68.89
404 - 3	Percentage of employees receiving regular performance and career development reviews	51.11
405 - 1	Diversity of governance bodies and employees	54.81
405 - 2	The ratio of basic salary and remuneration of women to men	40.00
406 - 1	Incidents of discrimination and corrective actions taken	44.44
407 - 1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	24.44
408 - 1	Operations and suppliers at significant risk for incidents of child labor	31.11
409 - 1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	31.85
410 - 1	Security personnel trained in human rights policies or procedures	15.56
411 - 1	Incidents of violations involving the rights of Indigenous peoples	17.04
412 - 1	Operations that have been subject to human rights reviews or impact assessments	12.59
412 - 2	Employee training on human rights policies or procedures	6.67
412 - 3	Significant investment agreements and contracts that include human rights clauses or that undergo human rights screening	5.19
413 - 1	Operations with local community engagement, impact eight assessments, and development programs	65.19

Table 2 Sustainability Report Disclosure Score
(continued)

Code	Indicators	Score
413 - 2	Operations with significant actual and potential negative impacts on local communities	18.52
414 - 1	New suppliers that are screened using social criteria	25.93
414 - 2	Negative social impacts in the supply chain and actions taken	14.07
415 - 1	Political contributions	7.41
416 - 1	Assessment of the health and safety impacts of product and service categories	32.59
416 - 2	Incidents of non-compliance concerning the health and safety impacts of products and services	23.70
417 - 1	Requirements for product and service information and labeling	31.85
417 - 2	Incidents of non-compliance concerning product and service information and labeling	33.33
417 - 3	Incidents of non-compliance concerning marketing incidents of non-compliance about marketing communications	24.44
418 - 1	Confirmed incidents of corruption and actions that are taken regarding privacy and customer data losses	19.26
419 - 1	Non-compliance with laws and regulations in the social and economic area	22.22
	Average Environmental Aspect	35.00

Table 3 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		123
Normal Parameters[a, b]	Mean	0.000
	Std. Deviation	1.254
Most Extreme Differences	Absolute	0.063
	Positive	0.039
	Negative	-0.063
Test Statistic		0.063
Asymp. Sig. (2-tailed)		0.200[c,d]

a. Test distribution is normal.

b. Calculated from data.

c. Lilliefors significance correction.

d. This is a lower bound of the true significance.

Table 4 Spearman's Test Results

Correlations					
			Sustainability Report	**Return on Asset**	**Unstandardized Residual**
Spearman's rho	Sustainability Report	Correlation Coefficient	1.000	-0.008	0.003
		Sig. (2-tailed)	.	0.928	0.974
		N	123	123	123
	Return on Asset	Correlation Coefficient	-0.008	1.000	0.028
		Sig. (2-tailed)	0.928	.	0.760
		N	123	123	123
	Unstandardized Residual	Correlation Coefficient	0.003	0.028	1.000
		Sig. (2-tailed)	0.974	0.760	.
		N	123	123	123

Table 5 Multicollinearity Test Results

Coefficients								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**			**Collinearity Statistics**	
	B	**Std. Error**	**Beta**		**t**	**Sig. Tolerance**	**VIF**	
1	(Constant)	5.891	0.383		15.379	0.000		
	Sustainability Report	2.952	1.041	0.228	2.836	0.005	0.996	1.004
	Return on Asset	5.416	1.067	0.407	5.074	0.000	0.996	1.004

a. Dependent variable: firm value,
b. Variance Inflation Factor (VIF).

```
Run MATRIX procedure:

***************** PROCESS Procedure for SPSS Version 4.2 *****************

        Written by Andrew F. Hayes, Ph.D.       www.afhayes.com
    Documentation available in Hayes (2022). www.guilford.com/p/hayes3

**************************************************************************
Model  : 1
    Y  : Y
    X  : X
    W  : M

Sample
Size:  123

Coding of categorical W variable for analysis:
       M     W1     W2
    .000   .000   .000
   1.000  1.000   .000
   2.000   .000  1.000

**************************************************************************
OUTCOME VARIABLE:
 Y

Model Summary
         R       R-sq        MSE          F        df1        df2          p
     .5116      .2617      .8581     8.2965     5.0000   117.0000      .0000

Model
             coeff         se          t          p       LLCI       ULCI
constant    1.4762     0.3457     4.2695     0.0000     0.7914     2.1609
X           8.1708     2.6664     3.0643     0.0027     2.8901    13.4514
W1          0.8311     0.3940     2.1096     0.0370     0.0509     1.6114
W2          2.2758     0.4822     4.7200     0.0000     1.3209     3.2306
Int_1      -4.7080     2.8698    -1.6406     0.1036   -10.3915     0.9754
Int_2      -9.4783     3.2118    -2.9511     0.0038   -15.8392    -3.1174

Product terms key:
 Int_1    :       X       x       W1
 Int_2    :       X       x       W2

Test(s) of highest order unconditional interaction(s):
       R2-chng          F        df1        df2          p
X*W     0.0612     4.8533     2.0000   117.0000     0.0094
----------
    Focal predict: X        (X)
          Mod var: M        (W)

Conditional effects of the focal predictor at values of the moderator(s):

         M     Effect         se          t          p       LLCI       ULCI
    0.0000     8.1708     2.6664     3.0643     0.0027     2.8901    13.4514
    1.0000     3.4627     1.0610     3.2635     0.0014     1.3614     5.5641
    2.0000    -1.3076     1.7906    -0.7302     0.4667    -4.8537     2.2386

********************** ANALYSIS NOTES AND ERRORS ************************

Level of confidence for all confidence intervals in output:
  95.0000

------ END MATRIX -----
```

Figure 2 Hayes Test Result

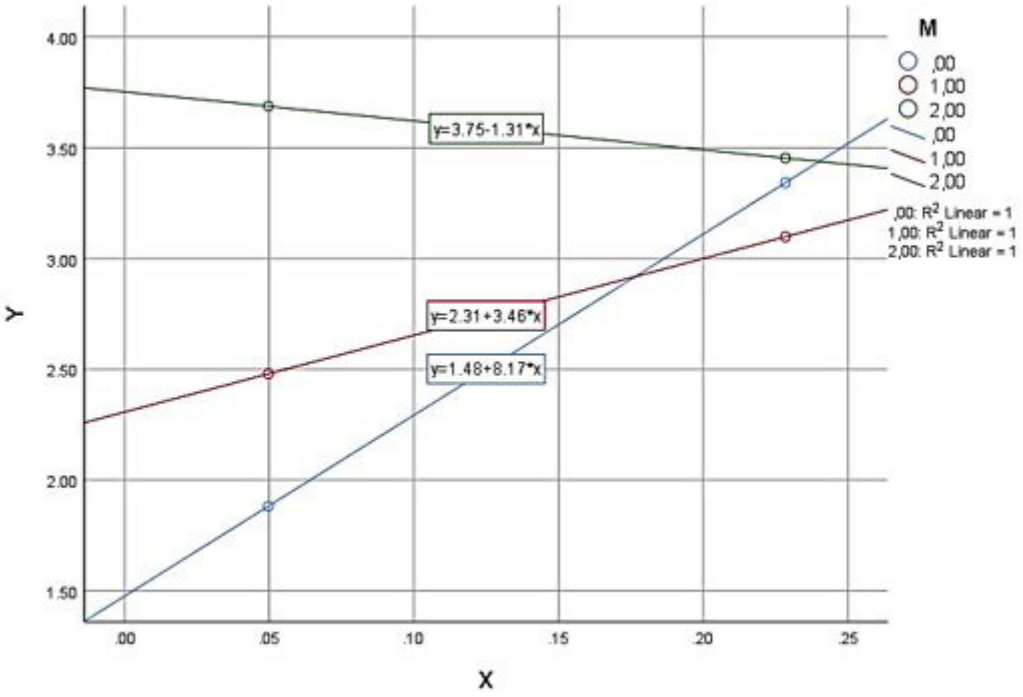

Figure 3 Moderation Effect