International Journal of Social Science and Education Research Studies
ISSN(print): 2770-2782, ISSN(online): 2770-2790
Volume 04 Issue 09 September 2024
DOI: https://doi.org/10.55677/ijssers/V04I9Y2024-01, Impact Factor: 6.759
Page No : 956-965

Fundamental Factors on Stock Price with Sustainability Report as Moderating Variable

Try Edi Suwarno[1], Riyadatul Muthmainnah[2]
[1,2] Politeknik Negeri Tanah Laut, Indonesia

ABSTRACT

This study aims to obtain empirical evidence of the effect of Liquidity, Solvency, and Profitability on Stock Prices with Sustainability Report as a Moderating Variable. The population in this study were mining companies on the Indonesia Stock Exchange. Sampling was done using purposive sampling. The secondary data collection method used is financial reports and sustainability reports. The results showed that Liquidity and Profitability had no effect on Stock Price while Solvency had a negative effect on Stock Price, Sustainability Report did not strengthen Liquidity and Profitability on Stock Price while Sustainability Report strengthened the effect of Solvency on Stock Price.

Published Online: September 02, 2024

KEYWORDS: Liquidity, Solvency, Profitability, Sustainability Report, and Stock Price.

I. INTRODUCTION

The business world's need for capital, at any time tends to show an increasing amount. The increase in demand for capital is indicated by the increasing need for production activities. Therefore, to facilitate the community and producers to obtain capital, the government together with economic institutions organize capital market activities. In the world of investment, the capital market is an alternative to raising the right funds for many people, based on KSEI data as of September 31, 2021 the Single Investor Identification of the Indonesian capital market has reached more than 6.4 million SID. Not only the number of investors has increased, the number of companies listed on the IDX has also increased to 759 listed companies as of December 31, 2021. According to Article 1 Paragraph (1) of the Financial Services Authority Regulation No. 3 of 2021 concerning the Implementation of Activities in the Field of Capital Markets, it is stated that the capital market is an activity related to the public offering and trading of securities, public companies related to the securities they issue, as well as institutions and professions related to securities. Simply put, the capital market is a market for various long-term financial instruments that can be traded, both debt securities (bonds), equities (stocks), mutual funds, derivative instruments and other instruments. The capital market is a means of funding for companies and other institutions (such as the government), and as a means for investing activities. Thus, the capital market facilitates various facilities and infrastructure for buying and selling activities and other related activities. The Indonesian government in realizing Sustainability development that is able to maintain economic stability and is inclusive requires a national economic system that prioritizes harmony between economic, social and environmental aspects. Through the Financial Services Authority regulation (POJK) no 71 of 2017 Chapter 1 Article 2 where Financial Services Institutions, Issuers, and Public Companies are required to implement Sustainability Finance in the business activities of Financial Services Institutions, Issuers, and Public Companies.

Companies that go public are called issuers and owners of capital are called investors, investors will get a return in the form of the difference from buying and selling from the Stock Price. Companies incorporated in the capital market must be able to increase their company value because high company value certainly provides a good picture and a large Stock Price opportunity. If the company considers all investors to be rational investors, then with a high expected Stock Price, of course, more investors will be interested in buying securities issued by the issuing company so that the company's desired funding objectives through the capital market are also fulfilled, and if an investor wants a high Stock Price then he must be willing to bear a higher risk, and vice versa if he wants a low Stock Price then the risk to be borne is also low. Investments made by investors are assumed to always be based on rational considerations so that various types of information are needed for investment decision

Corresponding Author: Try Edi Suwarno

****Cite this Article: Try Edi Suwarno, Riyadatul Muthmainnah (2024). Fundamental Factors on Stock Price with Sustainability Report as Moderating Variable. International Journal of Social Science and Education Research Studies, 4(9), 956-965***

making (Kristina, Et Al 2015). Investors and potential investors need a variety of useful information to predict the results of their investment in the capital market. Information commonly used by investors and potential investors for their investment decisions is grouped into two things, namely technical information and fundamental information. Technical information is information based on statistical data generated from patterns such as market data, stock prices, and stock transaction volumes. Meanwhile, fundamental information is basic information based on real data obtained from various related indicators such as the performance of the company concerned, business competition, industry, and economic conditions, both macro and microeconomic. Macroeconomic conditions are conditions that cannot be controlled by the company either directly or indirectly which can affect stock price fluctuations such as interest rates, inflation rates, and domestic political conditions. As for the internal conditions of the company, the indicators commonly used in evaluating and projecting the value of shares are based on financial statements.

These factors can be used as benchmarks to assess the extent to which investors can invest in a company in order to obtain the expected profits. In this case, one of the factors that is considered dominant is thefundamental condition of the company. Therefore, in order for investors to predict whether their investment will benefit, an investor must analyze the company that will be used as a place to invest before making an investmentdecision. This is done so that investors can reduce investment risk and get profits in the future. In conducting company analysis, investors need various information about issuers. Information about the company's fundamental conditions is most easily obtained from the financial statements published by the company every year. There are several ratios as fundamental factors, namely First, the Liquidity ratio, which is a financial ratio that measures the company's ability to meet financial obligations (company liquidity) in the short term. One part of the liquidity used in this study is Current Ratio. if the CR ratio is getting bigger, the Stock Price will increase. This indicates that investors will get a higher increase in shares if the company's ability to meet its short-term obligations is higher. Furthermore, the second factor is Solvency is the company's ability to pay all debts or obligations that the company has at the expense of assets as a means of payment to pay off these debts. One part of the solvency used in this study is the Debt to Equity Ratio. Debt to Equity Ratio, if the DER ratio is large, the company's debt level is also large compared to its own capital, resulting in a decrease in stock price. This is due to the debt interest burden borne by the company and makes the company's stock value decline. The third factor is Profitability which is a ratio with the function of assessing and calculating the ability of a company to earn profits. The ratio used in this research is Return on Asset, if the ROA ratio value is high, it reflects the company's good performance. If the company's performance improves, the level of profit from dividends and stock prices will also increase.

While the moderating factor is Sustainability Reporting or sustainability reports are publications on the company's position and operational activities related to sustainability perspectives in economic, environmental and social aspects. Sustainability reports in Indonesia reported by listed companies (listed on the IDX) that carry out sustainability reporting are increasing, this can be seen from the number of sustainability reports that have been submitted through the IDX information disclosure system in 2019 totaling 54 companies and increasing in 2020 by 154 listed companies or around 20% of the total stock 'listing' companies that issue and report sustainability (sustainability report / SR) 2020 through the SPE-IDX Net system. The social responsibility of the company to the surrounding environment and to shareholders can also be a consideration in the stock price. Several studies on sustainability reporting in Asia were found to be conducted in China (Shen et al., 2020), India(Aggarwal & Singh, 2019), Pakistan (Iqbal et al., 2018), Singapore (Hamid & Othman, 2019), and Malaysia (Ismail & Latiff, 2019). Meanwhile, only a few studies were found in other Asian countries. Belal and Cooper (2011) stated that sustainability report research conducted in Asian countries is still lacking. The study is even considered as "underdeveloped" and less. Sustainability Reports in Indonesia The number of listed companies (listed on the IDX) that carry out sustainability reporting is increasing. This can be seen from the number of sustainability reports that have been submitted through the IDX information disclosure system where as of December 30, 2021 there were 154 listed companies or around 20% of the total stock 'listing' companies that issued and reported sustainability (sustainability report / SR) 2020 through the SPE-IDXNet system,

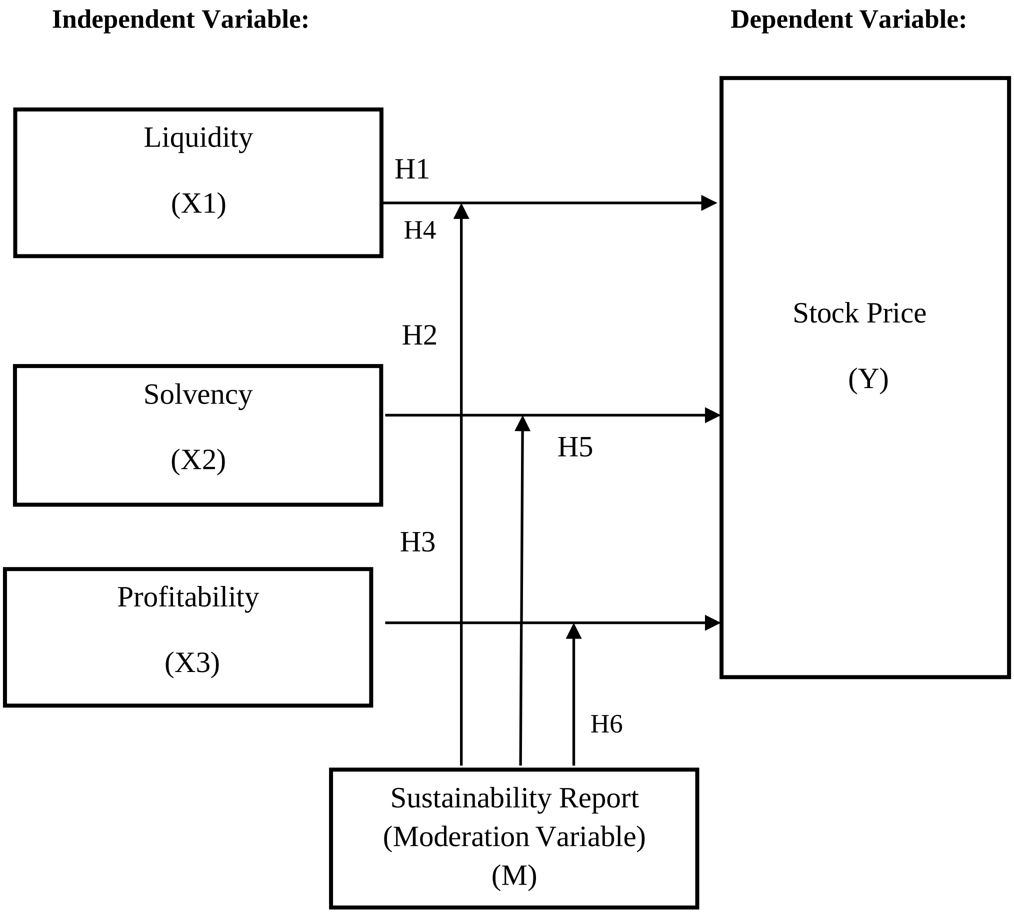
Empirical facts about the factors that influence stock prices still cause differences in research results (research gap). Research conducted by Ulupui (2006) shows that partially Current Ratio (CR) has a significant positive effect on stock prices. Furthermore, research conducted by Kristina, et al (2015) shows that partially Debt to Equity Ratio (DER) has a significant effect on stock prices. Then research by Najma, et al (2021) shows that Return On Asset (ROA) has an effect on stock prices. Research conducted by Risnawati (2021) shows that the social dimension of the Sustainability Report has a significant effect on stock prices. In contrast to research conducted by Claudhea, at al (2021) the results of his research show that partially Current Ratio (CR), Debt to Equity Ratio (DER), Return On Asset (ROA) have no significant effect on stock prices. Risawati's research (2021) shows that there is no effect of disclosure of sustainability reports in the economic and environmental dimensions on changes in stock prices. Sugiyono (2017) says that to strengthen or weaken the relationship between the independent variable and the dependent variable, moderating variables are used. The inconsistency in the results of previous research on factors that affect stock prices encourages researchers to re-examine fundamental factors on stock price movements. This study uses Mining companies listed on the Indonesia Stock Exchange for the period 2017-2021 as research objects. This is because the mining sector is one of the sectors that can be used as a support in terms of economic development in Indonesia and the global economy. BP Statistical Review 2021 data states that Indonesia is the owner of the seventh largest coal reserves in the world, reaching 34.87 billion tons. Indonesia's nickel reserves are the largest in the world, data from the Ministry of Energy and Mineral Resources 2020 in a booklet entitled "Indonesian Nickel Investment Opportunities", states that Indonesia's nickel metal reserves are 72 million tons of Ni (nickel), this amount is 52% of the world's total nickel reserves which reach 139,419,000 tons of Ni. And there are still many natural resources that can be foundin Indonesia.

The mining industry is an industry that processes the separation of minerals from rocks against unnecessary mineral followers. Unnecessary minerals become mining industry waste and contribute significantly to environmental pollution and degradation. The mining industry can adversely affect the region bytriggering biodiversity loss, soil erosion, surface and groundwater contamination, and soil and air pollution. Mining can also lead to the formation of sinkholes. Chemical leaks from mining sites can also adversely affect the health of people living near the site. The National Mining Advocacy Network (JATAM) recorded 45 mining conflicts that occurred throughout 2020. As a result, 714,692 Ha experienced environmental damage. Environmental and community issues have an impact on the instability of the value of mining companies, resulting in the phenomenon of unstable stock prices in the mining sector. This can be seen from the stock returns shown during 2019-2021 in mining companies vary greatly. The following presents examples of several mining companies to illustrate the above phenomenon. The stock return of PT Bukit Asam Tbk in 2019 experienced a decrease in stock return of -0.38%, while in 2020 the stock return increased by 0.06%, but in 2021the stock return decreased again by -0.04%. Meanwhile, the stock return of PT Vale Indonesia Tbk in 2019 to 2020 experienced an increase of 0.12% and 0.40%, while in 2021 the company experienced a decrease in stock return of -0.08%. In contrast to the stock return of PT Aneka Tambang Tbk, which continued to increase from 2019 to 2021 by 0.10%, 1.20%, and 0.16%. The stock return rate is calculated based on capital gain (loss), namely the gain or loss based on the closing stock price of the current period with the previous period. The difference between this study and previous research is that this study uses Mining Companies listed on the Indonesia Stock Exchange in 2017-2021. This research refers to the research of Claudhea, at al (2021). This study adds the Sustainability Report variable based on the research of Nanda & Hayati (2021). The purpose of this study is to determine whether the Effect of Liquidity, Solvency, Profitability on stock prices. As well as the effect of liquidity, solvency, profitability on stock prices with Sustainability Report as a moderating variable.

II. LITERATURE REVIEW

Signaling theory was initiated by Spence (1973) in the basic equilibrium signaling model and created a signal criterion to add strength to decision making. According to Spence (1973) explains that signal theory is when the owner of the information tries to provide a signal in the form of information that reflects the condition of a company that can be useful and useful by the recipient of the information. Signal theory is a theory that discusses something that is done by the management of a company to provide clues to investors about how management assesses the company's prospects (Brigham and Houston, 2017). The relationship between signaling theory and company fundamentals (liquidity, solvency, profitability, etc.) is that a good company value can be a positive signal and vice versa a bad company value can be a negative signal. This is because the motivation of investors to invest is to make a profit, so companies with poor value tend to be avoided by investors. In other words, investors will not invest their funds in companies with bad values.

According to Freeman (1984), stakeholder theory is a theory that describes the relationship between individuals or groups that are affected by company activities or can influence the activities of a company. Stakeholder theory is a strategic management concept, its purpose is to help corporations strengthen relationships with external groups and develop competitive advantage (Mardikanto, 2014). Stakeholder theory says that a company is not an entity that only operates for its own interests but must provide benefits to its stakeholders (Ghozali and Chariri, 2007). Company stakeholders consist of shareholders, creditors, consumers, suppliers, government, society, analysts and other parties. The importance of stakeholder influence for the company's reputation and to gain a comparative advantage, the company will certainly try to manage relationships with stakeholders through the provision of information, usually in the form of voluntary disclosures in the annual report or sustainability report. Voluntary disclosure can be used as a means for companies to manage harmonious relationships with their stakeholders. The *sustainability report* contains transparent information related to the company's position and activities on economic, environmental and social aspects. So that with the issuance of a *sustainability report*, the company's performance can be assessed directly by *stakeholders* which will affect *stakeholder* decisions in contributing to the company. Through the disclosure of *sustainability reports*, it is expected to provide useful information in helping companies to achieve Sustainability development goals to *stakeholders.* Based on the description above to facilitate understanding of the main problem to be studied, the following is a description of the framework below:



Liquidity is the company's ability to pay short-term obligations. One of the Liquditas measurement tools is the Current Ratio. Companies that have a high level of liquidity have the ability to pay off their short- term obligations so that they provide a positive signal to stakeholders or investors. Investors will buy shares resulting in a stock price that will increase. Ulupui's research (2006) resulted in conclusions, among others, that the Current Ratio has a positive and significant effect on Stock Prices. Meanwhile, research by Claudhea, at al (2021) concluded that the Current Ratio has no effect on stock prices. Based on the description above, the formulation of the first hypothesis H1 proposed by researchers in this study is as follows:

H1: Liquidity has a positive effect on Stock Price.

Solvency is a ratio that serves to assess the company's ability to pay off all its obligations, both in the short term and long term with asset guarantees. One of the Solvency measurement tools is the Dept To Equity Ratio. If the solvency ratio is low, it means that the company's assets are less financed by debt so that it gives a positive signal to stakeholders or investors and vice versa. Investors will buy shares resulting in a stock pricethat will increase. Kristina's research, at al (2015) resulted in conclusions including that the Dept to Equity Ratio has an effect on Stock Prices. Meanwhile, research by Claudhea, at al (2021) concluded that the Dept To Equity Ratio has no effect on stock prices. Based on the description above, the formulation of the second hypothesis H2 proposed by researchers in this study is as follows:

H2: Solvency Ratio has a negative effect on Stock Price.

The profitability of a company shows the ability of a company to generate profits during a certain period at a certain level of sales, assets and share capital. One measure of profitability is Return on Assets. The higher the ROA, it means that the company is increasingly able to utilize assets well to make a profit so that it gives a positive signal to stakeholders or investors. Investors will buy shares resulting in a stock price that will increase. Research conducted by Najma at al (2021) states that Return On Asset has a significant effect on stock prices. Meanwhile, research by Claudhea, at al (2021) concluded that Return On Asset has no effect on stock price. Based on the description above, the formulation of the third hypothesis H3 proposed by researchers in thisstudy is as follows:

H3: Profitability has a positive effect on Stock Price.

The company's liquidity measurement certainly reflects the company's performance. Companies that make a complete Sustainability Report will show good corporate performance from the aspects of social, economic, & environmental responsibility carried out by the company to stakeholders so that the company's performance can be assessed directly by *stakeholders* which will affect stakeholder decisions in contributing to the company. This will certainly make Sustainability Report can strengthen the influence of Current Ratio measurement on Stock Price. Based on the description above, the formulation of the fourth hypothesis H4 proposed by researchers in this study is as follows:

H4: Sustainability Report strengthens the influence of Liquidity on Stock Price.

Solvency measurement of the company certainly reflects the company's performance. Companies that make a complete Sustainability Report will show good corporate performance from the aspects of social, economic, & environmental responsibility carried out by the company to stakeholders so that the company's performance can be assessed directly by *stakeholders* which will affect stakeholder decisions in contributing to the company. This will certainly make the Sustainability Report can strengthen the influence of Solvency measurement on Stock Price. Based on the description above, the formulation of the fifth hypothesis H5 proposed by researchers in this study is as follows:

H5: Sustainability Report strengthens the effect of Solvency on Stock Price.

Measurement of company profitability certainly reflects company performance. Companies that make a complete Sustainability Report will show good corporate performance from the aspects of social, economic, & environmental responsibility carried out by the company to stakeholders so that the company's performance can be assessed directly by *stakeholders* which will affect stakeholder decisions in contributing to the company. This will certainly make Sustainability Report can strengthen the influence of Profitability measurement on Stock Price. Based on the description above, the formulation of the sixth hypothesis H6 proposed by researchers in this study is as follows:

H6: Sustainability Report strengthens the effect of Profitability on Stock Price.

III. METHODOLOGY

The type of research used is descriptive with a quantitative approach using financial ratio data derived from each Mining company listed on the Indonesia Stock Exchange (IDX) as fundamental factor data and stock price data during the study period, namely 2017-2021, processed using EViews 9. The research design using thisquantitative approach is structured, uses a certain format, is formal and pre-designed. The research population amounted to 46 companies and the sampling technique in this study used purposive sampling method so that the sample amounted to 13 companies. This study explains the effect of three exogenous variables (Current Ratio, Dept to Equity Ratio, & Return on Asset) on one endogenous variable (Stock Price) with Sustainability Reportas a moderating variable.

Table 3.1 Sample Criteria

Sample Criteria	Total
Population: Mining companies listed on the Indonesia Stock Exchange in 2017 - 2021.	46
Mining companies that do not publish audited annual reports (performance summary) from 2017 - 2021 and ending December 31.	(0)
Mining companies that do not publish Sustainability Report with GRI Standards in 2017-2021.	(33)
Number of companies included in the research sample	13
Number of Observation Samples for 5 Years (13x5)	**65**

Source: Data processed (2024)

Current ratio is a ratio to measure the company's ability to pay short-term liabilities or debts that are due immediately when billed as a whole. In other words, how much current assets are available to cover short- term liabilities or debts that are due soon (Wartono, 2018). Debt to Equity Ratio is a ratio used to assess debt with equity. This ratio is sought by comparing all debt, including current debt with all equity (Wartono, 2018). Return On Assets is a measure to assess how much return on assets owned by the company (Wartono, 2018). This research will focus on specific GRI standards, namely economic (GRI 200), environmental (GRI 300), and social (GRI 400). GRI 200 consists of 17 disclosures. GRI 300 consists of 32 disclosure items. GRI 400 consistsof 40 disclosure items. Thus, the total sustainability report assessment items based on GRI 101: Foundation 2016 is 89 assessment items (Zakarias & Bimo, 2021). The three dimensions contained in the sustainability report disclosure will be adjusted in each company by giving a score of 1 if the item is disclosed and 0 if it is not disclosed as an assessment. After scoring all items, the scores are then summed up to obtain the overall score for each company (Irma & Lestari, 2021). Stock Price in this study is the *closing* stock price of each company obtained from the year-end closing stock price of mining companies for the 2019-2021 period listed on the Indonesia Stock Exchange (IDX). In the dependent variable (stock price) with natural logarithm (LN). This is done to equalize the ratio unit with the nominal Rupiah unit on the stock price, so that the data *range* is not too far between variables (Fadli, 2014). The data analysis techniques used in this study include descriptive analysis, multiple linear regression analysis, model specification test (Chow Test, Hausman Test, Lagrange Multiplier Test), determination of the estimation model (*Common Effect / Fixed Effect Model / Random Effect Model*), Hypothesis Test (Determination Coefficient Test, Simultaneous Significant Test, & Partial

Significant Test). The results of multiple linear regression analysis will test how much influence Current Ratio, Dept to Equity Ratio, & Return On Asset have on Stock Price with moderation by Sustainability Report. The regression equation model to be tested is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X + \beta_4 Z + \beta_5 X_1.Z + \beta_6 X_2.Z + \beta_7 X_3.Z + e$$

Where:

Y = Dependent Variable (Stock Price)

α = Constant

β = Regression Coefficient

e = Standard error

X1-3 = Independent Variable (CR, DER, ROA)

Z = Moderation Variable (Sustainability Report)

IV. RESULT & DISCUSSION

Descriptive Statistical Analysis

Descriptive statistics are used to determine the characteristics of the sample in the study including mean, standard deviation, maximum value and minimum value. The following are the results of the descriptive test of panel data from all research samples with a total of 13 observations.

Table 4.1. Descriptive Statistics

No.	Variable	N	Minimum	Maximum	Mean	Std. Deviation
1	CR	65	0.27	4.97	1.8392	0.96614
2	DER	65	-10.51	2.80	0.2118	2.19838
3	ROA	65	-9.86	28.54	5.1894	6.67562
4	SR	65	5.60	93.30	37.6262	19.21500
5	LN_SAHAM	65	4.19	9.94	7.1572	1.24385

Source: Data processed (2024)

Panel Effect Test

Panel data regression has the combined characteristic that the data consists of several objects and covers several time periods. This kind of data has the main advantage of being *robust* to several types of violations, such as heteroscedasticity and normality. Panel data regression can be done with three models, namely *pooled / commoneffect*, *fixed effect,* and *random effect* with their respective advantages and disadvantages. The choice of model depends on the assumptions used by the researcher and the fulfillment of the correct statistical data processing requirements so that it can be accounted for statistically.

The main objective in the panel effects test is to select a model from the three available models. The first step is to compare the results of the *common effect* and *fixed effect* models using the chow test. The test is needed to choose the most appropriate model between the *common effect* and *fixed effect* models. The results of the chow test can be seen in table 4.2.

Table 4.2 Chow Test

Effects Test	Prob.	Conclusion
Cross-section Chi-square	0.0000	Ha accepted

Source: Data processed (2024)

Ho: *common effect*

Ha: *fixed effect*

The results of the chow test in table 4.3 show that the probability value of the *cross section chi square* is 0.0000 <0.05 (alpha 5%), so Ha is accepted. Based on the results of the chow test, the *fixed effect* is selected, indicating that there are differences in characteristics both individually and between periods. Furthermore, the Hausman test is conducted to test whether it is better to estimate using a *fixed effect* model or a *random effect* model. Hausman test results can be seen in table 4.3.

Table 4.3. Hausman Test

Test Summary	Prob.	Conclusion
Random Cross-section	0.0000	Ha accepted

Source: Data processed (2024)

Ho: *random effect*

Ha: *fixed effect*

The results of the Hausman test in table 4.5 show that the *cross section random* probability value is 0.0000 <0.05 (alpha 5%), so Ha is accepted. Therefore, it can be concluded that the best model chosen is *fixed effect.*

After conducting the panel effect test and testing that the overall data is suitable for use in research, the research can proceed to the hypothesis testing stage. Hypothesis testing consists of regression model interpretation and regression coefficient testing. The analysis is intended to see the effect of the independent variable on the dependent variable. This is a *one-sided* or *one tailed* test.

Normality Test

The normality test in this test aims to test the normality of the distribution in the regression model of confounding or residual variables. This test uses the Jarque-Bera test (JB-test), to determine whether the data is normally distributed or not. Outlier data is determined by looking at the standardized value of the residuals, where for a tolerable error rate of 5%, data with a standardized residual value as outlier data must be above 0.05.The results of normality testing with the Jarque-Bera test after removing outlier data are as follows:

Table 4.4 .Normality Test

Jarque-Bera	Probability
3.904772	0.141935

Source: Data processed (2024)

Based on the results of the normality test, it can be seen that the Jarque-Bera probability value is 0.141 above α = 0.05 so it is said that the data is normally distributed.

Hypothesis Testing

After conducting the panel effect test and testing that the overall data is suitable for use in research, the research can proceed to the hypothesis testing stage. Hypothesis testing consists of regression model interpretation and regression coefficient testing. The analysis is intended to see the effect of the independent variable on the dependent variable.

Table 4.5. Hypothesis Test

Variable	Predicted Direction	Coefficient	Prob. two tiles	Prob. one tile	Conclusion
CR	+	0.247517	0.3189	0.1594	H1 rejected
DER	-	-0.243570	0.0204	0.0102	H2 accepted
ROA	+	-0.007908	0.7805	0.3902	H3 is rejected
SR		0.006371	0.5004	0.2502	
CR*SR	+	-0.005666	0.2686	0.1343	H4 is rejected
DER*SR	+	0.004257	0.0953	0.0476	H5 accepted
ROA*SR	+	0.000537	0.3930	0.1965	H6 rejected

Source: Data processed (2024)

Based on table 4.5, the regression model obtained is :

Stock = 6.839569 + 0.247517 CR - 0.243570 DER - 0.007908 ROA + 0.006371 SR - 0.005666 CR*SR + 0.004257 DER*SR + 0.000537 ROA*SR + ε

Table 4.6. Coefficient of Determination (*Adjusted R-Square*)

No.	Var	Adjusted R Square
1	CR	0.89
2	DER	
3	ROA	
4	SR	

Source: Data processed (2024)

Based on table 4.6, the *Adjusted R-Square* (R^2) value is 0.899031. This shows that the ability of the independent variables to explain the behavior of the dependent variable is 89.90%. It can also be interpreted that there are other independent variables besides Liquidity, Solvency, Profitability, and Sustainabilty Report that are able to explain the stock price in the company by 10.10%.

Table 4.7. F Test (Simultaneous Test)

No.	Var	Prob(F-statistic)	Description
1	CR	.0000	Significant
2	DER		
3	ROA		
4	SR		

Source: Data processed (2024)

- **Effect of Liquidity on Stock Price**

The regression coefficient of the CR variable is positive (+), which is 0.247. This shows that the relationship between CR and stock price is unidirectional. The significance test result is 0.1594 when compared to the expected significance level of 5% (0.1594> 0.05). The results of this study indicate that CR has no effect on stock prices so that the first hypothesis is rejected. This is due to the high value of the CR ratio, which means theaccumulation of the company's current assets. This assumes that the company has not been able to use its excess current assets to invest or as the company's working capital. If the company cannot use its excess current assets, it will give a negative signal to investors so that it will appear that the company is experiencing losses, resulting in reduced demand for Stock Prices in the company and will not affect the Stock Price. These results are consistent with research conducted by Claudhea at al (2021) resulting in conclusions, among others, that the Current Ratio has no effect on Stock Price.

- **Effect of Solvency on Stock Price**

The regression coefficient of the DER variable is positive (-), which is -0.243. This indicates that the relationship between DER and stock price is unidirectional. The significance test result is 0.0102 when compared to the expected significance level of 5% (0.0102 <0.05). So it can be concluded that DER has a negative and significant effect on stock prices so that the second hypothesis is accepted. This shows that the higher the company's activities are financed by loans, the greater the risk of the company's failure to pay off and give a negative signal so that this will affect the price of shares traded in the capital market. The existence of a negative and significant effect of DER on stock prices indicates that in investing investors always pay attention to the source of the company's loan funds as measured using the Debt to Equity Ratio. These results are consistent with the research of Kristina, at al (2015) which resulted in the conclusion, among others, that the Dept to Equity Ratio affects the Stock Price.

- **Effect of Profitability on Stock Price**

The regression coefficient of the ROA variable is positive (-), which is 0.007. This shows that the relationship between ROA and stock price is unidirectional. The significance test result is 0.3902 when compared to the expected significance level of 5% (0.3902> 0.05). The results of this study indicate that ROA has no effect on stock prices so that the third hypothesis is rejected. This shows that the ability of companies in the mining sectorto generate profits by utilizing their assets has not been able to provide positive signals that become a reference for investors to assess company management. With the Return On Asset, it can be seen the efficiency of the company in utilizing its assets. However, the Return On Asset variable only shows the internal ability of the company, while the stock price can be influenced by various factors from outside the company. These results are consistent with research conducted by Claudhea at al (2021) resulting in conclusions, among others, that Return On Asset has no effect on Stock Price.

- **The Effect of Sustainability Report in Moderating Liquidity on Stock Price**

Data processing is carried out to estimate the relationship between variables that have been previously determined based on theory. The interaction test results show that the Sustainability Report does not enter as a moderating variable for Liquidity. This is indicated that the results of the interaction of the Sustainability Report variable on the Liquidity Variable with insignificant results 0.1343> 0.05 This indicates that the Sustainability Report is not able to moderate the independent variables in the study so that the fourth hypothesis is rejected. Sustainability Report does not strengthen the Liquidity ratio because the disclosure of social, environmental, and economic information incurs a high enough cost in the manufacturing process to be presented consistently each year separately with the annual report.

- **The Effect of Sustainability Report in Moderating Solvency on Stock Price**

In contrast to Solvency, it shows that Sustainability Report is included as a moderating variable. This is indicated that the results of the interaction of the Sustainability Report variable on the Solvency Variable with a significant result of 0.0476 <0.05. These results state that the disclosure of economic, environmental, and social performance in sustainability reporting will strengthen or increase the value of solvency. This is because companies in disclosing sustainability reports require high enough costs in the process of making them so that it will have an impact on reducing the company's ability to pay their long-term obligations.

- **The Effect of Sustainability Report in Moderating Profitability on Stock Price**

The interaction test results show that the Sustainability Report does not enter as a moderating variable for Profitability. This is indicated that the results of the interaction of the Sustainability Report variable on the Profitability Variable with insignificant results 0.1965> 0.05. This shows that the Sustainability Report is not able to moderate the independent variables in the study so that the sixth is rejected. Sustainability Report does not strengthen the profitability ratio because the disclosure of social, environmental, and economic information incurs high costs in the manufacturing process to be presented consistently each year separately with the annual report.

V. CONCLUSION

Based on the analysis and discussion as well as the test results in this study that have been carried out by researchers, so that researchers can conclude the following:

1. Liquidity has no effect on Stock Price.
2. Solvency has a negative effect on Stock Price.
3. Profitability has no effect on Stock Price.
4. Sustainability Report does not strengthen the influence of Liquidity on Stock Price.
5. Sustainability Report strengthens the influence of Solvency on Stock Price.
6. Sustainability Report does not strengthen the effect of Profitability on Stock Price.

REFERENCES

1. Aggarwal, P., & Singh, A. K. (2019). CSR and sustainability reporting practices in India: an in-depth content analysis of top-listed companies. *Social Responsibility Journal*, *15*(8), 1033–1053.
2. Anoraga, Pandji. (2006). Pengantar Pasar Modal. Jakarta: Rineka Cipta.
3. Bambang Sudiyatno (2010). *Peran Kinerja Perusahaan Dalam Menentukan Pengaruh Faktor Fundamental Makroekonomi, Risiko Sistematis, Dan Kebijakan Perusahaan Terhadap Nilai Perusahaan.* Pasca Sarjana Universitas Diponegoro. Semarang.
4. Belal, A. R., & Cooper, S. (2011). The absence of corporate social responsibility reporting in Bangladesh. *Critical Perspectives on Accounting*, *22*(7), 654–667.
5. Brigham and Houston. 2017. Dasar-Dasar Manajemen Keuangan. Salemba Empat. Jakarta.
6. Brigham, Eugene F dan Houston. (2006). Fundamental of FinancialManagement: Dasar-Dasar Manajemen Keuangan. Edisi 10. Jakarta: Salemba Empat.
7. Darmadji, Tjiptono dan M. Fakhruddin, Hendy. (2012). Pasar Modal Di Indonesia. Jakarta : Salemba Empat (PT Salemba Empat Patria).
8. Deegan, C., (2002), Introduction: the Legitimizing Effect of Social and Environmental Disclosure – A Theoretical Foundation. Accounting, Auditing, and Accountability Journal, Vol. 15 (3), pp 282-311.
9. Dewan Standar Akuntansi Keuangan. (2020). Pernyataan Standar Akuntansi Keuangan (PSAK) No. 1: Penjayian Laporan Keuangan. Jakarta: Ikatan Akuntansi Indonesia (IAI).
10. Drs. S. Munawir. (2010).Analisa Laporan Keuangan. Yogyakarta: Liberty.
11. Esti Rusdiana, Kurniawan, Rina Arifati, Rita Andini. (2016). "Pengaruh *Cash Position*, *Debt Equity Ratio*,

Return On Asset, *Current Ratio*, *Firm Size*, *Price Earning Ratio*, dan *Total Assets Turn Over* Terhadap *Deviden Payout Ratio* Pada Perusahaan Manufaktur Periode 2007-2014". *Journal of Accounting Volume 2 No. 2*. Semarang: Universitas Pandanaran.

12. Febrianti, D., & Zulvia, Y. (2020). *Pengaruh Struktur Kepemilikan, Leverage, Ukuran Perusahaan Terhadap Kebijakan Dividen Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2013-2017*. Jurnal Ilmiah Mahasiswa Ekonomi Manajemen, 5(1), 201-219.
13. Freeman, R. E. (1984). Strategic Management: A Stakeholder Approach. Boston: Pitman.
14. Ghozali, I., & Chariri, A. (2007). Teori Akuntansi. Semarang: Badan Penerbit Universitas Diponegoro.
15. Ghozali, Imam. (2018). Aplikasi Analisis Multivariate dengan Program IBM SPSS 25. Badan Penerbit Universitas Diponegoro: Semarang.
16. Gitman, L. J., & Michael, J. D. (2010). *Fundamental of Investing* (11th ed.). Boston: Addison Wesley.
17. Global Reporting Initiative. (2016). from www.globalreporting.org. Retrieved January 11, 2015, from https://www.globalreporting.org.
18. Gray. R, Kouhy. R, Lavers. S. (1995). "Corporate Social and Environmental Report " Accounting and Auditing Journal, Vol 8, No 2, pp 4777.
19. Hamid, F. Z. A., & Othman, Z. (2019). Corporate Social Responsibility by Malaysian and Singapore Sustainable Index Companies. *International Journal of Accounting and Financial Reporting*, *9*(2), 1.
20. Harahap, Sofyan Syafri. (2015). *Analisis Kritis atas Laporan Keuangan*. Edisi 1-10. Jakarta: Rajawali Pers.
21. Hery, (2018), *Analisis Laporan Keuangan*,. Jakarta : PT. Grasindo.
22. Hörisch, J., Freeman, R. E., & Schaltegger, S. (2014). Applying Stakeholder Theory in Sustainability Management: Links, Similarities, Dissimilarities, and a Conceptual Framework. *Organization and Environment*, *27*(4), 328–346.
23. Hörisch, J., Schaltegger, S., & Freeman, R. E. (2020). Integrating stakeholder theory and sustainability accounting: A conceptual synthesis. *Journal of Cleaner Production*, *275*.
24. Husniah Najma, Riana Rachmawati Dewi, Rosa Nikmatul Fajr. (2021). *Pengaruh economic value added (eva) dan profitabilitas terhadap return saham.* Universitas Islam Batik. Surakarta.
25. Iqbal, Q., Hassan, S. H., Akhtar, S., & Khan, S. (2018). Employee's green behavior for environmental sustainability: a case of banking sector in Pakistan. *World Journal of Science, Technology and Sustainable Development*.
26. Ismail, A. M., & Latiff, I. H. M. (2019). Board Diversity and Corporate Sustainability Practices: Evidence on Environmental, Social and Governance (ESG) Reporting. *International Journal of Financial Research*. *10*(3), 31.
27. Jogiyanto (2017). *Teori Portofolio Dan Analisis Investasi Edisi Kesepuluh.* Yogyakarta : BPFE.
28. Kasmir. (2018). *Analisis Laporan Keuangan*. Jakarta: Raja Grafindo Persada.
29. Kelvin Lovender Zakarias, Irenius Dwinanto Bimo. (2021). Pengaruh Pengungkapan Sustainability Report Terhadap Kinerja Perusahaan Dengan Kepemilikan Asing Sebagai Variabel Moderasi (Studi Empiris Pada Perusahaan Non Keuangan Yang Tercatat Di Bursa Efek Indonesia Periode (2017-2019). FEB Magister Manajemen. Universitas Katolik Indonesia Atma Jaya Jakarta.
30. Ketut Asmara Jaya. (2015). *Pengaruh Loan To Deposite Ratio, Return On Assets, Capital Adequacy Ratio, Exchange Rate Dan Interest Rate Terhadap Return Saham.* STIE Sailendra. Jakarta.
31. Kristina, Ronny Malavia Mardani, Budi Wahono. (2015). *Pengaruh EPS, ROE, DER dan TATO Terhadap Return Saham Perusahaan Asuransi Yang Terdaftar Di Bursa Efek Indonesia*. Jurnal Universitas Islam Malang. Malang.
32. Lisa, L. U. (1999). EVA Sebagai Ukuran Keberhasilan Kinerja Manajeman. Jurnal Akuntansi dan Keuangan, Mei, Vol. 1, No. 1, Hal. 28-42.
33. Mauliddini Nadhifah. (2020). Pengaruh *Transfer Pricing, Thin Capitalization, Financial Distress, Earning Management*, Dan *Capital Intensity* Terhadap *Tax Avoidance* Dengan *Sales Growth* Sebagai Pemoderasi. Universitas Trisakti. Jakarta.
34. Musdalifah Azis, Sri Mintarti, Maryam Nadir. (2015). *Manajemen Investasi Fundamental, Teknikal, Perilaku Investor dan Return Saham*. Yogyakarta: Deepublish Publisher.
35. Nor Hadi. (2013). *Pasar Modal : Acuan Teoretis dan Praktis Investasi di Instrument Keuangan Pasar Modal*. Graha Ilmu : Yogyakarta.
36. Octa Nabella Arifin Nanda, Nurul Hayati. (2021) Pengaruh Pengungkapan Sustainability Report terhadap Harga Saham Perusahaan LQ45. STIE Indonesia Banjarmasin, Indonesia
37. Pirmatua Sirait. (2017). *Analisis Laporan Keuangan*, Ekuilibria. Yogyakarta.
38. Putri Renalita Sutra Tanjung. (2014). *Analisis Pengaruh Economic Value Added Dan Faktor Fundamental Perusahaan Lainnya Terhadap Return Saham Dengan Corporate Social Resposibility Sebagai Variabel Pemoderasi.* Universitas Mercu Buana. Jakarta.
39. Republik Indonesia. (2021). *Peraturan Otoritas Jasa Keuangan No 3 Tahun 2021 Tentang Penyelenggaraan Kegiatan Pasar Modal* . Jakarta: Pemerintah RI.

40. Rifai, M. H., Junaidi, & Sari, A. F. K. (2020). *E-JRA Vol. 09 No. 02 Februari 2020.* Fakultas Ekonomi dan Bisnis Universitas Islam Malang.
41. Risawati (2021). Pengungkapan *Sustainability Report* Terhadap Kinerja Saham Pada Sektor Indeks Lq45 Di BEI. Universitas Muhammadiyah Makassar.
42. Rizkie Claudhea, Christina Milania G, Ariston Arivandi D, Mesrawati. (2021). *Pengaruh Solvabilitas, Economic Value Added, Profitabilitas, Price To Book Value Dan Likuiditas Terhadap Return Saham Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2017-2019.* Universitas Jambi.
43. Rusdiono, L. R. (2017). Analysis Of Sustainability Report In Order To Evaluate Sustainable Performance Disclosures Based On Gri G4 Standards And Gri Financial Services Sector Disclosures. Tesis. Universitas Parahyangan Bandung.
44. Sari Octavera, Siska Lusia Putri, Mohammad Abdilla. (2016). *Analisis Pengaruh Penilaian Kinerja Keuangan Dengan Menggunakan Metode Tradisional (Der,Roa) Dan Metode Konsep Baru (Eva) Terhadap Return Saham (Studi Kasus Pada Perusahaan Industri Keuangan Non Bank Yang Listing Di Bei Pada Tahun 2010-2014).* FEB Dharma Andalas. Sumatra Barat.
45. Shen, H., Ng, A. W., Zhang, J., & Wang, L. (2020). Sustainability accounting, management and policy in China: recent developments and future avenues. *Sustainability Accounting, Management and Policy Journal*, *11*(5), 825–839.
46. Spence. (1973). Job Market Signaling. The MIT Press.
47. Sujarweni, V. Wiratna. (2017). *Analisis Laporan Keuangan Teori, Aplikasi dan Hasil Penelitian*. Yogyakarta: Pustaka Baru Press.
48. Supramono, Gatot, (2014). *Transaksi Bisnis Saham dan Penyelesaian Sengketa Melalui Pengadilan.* Jakarta: Prenadamedia Group.
49. Surya Irma, Nanik Lestari. (2021). Pengaruh Sustainability Report terhadap Kinerja Keuangan Perusahaan. Politeknik Negeri Batam.
50. Syamsuddin, Lukman. (2016). Manajemen Keuangan Perusahaan, Jakarta : Rajawali Pers.
51. Tandelilin, Eduardus. (2010). Portofolio dan Investasi: Teori dan Aplikasi. Edisi 1. Kanisius. Yogyakarta.
52. Totok Mardikanto. (2014). CSR (Corporate Social Responsibility) (Tanggung Jawab Sosial Perusahaan), Alfabeta, Bandung.
53. Tri Wartono. (2018). Pengaruh Current Ratio (Cr) Dan Debt To Equity Ratio (Der) Terhadap Return On Asset (Roa) (Studi pada PT Astra International, Tbk). Fakultas Ekonomi Universitas Pamulang.
54. Wahyu Setiono, Diyah Santi Hariyani, Anggita Langgeng Wijaya, Apriyanti. (2018). *Analisis Pengaruh Faktor Fundamental Terhadap Return Saham.* Universitas PGRI Madiun. Madiun.
55. Welley, M. M., Oroh, F. N. S., & Walangitan, M. D. B. (2020). *Perbandingan harga saham perusahaan farmasi BUMN sebelum dan sesudah Pengembangan Vaksin Virus Corona (COVID-19).* JMBI UNSRAT. Jambi.
56. Yudhia Mulya, Ririn Turisna. (2016). *Pengaruh Kinerja Keuangan Terhadap Return Saham Pada Perusahaan Sub Sektor Otomotif Yang Terdaftar Di Bursa Efek Indonesia.* Universitas Pakuan. Bogor.
57. Zalmi Zubir.(2011).Manajemen portofolio : Penerapan dalam Investasi Saham. Jakarta : Salemba Empat.