Financial Performance Analysis of Investor Reactions with Sustainability Reports as a Moderating Variable in Mining Companies Listed on The IDX

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Abstrak

Tujuan - Penelitian ini bertujuan untuk menganalisis kinerja keuangan terhadap reaksi investor dengan sustainability report sebagai pemoderasi. Sustainability report diproksikan dengan sustainability report disclosure index (SRDI), kinerja keuangan diproksikan dengan 4 ukuran yaitu ROA, CR, TAT dan DER, kemudian reaksi investor diproksikan dengan return saham.

Desain/Metodologi/Pendekatan - Populasi penelitian yang digunakan adalah perusahaan pertambangan yang terdaftar di Bursa Efek Indonesia periode 2019-2021. Penelitian menggunakan teknik purposive sampling dalam menentukan sampel penelitian. Dari populasi berjumlah 60 perusahaan pertambangan diperoleh 15 perusahaan yang sesuai dengan kriteria sampel yang telah ditentukan dengan periode pengamatan 2019-2021. Metode analisis yang digunakan adalah Moderated Regression Analysis (MRA).

Temuan - Hasil penelitian menunjukkan bahwa kinerja keuangan berdasarkan proksi ROA berpengaruh positif terhadap reaksi investor dan TAT berpengaruh negatif terhadap reaksi investor. Kinerja keuangan berdasarkan proksi CR dan DER tidak berpengaruh terhadap reaksi investor. Hasil penelitian juga menunjukkan sustainability report mampu memoderasi pengaruh kinerja keuangan berdasarkan proksi ROA terhadap reaksi investor, namun sustainability report tidak mampu memoderasi pengaruh kinerja keuangan berdasarkan

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proksi CR, TAT dan DER terhadap reaksi investor. Hal ini menunjukkan bahwa investor masih menilai ROA sebagai acuan dalam menilai kinerja keuangan perusahaan tambang. laporan keberlanjutan terbukti menjadi faktor yang memoderasi ROA terhadap reaksi investor. Perusahaan tambang dapat mulai mempertimbangkan laporan keberlanjutan untuk menarik reaksi investor.
***Keterbatasan/Implikasi Penelitian** – Hasil pada penelitian ini tidak dapat digeneralisasikan, karena ruang lingkup penelitian ini hanya terbatas pada industri pertambangan.*

Kata Kunci: Kinerja Keuangan, Sustainability, dan Reaksi Investor

Abstract

Purpose - This study aims to analyze financial performance on investor reaction with sustainability report as a moderator. Sustainability report is proxied by sustainability report disclosure index (SRDI), financial performance is proxied by 4 measures namely ROA, CR, TAT and DER, then investor reaction is proxied by stock returns.
Design/methodology/approach - The population of research used is mining companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The study used purposive sampling technique in determining the research sample. From a population of 60 mining companies, 15 companies were obtained that met the predetermined sample criteria with the observation period 2019-2021. The analysis method used is Moderated Regression Analysis (MRA).
Findings - The results showed that financial performance based on ROA proxies has a positive effect on investor reactions and TAT has a negative effect on investor reactions. Financial performance based on CR and DER proxies has no effect on investor reactions. The results also show that the sustainability report is able to moderate the effect of financial performance based on ROA proxies on investor reactions, but the sustainability report is not able to moderate the effect of financial performance based on CR, TAT and DER proxies on investor reactions. This shows that investors still value ROA as a reference in assessing the financial performance of mining companies. Sustainability reports are proven to be a factor that moderates ROA on investor reactions. Mining companies may start to consider sustainability reports to attract investor reaction.
Research limitations/implications – The results of this study cannot be generalized because the scope of this research is limited to the mining industry.

Keywords: Financial Performance, Sustainability, and Investor Reaction

Introduction

The phenomenon of environmental problems that occur in Indonesia is quite a concern for the community lately. One of the concerns of the community is environmental problems caused by industrial activities of companies that do not pay attention to the impact of the surrounding environment on their operational activities and only prioritize the company's financial benefits. The company's indifference can trigger social conflicts with the community. According to Sejati and Prastiwi (2015), environmental damage is a serious problem caused by economic activities in various parts of the world. One of the economic actors that is often used as a cause of environmental problems is the company.

Companies in the mining industry are industries that are closely related to these environmental and community problems.

Mining companies are industrial sectors engaged in the management and processing of natural resources. It is undeniable that companies in the mining sector are one of the important economic sectors in Indonesia. Mining companies in Indonesia have long been the main pillar of the Indonesian economy which makes a major contribution including: as a contributor to foreign exchange exports, employment, and meeting domestic needs. Although contributing a large contribution to the economy, the mining industry is closely related to environmental and community problems. For example: air pollution from factory smoke, water pollution from waste, forest destruction and other damage that can cause natural disasters. Not only that, communities around the mining area who should also benefit economically from the presence of the company, instead receive less attention from the company. The company seems to only take and exploit natural resources in the area without caring about the welfare of the surrounding community. According to Fitiyanti (2016), environmentally, mining activities can cause changes in the landscape, damage to soil and water quantity, and threats to biodiversity. Post-operation, mining can also leave mine pits and acid mine drainage that can damage soil fertility. The mining process in the mining industry requires regulation and supervision. Supervision and regulation are needed so that mining activities do not damage and pollute the surrounding environment. As an industry that is closely related to the environment and society, companies in the mining industry are required to comply with existing regulations and pay attention to the welfare of the surrounding community so as not to cause environmental and social problems with the community.

The triple bottom line concept introduced by Elkington (1998) which focuses on 3P (profit, people, and planet) is currently the main pillar for businesses that promote sustainable development. This concept holds the view that companies should not only focus on profit, but they should also play a role and participate in the welfare of the surrounding community (people) and actively contribute to the preservation of the environment (planet). In line with the 3P concept on the triple bottom line and public demands for corporate environmental and social responsibility for operations carried out, many mining companies are currently starting to provide additional information about their environmental, economic and social responsibilities through sustainability reports. Sustainability report is a report that contains information on the company's performance on economic, environmental and social aspects carried out by the company in a one-year period. Sustainability reports are prepared based on references from the Global Reporting Initiative (GRI).

Sustainability reports are important for companies because they provide information to the public about the impact of their operations on the environment, economy and society. Sustainability reports for companies are useful for representing companies that are able to be responsible for the environment, economy and society.

According to Dhaniel Syam (2013), companies that make sustainability reports will have various benefits, including showing that the company has concern for the environment and society, building trust and strengthening relationships and communication with stakeholders, reducing corporate risk and protecting reputation. Meanwhile, according to Natalia, Ria; Tarigan (2014), a good sustainability report will improve the good name and reputation of the company which can increase investor confidence in investing in the company.

In addition to providing information about corporate environmental and social responsibility through sustainability reports to the public, companies also provide

information to the public in the form of financial information in the form of annual financial reports. Financial statements are financial records made by the company in one accounting year period. Through financial reports, it can be seen how far the development of a company is in achieving its goals (Pratiwi & Muqmiroh, 2022). These financial reports are so important, especially for investors, because they can help investors to find out the financial performance carried out by the company.

According to Assauri (2004), one of the factors taken into account by investors in deciding to invest is the company's financial performance. Financial performance is often associated with the company's financial condition. Financial performance according to Pratiwi and Muqmiroh (2022) is a description of the company's financial condition in a certain period concerning the distribution and collection of funds which are usually measured by indicators of liquidity, capital adequacy and profitability. Performance in this case according to Sriana (2017) is an important thing that must be achieved by the company and is a reflection of the company in managing and allocating its resources. To find out the financial performance carried out by the company, investors can find out by using financial ratio indicators. Through financial performance ratio indicators, investors can assess the company's ability to manage its resources to generate profits. Basically, investors want a return on the investment made. Financial performance analysis can help investors to know that the investment will be profitable because it sees the company's profitable operational performance. Based on the company's known financial performance, it can lead to investor reactions to be interested in the company, so that investors consider investing in the company.

The phenomenon of environmental and social problems caused by company activities has become a public concern lately as well as public demands for environmental and social responsibility to companies, making information on sustainability reports an additional attraction for investors in addition to the company's financial performance to invest in the company. The existence of additional information other than financial performance in the form of sustainability reports can have an effect on increasing investor interest and confidence in investing in the company. The existence of additional information in the form of a sustainability report can show that the company is not only focused on its financial benefits, but the company also pays attention to sustainable development of the environment, economy and society.

Based on the previous description, the researcher's question arises whether company performance based on financial performance indicators can affect the reaction of investors to be interested in investing? Then whether the existence of a sustainability report as additional information can strengthen or weaken the effect of financial performance on investor reactions to being interested in investing?

The object chosen in this study, namely companies in the mining industry sector listed on the IDX. The reason for choosing companies in the mining sector as the object under study is because, as discussed in the previous paragraph, mining companies are closely related to environmental and community issues in their production operations. As a form of accountability, the company adds information to the public in the form of a sustainability report that contains the responsibilities carried out by the company towards the environment, economy and society in line with the 3P concept on the Triple Bottom Line (profit, people, planet).

Literature Review and Hypothesis

Legitimacy Theory
Legitimacy theory is a theory coined by Dowling and Pfeffer (1975). This theory focuses on the interaction between companies and society. In legitimacy theory

according to Deegan (2002), it is stated that organizations try to continue to try to ensure that they carry out activities in accordance with the limits and norms that exist in society. The review is also clarified by the statement of O'Donovan (2002) which states that legitimacy is the continuity of life carried out by companies based on rules that are able to be accepted by society. In short, legitimacy is the recognition of the legality of something.

Legitimacy theory has a relationship with management motivation in disclosing sustainability reports. The existence of a sustainability report will make it easier for companies to receive recognition from society. The existence of recognition from the community will attract public attention to invest in the company.

Stakeholder Theory

The term stakeholder was first used by the Stanford Research Institute (SRI) in 1960 in Freeman (1984). According to Freeman (1984), stakeholders are groups or individuals who are influenced or affect the achievement of the company's goals. Referring to Ghozali & Chariri (2007) stakeholder theory is a theory that focuses on the company's responsibility to stakeholders. The company is not an entity that only focuses on its production activities but must also provide benefits to stakeholders (investors, creditors, suppliers, consumers, society, government and other parties). Therefore, the existence of a company is greatly influenced by the support provided by stakeholders to the company.

Nikmah (2020) stated if the company is able to align the company's interests with the needs of stakeholders, the company will get support from sustainable stakeholders. With the importance of the position of stakeholders to the company, therefore, communication between the company and stakeholders must go well. The company's efforts to maintain relationships and gain support from stakeholders are one of them by publishing a sustainability report. The

issuance of a sustainability report is a form of company transparency to stakeholders regarding how the company's position and responsibility for the economic and social environment for operational activities are carried out by the company.

In addition to information in the form of sustainability reports to strengthen and maintain the company's relationship with stakeholders, the company also publishes other information in the form of financial information from the company through annual financial reports.

Signaling Theory

Signaling theory is a theory that assumes that the information obtained by several parties is not the same. The inequality of information obtained is information asymmetry. Signal theory describes the existence of unequal information or information asymmetry between internal parties and external parties who have an interest in the company. According to the view of Brigham and Houston (2001), signaling is an action taken by management in providing instructions to investors regarding management's view of the company's survival. Referring to Melewar (2008), explains that in signal theory, companies give clues or signals using communication and action. These signals are used to reveal hidden information to investors. The information provided can be in the form of good signals or bad signals. If the signal conveyed is a good signal, the market response that arises will be positive. Conversely, if what is conveyed is a bad signal, then the response from the market will be negative.

Financial Performance Affects Investor Reaction

In making investment decisions, one of the things that investors can consider is the company's financial performance. The company's financial performance is a level of management success in managing and controlling the resources owned by the company. Basically, investors invest to

make a profit and do not want to experience losses. Investments made in companies with good financial performance reduce the risk that the investment made will experience losses, because the company has good operations and healthy finances. So with good financial performance in a company, the higher the reaction of investors to be interested in investing in the company. With good financial performance that can be used as a basis for deciding to invest. From the explanation above, a hypothesis is built that financial performance can affect investor reactions. The hypothesis is supported by previous research, namely research from Pratiwi and Muqmiroh (2022) which reveals that financial performance affects investment decisions. In Pratiwi and Muqmiroh (2022) financial performance is measured using the ratio of return on investment (ROI), return on assets (ROA), and asset turnover, while investment decisions are represented by stock returns which are different from this study which makes stock returns a measure of investor reactions.

According to Tarigan (2014) referring to Ross et al. (2003) financial performance can be reflected through the analysis of the company's financial ratios. Financial ratios that can be used to measure the company's financial performance include: return on assets (ROA) ratio to describe the level of profitability, current ratio (CR) to describe the level of liquidity, total asset turnover (TAT) to describe the level of asset management, debt equity ratio (DER) to describe the level of solvency.

Research by Dewanti and Djajadikerta (2018) states that financial performance as measured by return on assets has a partial effect on company value in the telecommunications industry sub-sector listed on the IDX. This is one of the factors that investors react to. Investors react positively to information about financial performance and increasing company value.

Return on assets (ROA) is a financial performance ratio that can describe the level of profitability of the company. The higher the ROA, the better the company manages its assets. With the high ROA in a company, the reaction of investors will increase to be interested in investing in the company, because there is a positive signal given by the company through financial performance based on ROA. Based on the explanation of the ROA ratio, a hypothesis can be built that the ROA ratio has a positive influence on investor reactions. The hypothesis is supported by several previous studies such as research from Ayu (2021) and Hisar et al. (2021) which state that return on assets has a positive effect on stock returns.

Current ratio (CR) is a financial performance ratio that can describe the liquidity capability of the company. With the current ratio, it can be seen how the company's ability to meet its current obligations. The higher the current ratio value will give a positive signal to investors that the company is able to meet its current obligations by relying on its current assets. With a high current ratio value in a company, it will increase the desire of investors to decide to invest. Based on the explanation of the current ratio, a hypothesis can be built that the current ratio has a positive influence on investor reactions. The hypothesis is supported by several previous studies such as research from Hidayah (2021) and research from Priscila and Salim (2019) that the current ratio has a positive effect on stock returns.

Total asset turnover (TAT) or total asset turnover value is a financial performance ratio that can describe the Asset Management capability of the company. Total asset turnover is a ratio that can describe the effectiveness of the company in carrying out its operational activities. With the ability of the company to generate high profits on the assets used, it will increase the reaction of investors to be interested in deciding to invest in the company. Based on the explanation of the total asset turnover ratio, a hypothesis can be built that the total asset turnover ratio has a positive influence

on investor reactions. The hypothesis is supported by several previous studies such as research from Nikmah (2020) and research from Pranata (2015) that total asset turnover (TAT) has a positive effect on stock returns.

Debt to equity ratio (DER) is one of the ratios used to measure the level of company solvency. A high debt to equity ratio indicates that the company has a large debt and has a high risk. According to Hidayah (2021) a high debt to equity ratio indicates that total debt is greater than capital, this increases the risk of a high debt burden increase. With companies that have a debt to equity ratio value that is too high, it can be a signal for investors not to invest in the company. This means that the debt to equity ratio has an opposite relationship with investor reactions. Based on the explanation of the debt to equity ratio, a hypothesis can be built that the debt to equity ratio has a negative influence on investor reactions. The hypothesis is supported by several previous studies such as research from Solechah (2021) and research from Nyoman and Gede (2019) which states that the debt to equity ratio (DER) has a negative effect on stock returns.

From the statement above, the following hypothesis can be built:

H1a: Return on assets has a positive effect on investor reactions.

H1b: Current ratio has a positive effect on investor reactions.

H1c: Total asset turnover has a positive effect on investor reactions.

H1d : Debt equity ratio has a negative effect on investor reactions.

Sustainability Report Moderates The Effect Of Financial Performance On Investor Reaction

Sustainability report is a non-financial sustainability report that can be used by investors as a reference in seeing the company's responsibility in the economic, social and environmental dimensions. Sustainability reports can be used as

additional information for investors in addition to company financial performance information to decide to invest. The existence of sustainability report information that is considered good can strengthen the influence of financial performance on investor reactions to be interested in investing in a company, because there is a positive signal from the sustainability report. Conversely, if the sustainability report information is considered unfavorable, it can reduce the effect of financial performance on investor reactions because the sustainability report information contains negative signals.

Based on the explanation of how the sustainability report can strengthen and weaken the effect of financial performance on investor reactions in investment considerations, a hypothesis can be built that the sustainability report moderates the effect of financial performance on investor reactions. In building this hypothesis, it is supported by several previous studies. Such as research from Wijayanti (2016) which shows that sustainability reports have a positive influence on ROA as a measure of company profitability. Then research from Patuh (2016) states that sustainability reports affect the CR ratio. According to research from Lesmana (2014) sustainability report has a positive effect on financial performance based on total assets turnover. According to research from Sari and Priyadi (2016) states that sustainability reports have an effect on DER.

From the statement above, the following hypothesis can be built:

H2a: Sustainability report moderates the effect of return on assets on investor reaction.

H2b: Sustainability report moderates the effect of current ratio on investor reaction.

H2c: Sustainability report moderates the effect of total asset turnover on investor reaction.

H2d : Sustainability report moderates the effect of debt equity ratio on investor reaction.

Research Method

The population observed in this study are mining companies listed on the Indonesia Stock Exchange (IDX) in 2019-2021, sample selection is carried out using purposive sampling method with the criteria that mining companies listed on the IDX publish sustainability reports with reference to GRI G4 in 2019-2021 in a row (based on previous research), have historical stock price data for 2019-2021 on the Yahoo Finance site (free access, simple, fast, and easy to use). The number of companies that meet the sample criteria is 15 companies out of 60 total populations.

Sustainability Report
The moderating variable used in this study is expressed in the form of SRDI (Sustainability Report Disclosure Index). Disclosure in the sustainability report based on the GRI - G4 Guidelines in total there are 91 items. SRDI disclosure is done by giving a score of 1, if the company in the sustainability report discloses one item and gives a score of 0 if not disclosed.

The SRDI calculation formula is as follows:

$$SRDI = \frac{V}{M}$$

Description:
SRDI = *Sustainability report disclosure index.*
V = Number of items disclosed.
M = Expected number of items.

Financial Performance
The independent variable used in this study is the financial performance variable. In this study, financial performance is measured using several indicators of financial performance ratios including: Return On Asset (ROA), Current Ratio (CR), Debt Equity Ratio (DER), Total Asset Turnover (TAT).

Return On Asset (ROA)
ROA is a financial performance ratio that can describe the level of profitability of the company. ROA shows how efficient the company's management is in utilizing its assets to earn profits. The formula for calculating ROA is as follows:

$$ROA = \frac{Net\ Profit\ After\ Tax}{Total\ Assets}$$

Current Ratio (CR)
Current Ratio (CR) is a financial performance ratio that can describe the liquidity capabilities of the company. CR is a ratio that shows how current liabilities are covered with current assets that are converted into cash. The CR formula is as follows:

$$CR = \frac{Current\ Assets}{Current\ Liabilities}$$

Total Asset Turnover (TAT)
Total asset turnover (TAT) is a financial performance ratio that can describe the asset management capabilities of the company. TAT is a ratio that shows how the company's ability to utilize its assets efficiently so as to provide cash inflows for the company. The formula used to measure TAT is as follows:

$$TAT = \frac{Sales}{Total\ Assets}$$

Debt Equity Ratio (DER)
Debt to equity ratio (DER) is a ratio that can be used in measuring the level of company solvency. DER shows how the company uses its capital to meet its long-term obligations. As for measuring this ratio as follows:

$$DER = \frac{Total\ Debt}{Equity}$$

Investor Reaction

According to Gunawan and Jati (2013) who refer to Tandehlin (2001) stock return is one of the factors that motivate investors to invest and is a reward for the investor's courage to bear the risk of the investment made. The goal of investors to invest is to maximize the return on shares without forgetting the investment risk factors they face. The higher the stock return value, the higher the investor's reaction to be motivated to invest in the company, on the other hand, the lower the stock return obtained, the lower the investor's reaction to be motivated to invest in the company. Some previous studies also used stock returns as an investor reaction variable, including research from Jao et al. (2020).

The formula used to calculate stock returns is as follows:

$$Rs = \frac{Pt - Pt - 1}{Pt - 1}$$

Description:

Rs= Stock return

P_t = Stock price in the current period

P_{t-1} = Share price in the previous period

Data Analysis Method

The analysis method used in this research is multiple linear regression analysis. Regression is used to determine the relationship between financial performance proxied by ROA, CR, TAT, DER (Var. X) on investment decisions (Var. Y) Data prerequisite tests use normality tests, multicollinearity tests, and heteroscedasticity tests. For moderation analysis testing using Moderated Regression Analysis (MRA).

Model 1: Y= α +β_1 X1+β_2X2+ β_3X3+β_4X4+e

Model 2: Y= α + β_1 X1+β_2X2+ β_3X3+β_4X4+β_6 X1X5+β_7X2X5+ β_8X3X5+β_9X4X5+ e

Results and Discussion

Normality Test

According to Ghozali (2018), the normality test is carried out to find out in the regression model, confounding and residual variables have a normal distribution. A good regression model is a model that has a normal distribution. The results of the data normality test after transformation. The data is presented in the following table:

Table 1
Summary of Normality Test Results

Variable	Kolmogorov-Smirnov	Asymp. Sig. (2-tailed)	Conclusion
Unstandardized Residual	0.109	0.2	Normal

Data normality testing uses Kolmogorov-Smirnov nonparametric statistics. Research data is said to be normal if it meets the normality test criteria with a significance value> 0.05 or 5%. Based on the test results table presented in the table, it shows that all variables are normally distributed because the Kolmogorov - Smirnov significance value has a value of 0.109 and the Asymp. Sig. (2-tailed) has a value of 0.200, which means that each of these values is greater than 0.05 or greater than 5%. So from the table above it can be concluded that the variables in this study are normally distributed.

Hypothesis Test Results
Financial Performance Affects Investor Reaction

Table 2
Test Results of the Effect of Financial Performance on Investor Reaction

Model 1 Testing Results				
Dependent Variable: Investor Reaction				
Variable	Regression Coefficient	T Count	T Table	Sig
Constant	0.33	2.516	2.0195	0.16
ROA	3020	3.195	2.0195	0.003

CR	-0.048	-1.117	2.0195	0.271
TAT	-0.305	-2.092	2.0195	0.043
DER	-0.013	-0.857	2.0195	0.397
N	45			
F	3.624			
Sig F	0.013			
R	0.266			

Hypothesis testing shows that financial performance based on return on assets (ROA) and total asset turnover (TAT) proxies affects investor reactions, while financial performance based on current ratio (CR) and debt equity ratio (DER) proxies has no effect on investor reactions. This is based on the Sig value of ROA 0.003 and Sig TAT 0.043 smaller than <0.05 or 5% so that it affects the investor's reaction, while the Sig value of CR 0.271 and Sig DER 0.397 is greater than> 0.05 or 5%, meaning that it has no effect on investor reactions. The calculation results with the help of SPSS form the following calculation model:

Investor Reaction = 0.330 + 3020 ROA – 0.048 CR – 0.305 TAT – 0.013 DER + e

Return On Asset (ROA) Has a Positive Effect on Investor Reaction
Referring to the hypothesis test that has been carried out, H1a which states that return on assets has a positive influence on investor reactions can be supported. In the research that has been done, it also states that ROA has a positive influence on investor reactions assessed using stock returns. This test implies that investors see the level of ROA as a benchmark in assessing the company's financial performance for consideration in deciding to invest. A high ROA can increase the confidence of investors considering making an investment, because a high ROA level indicates that the company's financial performance is good, so that it has an impact on the rate of return on shares in the form of high stock returns. A high level of stock return will provide investors with benefits for the investment made, the level of stock return is in line with how motivated investors react to investing in companies in

order to benefit from stock returns. The results of this study which state that ROA has a positive effect on investor reactions as measured using stock returns are in line with research from Dalia (2021) and Hisar et al. (2021).

Current Ratio (CR) Has a Positive Effect on Investor Reaction
Referring to the hypothesis test that has been carried out, the H1b hypothesis which states that the current ratio has a positive effect on investor reactions is not supported. This can happen because companies that have high CR levels do not necessarily have high stock returns that can motivate investors to invest in the company. CR value is used to measure the company's liquidity level. A high CR value indicates that the availability of current assets to pay current debt is also high. While current assets consist of accounts such as cash and cash equivalents, inventories, accounts receivable and securities. A high CR does not necessarily indicate the availability of sufficient cash to pay debts. A high CR may come from high inventory and high receivables, which have the potential to be uncollectible, thus harming the company. The inconsistent CR value can make investors not interested in making CR a reference in considering making investments. Investors may prefer to use other liquidity values such as quick ratios whose calculations do not include inventory elements or cash ratios that only involve cash and cash equivalents. The results of this study which state that CR has no effect on investor reactions as measured by stock returns are in line with research from Prasetia and Sariguna (2014) and Supriantikasari and Utami (2019).

Total Asset Turnover (TAT) Has a Positive Effect on Investor Reaction
Referring to the hypothesis test that has been carried out, the hypothesis H1c which states that total asset turnover has a positive effect

on investor reactions, cannot be supported. This study shows that TAT has a negative effect on investor reactions, while the hypothesis that TAT builds has a positive influence on investor reactions. The negative form of influence indicates that the greater the TAT, the stock return as a measure of investor reaction will decrease, conversely the lower the TAT, the higher the level of stock return as a measure of investor reaction. The TAT value which has a negative effect on stock returns as a measure of the level of investor reaction can occur, because it is likely that investors look more at the level of profit that can be described by ROA, so that even though the TAT level decreases, it does not necessarily reduce the reaction of investors not to be interested in investing in the company. This is in line with research from Salim (2015) and research from Winda and Komang (2020).

Debt Equity Ratio (DER) Negatively Affects Investor Reaction

Referring to the hypothesis test that has been carried out, the H1d hypothesis which states that the debt equity ratio (DER) affects investor reactions is not supported. This can happen because the DER value cannot affect stock returns as a measure of investor reactions. DER that has no effect can be caused by investors not making high or low DER values a reference in investing considerations. Investors are more oriented towards the profit earned rather than the amount of debt level in the proportion of capital in the company.

Hypothesis Test Results Sustainability Report Moderates the Effect of Financial Performance on Investor Reaction

Table 3
Test Results of the Effect of Financial Performance Moderated by Sustainability Report on Investor Reaction

Model 2 Testing Results				
Dependent Variable: Investor Reaction				
Variable	Regression Coefficient	T Count	T Table	Sig
Constant	0.491	3.187	2.0195	0.03
ROA	15.688	3.339	2.0195	0.002
CR	-0.255	-1.999	2.0195	0.053
TAT	-1.063	-2.524	2.0195	0.016
DER	-0.147	-0.76	2.0195	0.452
ROA*SRDI	-23.183	-2.853	2.0195	0.007
CR*SRDI	0.265	1.261	2.0195	0.215
TAT*SRDI	1.288	1.755	2.0195	0.088
DER*SRDI	0.153	0.581	2.0195	0.565
N	45			
F	3.379			
Sig F	0.005			
r²	0.429			

Hypothesis testing shows if the sustainability report that moderates financial performance based on the Return On Asset (ROA) proxy has an influence on investor reactions, while the sustainability report that moderates financial performance based on total asset turnover (TAT), current ratio (CR) and debt equity ratio (DER) proxies has no effect on investor reactions. This is based on the Sig value of ROA moderated by SRDI 0.003 which is smaller than <0.05 or 5% so that it has an effect on investor reactions, while the Sig value of TAT moderated by SRDI is 0.271, Sig CR moderated by SRDI is 0.397 and Sig DER moderated by SRDI is greater than> 0.05 or 5%, meaning that it has no effect on investor reactions.

The calculation results with the help of SPSS form the following calculation model:

$$Y = 0,491 + 15,688ROA - 0,225CR - 1,063TAT - 0,147DER - 23,183ROA * SRDI + 0,265CR * SRDI + 1,288TAT * SRDI + 0,153DER * SRDI + e$$

Sustainability Report Moderates The Effect Of Return On Assets (ROA) On Investor Reaction

Referring to the hypothesis test that has been carried out, the hypothesis H2a which states that the sustainability report moderates the effect of return on assets (ROA) on investor reactions, can be supported. ROA moderated by sustainability reports also shows a positive influence on investor reactions. This test implies that investors see the level of ROA moderated by the sustainability report as a benchmark in deciding to invest in the company. The positive effect on ROA moderated by the sustainability report can be interpreted that with a high level of financial performance based on ROA and the fulfillment of the index in the sustainability report can strengthen investor reactions to invest in the company.

Sustainability Report Moderates The Effect Of Current Ratio (CR) On Investor Reaction

Referring to the hypothesis test that has been carried out, the H2b hypothesis which states that the sustainability report moderates the effect of current ratio (CR) on investor reactions, cannot be supported. This is because CR itself is not a reference for investors in investing considerations, because a high CR does not necessarily indicate the availability of sufficient cash to pay debts. A high CR may come from high inventory and high receivables that have the potential for receivables. Inconsistent CR values can cause investors to be unwilling to use CR values as a basis for investing considerations and choose other indicators in consideration for investing. Meanwhile, sustainability reports that are unable to moderate financial performance based on CR could be due to investors not paying too much attention to sustainability reports as a consideration in investing.

Sustainability Report Moderates The Effect Of Total Asset Turnover (TAT) On Investor Reaction

Referring to the hypothesis test that has been carried out, the H2c hypothesis which states that the sustainability report moderates the effect of total asset turnover (TAT) on investor reactions, cannot be supported. Although financial performance based on TAT can affect investor reactions, based on existing tests, the sustainability report itself is unable to moderate the effect of financial performance based on TAT on investor reactions. This can happen because investors do not pay much attention to the sustainability report or it could be that investors do not really consider the sustainability report in considering investing in the company.

Sustainability Report Moderates The Effect Of Debt Equity Ratio (DER) On Investor Reaction

Referring to the hypothesis test that has been carried out, the H2d hypothesis which states that the sustainability report moderates the effect of debt equity ratio (DER) on investor reactions, cannot be supported. Because DER with a high or low value is not a reference for investors in investing considerations, because investors are more oriented towards the level of profit earned than the amount of debt level in the proportion of capital in the company. Based on testing, the sustainability report itself is unable to moderate the effect of financial performance based on DER on investor reactions. This can happen because investors do not pay too much attention to sustainability reports in making investments or investors themselves do not really consider sustainability reports as a basis for consideration to invest in companies.

Conclusion and Recommendation

Conclusions

Based on the data analysis that has been done, this study proves that: From the first hypothesis consisting of 4 financial performance measures, which can affect the reaction of investors only 2 measures, namely the level of return on assets (ROA) and total asset turnover (TAT), while the other two factors current ratio (CR) and debt equity ratio (DER) can not affect the reaction of investors. ROA itself has a positive influence on investor reactions while TAT has a negative influence on investor reactions. From ROA and TAT that affect the reaction of investors, it can be concluded that investors in considering investing in a company consider financial performance at the level of profit and sales level more than the level of debt, and the proportion of capital.

From the second hypothesis consisting of 4 measures of financial performance, only 1 measure can be moderated by a sustainability report. In this case, the sustainability report can moderate the effect of return on assets (ROA) on investor reactions, while the other 3 measures, namely current ratio (CR), total asset turnover (TAT) and debt equity ratio (DER) cannot be moderated by the sustainability report. For this reason, it can be concluded that the sustainability report is currently not too much of a concern for investors as a consideration for investing, but this does not rule out the possibility that in the future the sustainability report can be an additional consideration in addition to financial performance in investing in a company. This is based on the effect of financial performance measures based on return on assets (ROA) which can be moderated by sustainability reports on investor reactions.

This research has limitations where the results in this study cannot be generalized, because the scope of this research is only limited to the mining industry. In addition, sustainability reports in Indonesia are currently not yet an obligation for companies, so some companies do not disclose sustainability reports and some companies are just starting to make sustainability reports. Therefore, as a result, the research sample is limited. Lin's limitation is that the research model is relatively simple, because it only reveals the effect of financial performance moderated by sustainability reports on investor reactions. There are still many possible other factors that can affect the reaction of investors to be interested in investing, but are not included in this study.

Suggestions

It is hoped that future researchers with the same type of research can conduct research on other industrial sectors such as manufacturing, basic and chemical industries or other industries that have never been studied or even the entire industrial sector to determine the effect of financial performance moderated by sustainability reports in other industrial sectors or the entire industry. It is hoped that further research will use other variables that can affect investor reactions, because there are still many other factors that can influence the reaction of investors to be interested in investing such as risk tolerance, financial experience, so that they can find out exactly the pattern of investors in considering making investments.

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