

ABSTRACT

This study aims to analyze and interpret empirical evidence of the effect of research and development costs on firm value and is mediated by the existence of a sustainability report. These three variables are projected with research costs and returns, Tobin's Q, and a sustainability report containing corporate social environmental responsibility.

This research is a secondary quantitative research. The population of this research is all companies that disclose sustainability reports in 2017, 2018, 2019 and 2020 with the distribution of observational data in 2017 of 570 companies, in 2018 of 622 companies, in 2019 of 671 companies, in 2020 of 716 company. The research data uses secondary data and data analysis techniques use the outer model and inner model tests through the Smart PLS 3 application.

The results showed that research and development costs have a positive effect on firm value, research and development costs have a negative effect on sustainability report disclosure, sustainability report disclosure has a negative effect on firm value and the mediating effect of sustainability reports has a negative effect on the relationship between research costs and development.

Keywords: research and development costs, company value, and company sustainability reports.