

The Effect of Financial Performance, Leverage, Good Corporate Governance and Company Size on the Sustainability Report (Study of Companies Listed on the IDX, LQ 45 in Year 2015 – 2019)

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Abstract:
Purpose:

The research aims to determine the effect of financial performance, leverage, good corporate governance, and company size on sustainability reports (study of companies listed on the LQ 45 2015 – 2019). Entity business management is currently not only based on economic aspects but also social aspects as the main basis for decision makers.

Methodology:

This study aims to determine and analyze the effect of profitability, leverage, institutional ownership, audit committee, independent commissioners, and company size on the sustainability reports of LQ 45 companies listed on the IDX in 2015-2019, so that 85 research samples were determined. Data was processed and analyzed using multiple linear regression.

Findings:

Related to sustainability in full and detail in the annual report or make a separate report regarding the company's social and environmental activities in the sustainability report or sustainability reporting. FOR Investors Investment is given to entities engaged in the natural resource management sector. Disclosure of sustainability reports is a consideration because entities that carry out and report corporate social responsibility will undoubtedly be more attractive to investors. After all, this gives legitimacy to the company's good value in the eyes of investors.

Implication:

Future research is expected to use different objects, such as companies in the manufacturing and mining sectors, which are directly correlated with environmental aspects and different indices, for example, SRI-KEHATI, LQ45, Kompas 100, and so on. The different research times and variables are also a suggestion for other researchers—the value of shares, aspects of capital, and other financial performance.

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INTRODUCTION

The basis of forming a profit entity is to get the expected profit. The company, in addition to prioritizing internal, external, and community shareholders. The entity's current business management is not primarily based on economics but also social aspects. The basis of the data in the report facilitates the interpretation of report users; profit entities require that these disclosures are not misleading. Annual business entity data submission is divided into two, mandatory and voluntary. This paradigm reveals the company's success in terms of economic, social, and environmental aspects.

The relationship between the three pieces of information is contained in the sustainability report in the Sustainability Report guidelines made by GRI (Effendi MA, 2016, p. 213). Furthermore, OJK Regulation Number 51 of 2017 disclosure of the Sustainability Report is mandatory for FSI, Issuers, and registered Companies. Therefore, the development of accounting initially focused on financial reports (Financial Reports), then management reports (Management reports), green reports (Green Reporting), and Sustainability Reporting.

Factors influencing the Sustainability Report are Profitability, Leverage, institutional ownership, audit committees, independent commissioners, and company size. The profit ratio measures company profits; Profitability is a ratio that measures the value of assets and capital calculated with others (Alhamra, 2016, p. 4). The ratio used in this study for the variable profitability indicator Return on Assets (ROA) is dividing earnings before tax by the entity's total assets.

Based on the legitimacy theory, the higher the ROA number of a company indicates, the greater the net profit after tax that they generate from their operational activities. So Profitability plays a driving force in carrying out all company activities, including environmental and social activities of the company, which, in the end, impact stakeholders.

Research from Tobing (2019), Anissa (2019), Leksono (2018), and Alhamra (2016) shows that there is a significant influence on Profitability by disclosing the Sustainability Report. However, other research, namely Damayanti (2020), Respati (2015), and Putri (2014), state that there is no significant influence on Profitability with the Sustainability Report.

Leverage is the ratio of assessing long-term debt to total assets (Fahmi, 2015), while Kasmir (2012) states that Leverage is the company's value in paying all debts. Several financial leverage measurement tools; Debt Ratio, Debt to Equity Ratio (DER); Time Interest earned ratio; Fixed charge coverage.

Research from Tobing (2019), Wijaya (2020), and Indiana (2022) state that Leverage is not significant for Sustainability Report disclosure. Meanwhile, research from Ainul (2020), Ana (2018), Ida (2020), and Rahmatilaili (2022) showed, Leverage has significance in the disclosure of the Sustainability Report, while Tobing (2019), Mardiana (2022), Ainul (2020), Ana (2018), Ida (2020) shows that there is a difference in the effect of Leverage on disclosure of the Sustainability Report.

Institutional ownership is the value of the number of shares owned by an institution within the entity. Based on legitimacy theory, the greater the institutional ownership of an entity, the greater the Sustainability Report's disclosure level. That is because institutions that invest in a company get commensurate returns on the capital invested. Institutions continuously monitor the development of their investment in the company, with high institutional ownership will increase control over management actions. So that, information related to the latest economic and environmental conditions of companies is disclosed in the Sustainability Report (Pramiswari, 2017, p. 4).

Research from Suprapti (2019), Annisa (2019), Fitriana (2019), and Singal (2019) shows that there is an influence of institutional ownership on sustainability reports. However, this research's conditions differed from Fitri in 2019, Pramiswari and Andayani in 2017, and Irjayanti in 2015, who concluded that institutional ownership does not affect the reported sustainability report.

The Audit Committee is a department comprising the board of directors in a control scheme. The number of audit committee collections is significant, so the supervision will improve; this conclusion encourages the reported ongoing reports. Research to Tobing (2019) and Damayanti (2020), the Audit Committee has no significant relationship with the disclosure of the Sustainability Report. Meanwhile, Sari's research for 2022 has different results.

Independent Commissioners, described as committees or bodies not directly affiliated with the controlling shareholder, their position is independent in the control of the entity (Makhdalena, 2012). Therefore, research to Tobing (2019) and Sari (2022), this variable is not significant for the entity's sustainability report, but Tobing (2019), and Damayanti (2020), the Independent Commissioner variable has significance for the entity's sustainability report.

Company size is the entity's size based on company assets, taxes paid, and profits earned. Based on legitimacy theory, the size of this variable valuation indicates the size of the company's capital capitalization. If a company is registered on the IDX, the company must comply with laws set by the government and IDX regulations because the impact and responsibility on the environment and society are even more significant; one of the relevant government laws is Law 40 of 2007, which requires entities to carry out CSR activities and carry out their responsibilities. They replied. (Leksono, 2018, p. 6). Research from Damayanti (2020), Tobing (2019), Fitriana (2019), and Anisah (2018) shows that there is an effect of company size on the disclosure of environmental information and CSR.

From the background and differences in the various previous studies. Make a research gap related to the above phenomenon that needs to be reviewed. This research reflects Tobing's research conducted in 2019, with the latest addition of institutional ownership variables to the independent variables, increasing the research period from 3 years to 5 years for companies listed on the IDX, LQ 45 Non-Financial.

Based on the background described above, the formulation of the problem in this research is whether Profitability, Leverage, Institutional Ownership, Audit Committee, Independent Board of Commissioners, and Company Size affect Sustainability Reporting (Studies on Companies Listed on the IDX, LQ 45 the Year 2015 – 2019). The results of this study are expected to provide the following benefits:

1. Academic Benefits Research on aspects of sustainable accounting can be used to indicate research renewal for future researchers.
2. Practical Benefits for shareholders and stakeholders as a material for disclosing financial and environmental information about companies and management in making the company's Sustainability Report decisions.

METHODS

The type of research in this research is associative research, namely the type of research that aims to determine the influence or also the relationship between two or more variables. The source of data in this research is secondary data. The secondary data is in the form of data obtained from the company concerned's annual report and the Sustainability Report.

The unit of analysis in this study is related to obtaining data and grouping it until it is ready to be analyzed. The research uses the annual report analysis unit, which includes financial reports, sustainability reports, and organizational structure from 2015 to 2019. In addition, this research uses secondary data, data obtained from literature, and other sources as reference material. The data that has been collected is then analyzed using statistical inference so that it can prove the hypothesis that has been formulated. The population in this study are companies listed on the IDX, which were included in the LQ 45 index in 2015-2019. The population in this study, namely 45 companies. Table 4.1 shows the number of research samples using the purposive sampling method.

Table 1. Sample Criteria

Sample Criteria	Number of Samples
Companies listed on the IDX with an LQ Index of 45 for 2015-2019	45
Financial sector companies such as finance companies and banks listed on the IDX LQ 45 index were excluded from the research sample.	(15)
Companies that do not consistently publish Sustainability Reports in a row during 2015-2019.	(13)
Number of Research Samples	17

Source: processed secondary data (2022).

Seventeen research samples are non-financial sector companies listed on the IDX LQ 45 Index, which consistently published Sustainability Reports in a row during 2015-2019 using a purposive sampling method to determine the sample. The reason for choosing companies listed on the IDX LQ 45 index is that companies listed on the IDX routinely publish various reports to the public, such as annual reports and sustainability reports, so that they can be used as secondary data for research variables on profitability, leverage, institutional ownership, audit committees, independent board of commissioners and company size, and Sustainability Report disclosures.

In addition, another reason is that companies listed on the IDX LQ 45 Index are companies that actively traded shares to the public and get more attention from investors. Hence, IDX companies tend always to maintain their financial and non-financial performance, such as economic performance and the environment.

Operational Definitions of Variables. Profitability is the company's ability to earn profits from sales, total assets, and own capital. The indicator for Profitability uses the same indicators as Tobing's research (2019) by calculating the Return on Assets (ROA) ratio. The formula is as follows:

$$\text{Return on Assets (ROA)} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}} \times 100\%$$

Leverage. Leverage is the ratio that reflects the company's ability to fulfill all its obligations, shown in the share of its capital used to pay debts (Kasmere, 2012). Leverage proxied by the Debt to Equity Ratio is calculated by dividing the company's total liabilities by total shareholder equity.

$$\text{Debt to Equity Ratio Formula leverage} = \frac{\text{Amount Debt}}{\text{Amount Capital}}$$

Institutional Ownership. Institutional ownership is the ownership of shares of a company by institutions or institutions such as insurance companies, banks, investment companies, and other institutional owners. The formula is as follows:

$$\text{Institutional Ownership} = \frac{\text{Number Share Held by Institutions}}{\text{Total Stock Shares}} \times 100\%$$

Audit Committee. Definition of an audit committee is a group of people selected from a larger group to do particular work or carry out special tasks or several members of the client company's board of commissioners who are responsible for assisting the auditor in maintaining independence from management (Tugiman, 1995, p. 8) Audit Committee in research. This is measured by the formula namely:

$$\text{Audit Committee} = \sum \text{Audit Committee Members in One Year}$$

Independent Board of Commissioners. In a Good Corporate Governance mechanism, the most important thing is the existence of an independent board of commissioners. The board of commissioners is a shareholder representative in a company incorporated as a limited liability company whose function is to oversee company management carried out by management (directors) and is responsible for determining and assessing management to carry out development and internal control of the company, (Mulyadi, 2002). The formula is as follows:

$$\text{Independent Commissioner} = \frac{\text{Member of Independent Board of Commissioners}}{\text{Total Members of the Board of Commissioners}} \times 100\%$$

Company Size. According to Brigham and Houston (2014), company size is a measure of the size of a company that is indicated or assessed by total assets, total sales, total profits, tax expenses, and others. The size of the organization is to determine the number of members related to the selection of how to control activities to achieve goals (Tobing, 2019, p. 3). The formula is as follows:

$$\text{Company Size (size)} = \text{Ln Total Assets}$$

Disclosure of Sustainability Reporting. The indicators used for Sustainability disclosure use the Global Reporting Initiative (GRI) G4. The calculation uses a dichotomous approach; each item of financial and environmental disclosure is given a value of 1 if disclosed and 0 if not disclosed. The formula is as follows:

$$\text{Disclosure of Sustainability Report} = \frac{\text{Total Items Disclosed by the Company}}{\text{Total GRI Disclosure Items}}$$

Multiple Linear Regression Analysis. In this study, the analysis technique used is Multiple Linear Regression which consists of 1 dependent variable (Y), namely disclosure of financial and environmental information, and six independent variables (X), namely Profitability (X1), Leverage (X2), institutional ownership (X3), audit committee (X4), independent commissioners (X5), and company size (X6). The form of the Multiple Linear Regression equation in this study is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + e$$

Where:

Y= Disclosure Sustainability Report

a = Constant

X1 = Profitability

X2 = leverage

X3 = institutional ownership

X4 = Audit Committee

X5 = Independent commissioner

X6 = Company size

e = confounding variable

RESULTS AND DISCUSSION

The variables used in this study are disclosure of SR (Y), Profitability (X1), Leverage (X2), Institutional Ownership (X3), Audit Committee (X4), Independent Board of Commissioners (X5), and Company Size (X6) as the independent variable. Table 2 is a descriptive statistic for the variables used in this study.

Table 2. Descriptive Statistical Analysis of Research Variables

Variable	Minimum	Maximum	Means	std. Deviation
Disclosure of Sustainability Report (Y)	0.11	0.78	0.4365	0.19109
Return on Assets(X1)	-5.72	46,66	6.7442	9.89318
Debt to Equity Ratio(X2)	0.14	3,31	1.1085	0.79194
Institutional Ownership	74,14	99.81	95.0555	5.90174
Audit Committee	3	5	3.5294	0.70014
Independent Board of Commissioners	1	3	2	0.69007
Company Size	12.88	19.68	17.1031	1.38042

Source: Appendix (data processed, 2022)

Independent Variable.

1. Profitability. The statistical test results in Table 5.18 show that the profitability variable with a sample size (N) of 85 has a minimum value of -5.72 in EXL 2018. Meanwhile, a maximum value of 46.66 was obtained in UNVR companies in 2018. The average value is the mean (mean) is 6.7442, and the standard deviation is 9.89318
2. Leverage. The statistical test results in Table 5.18 show that the company commitment variable with a sample size (N) of 85 has a minimum value of 0.14, found in the INCO company in 2019, while the maximum value was 3.31, found in the JSMR company in 2017. The average value -the average (mean) is 1.1085, and the standard deviation is 0.79194.
3. Institutional Ownership. The statistical test results in Table 5.18 show that the management ownership variable with a sample size (N) of 85 has a minimum value of 74.14 in 2019, namely PTRO. While the maximum value is 99.81 was found in INTIP in 2019. The average value (mean) is 95.0555, and the standard deviation is 5.90174.
4. Audit Committee. The statistical test results in Table 5.18 show that the global market variable with a sample size (N) of 85 has a minimum value of 3.00 in 10 (ten) companies, namely AKRA, EXL, INCO, INTIP, ITMG, PTRO, SIMP, SMCB, UNTR, UNVR 2015-2019. While the maximum value is 5.00 in 2 (two) companies, namely JSMR and PGAS, in 2015-2019. The average value (mean) is 0.47978, and the standard deviation is 0.36064.
5. Independent Board of Commissioners. The statistical test results in Table 5.18 show that the global market variable with a sample size (N) of 85 has a minimum value of 1 in 4 companies, namely AKRA, JSMR, SMCB, and UNVR,

in 2015-2019. While the maximum score was 3 in 4 companies, namely ASII, EXL, GIAA, and ITMG, in 2015-2019. The average value (mean) is 2.0000, and the standard deviation is 0.69007

- Company Size. The statistical test results in Table 5.18 show that the variable company size with a sample size (N) of 85 has a minimum value of 12.88 in the 2016 PTRO. Meanwhile, the maximum value was 19.68 in ASII in 2019. The average value (mean) is 17.1031, and the standard deviation is 1.38042.

Dependent Variable. Disclosure of Sustainability Report The statistical test results in Table 5.18 show that the company commitment variable with a sample size (N) of 85 has a minimum value of 0.11 in ASCII 2015. Meanwhile, the maximum value is 0.78 in ANTM 2015—the average value (mean) of 0.4365 and the standard deviation of 0.19109.

Normality test. The Normality Test is carried out to test whether, in a regression model, the independent, dependent, or both have a normal distribution. Expected or not data can be done by paying attention to the value of the One- Sample Kolmogorov-Smirnov Test. This study uses a significance level of 5%, so the distribution of research data can be expected if it has a probability value (sig) > 0.05.

In the Kolmogorov-Smirnov non-parametric statistical test results, it can be seen that the Kolmogorov- Smirnov value is 0.067 with a significant level of 0.200. These results indicate that the significance value of the Unstandardized Residual is more significant than 0.05 (0.20 > 0.05), so the data used in this study are typically distributed.

Multicollinearity Test. A multicollinearity test is conducted to see whether there is a correlation between the independent variables or one another. In this study, there were no symptoms of multicollinearity.

Autocorrelation Test. According to Ghozali (2018), The autocorrelation test aims to test whether, in the regression model, there is a correlation between the residual value in the current period (t) and the residual value in the previous year's period (t-1). Therefore, if there is a correlation between the current residual value and the previous period's residual value, there is an autocorrelation problem. The method that can be used in this test is the Durbin-Watson test method (DW-test) with the provisions in the table of DW-test values as follows:

Table 3. DW-Test Value (Durbin Watson)

DW value	Interpretation
$-2 \leq DW \leq 2$	There is no autocorrelation
$DW < -2$	There is a positive autocorrelation
$DW > +2$	There is a negative autocorrelation

Source:(Bahari, 2018)

The results of the autocorrelation test using the Durbin-Watson test are as follows:

Table 4. Autocorrelation Test Results (Durbin-Watson)

Durbin-Watson values
1,174

Source: (SPSS Output Data 25, 2022)

The calculation results show the DW test value = 1.174. Based on the table above, the DW value is between -2 and 2 or $-2 \leq 1.174 \leq 2$; it can be concluded that the regression model is free from autocorrelation.

Heteroscedasticity Test. The heteroscedasticity test aims to test whether, in the regression model, there is an inequality of variance from the residual one observation to another observation" (Ghozali, 2016, p. 134). A good regression model is that there is no heteroscedasticity. Detecting the presence or absence of heteroscedasticity in the regression equation can use the Spearman Rho test by correlating all factors' values to the Unstandardized Residual value. If the significance value of each variable is more significant than 0.05, then there is no heteroscedasticity problem (Ghozali, 2016, p. 134).

Multiple Regression Analysis. After fulfilling the classical assumption test described earlier, multiple linear regression analysis is feasible for the research model because the statistical requirements have been met. Multiple linear

regression analysis aims to determine the effect of more than one independent variable on the dependent variable. Based on research data and the output of the SPSS (Statistical Product and Service Solutions) program, then it will be summarized in the following table:

Table 5. Summary of Multiple Linear Regression Analysis Results

Variable	Regression Coefficient	count	Sig	Description
Constant	0.649			
Return on Assets(X1)	-0.006	-3,301	0.001	Rejected
Debt to Equity Ratio(X2)	-0.145	-6,549	0.000	Rejected
Institutional Ownership (X3)	0.000	0.029	0.977	Rejected
Audit Committee (X4)	0.082	3.107	0.003	Accepted
Independent Board of Commissioners (X5)	-0.106	4,471	0.000	Rejected
Company Size (X6)	-0.004	0.239	0.811	Rejected

Source: Appendix (data processed, 2022)

Mathematically the multiple linear regression function model can be stated as follows:

$$Y = 0.649 - 0.006X1 - 0.145X2 + 0X3 + 0.082X4 - 0.106X5 - 0.004X6 + e.$$

The interpretation of the equation is as follows:

- The constant value is 0.649, indicating that if the variables X1, X2, X3, X4, X5, and X6 do not change, then the disclosure of sustainability reporting (Y) is 0.649
- The value of the regression coefficient X1 or the profitability variable has a negative value of 0.006, indicating a negative directional relationship to sustainability reporting disclosures; if the company experiences a decrease in profits, it will reduce sustainability reporting disclosures.
- The value of the regression coefficient X2 or the leverage variable has a negative value of 0.145, indicating a negative directional relationship to sustainability reporting disclosures; if the company experiences an increase in Leverage (debt level), it will reduce sustainability reporting disclosures.
- The value of the regression coefficient X3 or the institutional ownership variable with a nil value indicates that it will not reduce or increase sustainability reporting disclosures regardless of the percentage of institutional ownership. Company.
- The X4 coefficient value or the audit committee variable with a positive value of 0.082 indicates a positive directional relationship to the disclosure of sustainability reporting; if there is an increase in the existence of an audit committee, it will increase the company's sustainability reporting disclosures.
- The coefficient value of X5 or the independent commissioner variable with a negative value of 0.106 shows a negative direction toward sustainability reporting disclosures; if the number of independent commissioners (X5) is reduced, it will reduce sustainability reporting disclosures.
- The coefficient value of X6 or company size variable with a negative value of 0.004 shows a negative direction towards sustainability reporting disclosures; if the company size decreases, it will reduce sustainability reporting disclosures.

Hypothesis Testing. Testing this hypothesis is done by testing the coefficient of determination (R^2), f-test, and t-test as follows:

Determination Coefficient Test (R^2). The results of testing the hypothesis for the coefficient of determination (R^2) are as follows:

Table 6. Table of Determination Coefficient Test

Model	R	R Square	Adjusted R Square	std. The error in the Estimate
1	0.690	0.476	0.436	0.1427800

Source: Appendix (data processed, 2022)

The following will describe the statistical summary model, including:

- The R-value with a value of 0.690 or 69.0% is the correlation coefficient which indicates the level of relationship between the variables of Profitability (X1), leverage (X2), institutional ownership (X3), audit committee (X4), independent commissioners (X5) and company size (X6) with the variable disclosure of sustainability reporting (Y). Therefore, the correlation value indicates a moderate level of relationship because it is between 0.600 and 0.799 (based on the r interpretation table).

Table 7. Tabulation of interpretation of R values

Coefficient Intervals	Relationship Level
0.800 – 1.000	Very high
0.600 – 0.799	Tall
0.400 – 0.599	Currently
0.200 – 0.399	Low
0.000 – 0.199	Very low

- The value of R Square with a value of 0.476 is R squared, which indicates that the independent variables taken in this study have a relationship level with the dependent variable of 47.6%, so the remaining 53.4% are other variables not stated in this study.
- The Adjusted R Square value of this regression model is 0.436, which indicates that the variation or rise and fall of the dependent variable (Y) is influenced by the independent variable (X) of 43.6%.

f Test (Model Test). The F statistic test is an instrument that aims to show whether all the independent variables included in the research model have a combined effect on the dependent variable (Ikhsan et al., 2014, p. 199). Besides being used to test the effect of the simultaneous F statistic, the F statistic test can test whether a regression model is feasible to study.

Table 8. F-Statistics Test Results

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1,446	6	0.241	11,825	0.000b
	residual	1,590	78	0.020		
	Total	3,037	84			

Source: Appendix (data processed, 2022)

The basis for decision-making from the F statistical test is as follows:

- If the calculated F value > F table, the independent (free) variable simultaneously influences the dependent (bound) variable. On the other hand, if the calculated F value < F table, the independent (free) variable simultaneously does not affect the dependent (bound) variable. For example, how to find out the F table by df N1, namely the number of variables - 1, df N2 utilizing the number of samples - df N1, the F table in this study is df N1 = 7 - 1 = 6, df for N2 = 84 - 6 = 78, so The F table is df N1 = 6 and df N2 = 78. So in this f test, the result is calculated as F value (4.898) > F table (2.22), so the independent variable model simultaneously influences the dependent variable.

- If the significance value is <0.05 , the independent variables significantly affect the dependent variable. Conversely, if the significance value is > 0.05 , the independent variables have no significant effect on the dependent variable. This test's significance value is $0.00 < 0.05$; the independent variables jointly affect sustainability reporting disclosure.

t-test (Partial Hypothesis Test). This t-test is to test the independent variable on the dependent variable. For example, to partially determine the independent variables' effect on the Disclosure of CSR (Y), use the t-test at the Level of Confidence of 95% or the significance of the error $\alpha = 5\%$. This step was taken to determine the extent to which the influence of the variables profitability (X1), Leverage (X2), Institutional Ownership (X3), Audit Committee (X4), Independent Commissioner (X5), Company Size (X6).

Suppose the t value has a probability that each factor is more minor than the alpha (α) = 0.05 level. In that case, it is stated that the independent variable significantly affects the disclosure of SR (Y). The t table value based on (pdf) = (n-1-k) is 1.987, where df is the degree of freedom and k is the number of variables. So the t table value is calculated at the value df = (85-1-4) = 80 (Appendix to the t distribution table).

Table 10. T-test results – Statistics

		Coefficients			Q	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	std. Error	Betas		
1	(Constant)	0.649	0.265		2,449	0.017
	X1	-0.006	0.002	-0.302	-3,301	0.001
	X2	-0.145	0.022	-0.603	6,549	0.000
	X3	0.000	0.004	-0.004	0.029	0.977
	X4	0.082	0.026	0.300	3.107	0.003
	X5	0.106	0.024	0.387	-4,471	0.000
	X6	0.004	0.018	0.032	-0.239	0.811

Source: Appendix (data processed, 2022)

From the description of Table 5.26 above, the level of influence exerted by each independent variable on the dependent variable is as follows:

The profitability variable (X1) has a count of 3.301 with a significant level of 0.01. This shows that Profitability (X1) significantly affects the disclosure of sustainability (Y). The proof of this statement is based on the count value that is greater than the table value ($3.301 > 1.9906$) and a significant value that is smaller than the significant error level ($0.01 < 0.05$), so the first hypothesis (H1) is accepted

The leverage variable (X2) has a count of 6.549 and a significant error rate of 0.00. This shows that the leverage variable (X2) significantly affects sustainability disclosure (Y). The proof of this statement is based on the count value, which is greater than the table value ($6.549 > 1.9906$), and the significant value of the error, which is smaller than the significant level ($0.00 < 0.05$), so the second hypothesis (H2) is accepted.

The institutional Ownership Variable (X3) has a count of 0.029 and a significant level of 0.977. This shows that the institutional ownership variable (X3) does not affect sustainability disclosure (Y). However, the proof of this statement is based on a count value that is smaller than the table value ($0.029 < 1.9906$) and a significant value that is greater than the significant level ($0.977 > 0.05$), so the third hypothesis (H3) is rejected.

The Audit Committee variable (X4) has a count of 3.107 and a significant level of 0.03. This shows that the audit committee variable (X4) affects SR Disclosure (Y). The proof of this statement is based on the count value that is greater than the table value ($3.107 > 1.9906$) and a significant value that is smaller than the significant level of error ($0.03 < 0.05$), so the fourth hypothesis (H4) is accepted.

The Independent Commissioner variable (X5) has a count of 4.471 and a significant level of 0.00. This shows that the independent commissioner variable (X5) affects SR disclosure (Y). The proof of this statement is based on the

count value that is greater than the table value ($4.4471 > 1.9906$) and a significant value that is smaller than the significant level ($0.00 < 0.05$), so the fifth hypothesis (H5) is accepted.

The variable company size (X6) has a count of 0.239 and a significant level of 0.811. This shows that the company size variable (X6) does not affect SR disclosure (Y). However, the proof of this statement is based on the count value, which is smaller than the table value ($0.239 < 1.9906$) and a significant value that is greater than the significant level ($0.811 < 0.05$), so the sixth hypothesis (H6) is rejected.

Effect of Profitability on Disclosure of Sustainability Report. The first hypothesis (H1) states that Profitability (X1) has a significant and significant effect on the disclosure of the company's Sustainability Report (Y), with a negative direction; based on the results of the hypothesis test, it can be concluded that Profitability has a significant effect on the disclosure of the company's Sustainability Report so that it can be stated that H1 is rejected.

Profitability is the company's ability to earn profits concerning sales, total assets, and capital. Profitability is the ratio to assess the company's profit-making ability. This ratio also provides a measure of the level of management effectiveness of a company. This is demonstrated by the profit generated from sales and investment income (Tobing, 2019, p. 3).

Profitability is needed to assess the potential of economic resources that may be controlled in the future. The Profitability of a company can be assessed in various ways depending on profits and assets or capital that will be compared with one another. Profitability is the amount that comes from reducing the cost of production, other costs, and losses from income or operating income, which is the excess of income over costs during an accounting period (Alhamra, 2016, p. 4).

The results of this study indicate that the condition of a company whose Profitability has decreased will also not have an impact on reducing the implementation of sustainability report disclosure. The results of this study are not in line with previous research from Tobing (2019) and, Leksono (2018), and Insan and Hendre (2017), namely, Profitability has an effect on sustainability report disclosure and following Ainul Fatihan Damayani's research (2020) that Profitability does not affect sustainability report disclosure.

Effect of Leverage on Sustainability Report Disclosure. The second hypothesis (H2) states that Leverage (X2) has a significant adverse effect on the disclosure of the Sustainability Report (Y). Based on the multiple linear regression analysis tests, which can be seen in Table 5.22, it states that the regression coefficient value of the leverage variable is 0.145 in a negative direction with a count value that is greater than the t-table value ($6.5495 > 1.9906$) and a more considerable significant value smaller than the significant level ($0.000 < 0.05$), based on this it can be stated that the second hypothesis is rejected.

According to Brigham and Houston (2006:17), namely: "Financial leverage is the level to which debt is used in the capital structure of a company." Therefore, financial Leverage is a ratio that shows the extent to which the use of debt in the company's capital structure, and companies with a high level of Leverage compared to company capital can be said to have a high risk.

The results of this study indicate that under conditions of high corporate Leverage, it also does not have an impact on reducing the implementation of sustainability report disclosure. Moreover, in line with the research of Sri Sundari (2011), Aurelia Adi Leksono (2018), and Tobing (2019), namely Leverage has no effect and is significant in the disclosure of sustainability reports.

Effect of Institutional Ownership on Sustainability Report Disclosure. The third hypothesis (H3) states that institutional ownership (X3) has a positive effect on the disclosure of the Sustainability Report (Y). However, based on the results of hypothesis testing, it can be concluded that institutional ownership (X3) does not affect sustainability report disclosure (Y), so it can be stated that H3 is rejected. The test results of multiple linear regression analysis, which can be seen in Table 5.22, state that the regression coefficient value of the institutional ownership variable is 0.000 with a t-count value that is smaller than the table value ($0.039 < 1.9906$) and the magnitude of the significant value are more incredible from the significant level ($0.969 > 0.05$).

Institutional ownership is share ownership by institutional investors, which can be seen from the proportion of shares owned by institutions in the company. Institutions are intensely interested in the investments made, including stock investments (Anissa, 2019, p. 2).

Institutional parties holding the majority of company shares also have the right to vote in formulating company policies and strategies at the GMS, one of which is in terms of cost efficiency to minimize costs that are considered too

large or inefficient because later these costs will affect the size of the return rate. They will receive dividends. Environmental activities and their disclosures in a sustainability report that require a large budget can undoubtedly reduce the value of company profits and the level of dividends that the company will distribute to its shareholders, so there is a tendency for institutional parties to minimize costs, one of which is the cost of carrying out environmental activities and their disclosures.

This study's results align with previous research from Riha Dedi Prihantana (2011), which states that institutional ownership has no significant effect on the disclosure of sustainability reports. Furthermore, reject Dwita Aliniar's (2017) and Eny Suprapti's (2019) research.

The Influence of the Audit Committee on Disclosure of Sustainability. The fourth hypothesis (H4) states that the audit committee (X4) has a positive effect on the disclosure of the company's Sustainability Report (Y). Therefore, based on the results of hypothesis testing, it can be concluded that the audit committee (X4) affects the disclosure of the Sustainability Report (Y), so it can be stated that H4 is accepted.

The audit committee is a committee that works professionally and independently formed by the board of commissioners. Thus, its task is to assist and strengthen the board of commissioners in overseeing the financial reporting, risk management, auditing, and implementation of GCG in companies. In addition, an audit committee is expected to assist the performance of the board of commissioners in environmental disclosure by companies to provide environmental information to stakeholders as a form of corporate accountability and transparency to the public. Thus, the more members of the audit committee, the better, and can increase environmental disclosures made by companies (Ratnasari, 2011, p. 58).

Based on the test results, the audit committee is proven to influence the disclosure of sustainability reports because the existence of an audit committee in a company will be better. After all, it will increase professional and independent oversight function in a company in its environmental disclosure activities to improve the quality of disclosure of the company's sustainability report. Based on the Financial Services Authority Regulation Number 55/POJK.04/2015 concerning the Establishment and Guidelines for the Implementation of Audit Committee Work, the audit committee consists of at least 3 (three) members from Independent Commissioners and parties from outside issuers or public companies, and this shows that the audit committee consists of people who are independent, neutral, and do not have a conflict of interest in the company so that the audit committee in carrying out its functions and duties is genuinely in the interests of the company and does not side with management,

Go-public companies that trade their shares in the public are, of course, very dependent on the positive views and image of the public because this can affect the success of trading company shares on the stock exchange. Therefore, the audit committee, with its professional and independent considerations, can provide policy recommendations for the best environmental approach along with transparency and disclosure of company information to the public in order to get the impression of a company that is responsible and has good performance so that the company gets a positive view in the public eye. Therefore, the audit committee positively affects the disclosure of the Sustainability Report.

The results of this study are in line with previous studies from Aurilea Adi Leksono (2018) and Eny Suprapti (2019), which state that the audit committee has a significant and significant effect on the disclosure of sustainability reports and reject the research of Riha Dedi Prihanta (2011) Rotua Apriliya Tobing (2019) Dwita Aliniar (2017) and Ainul Fatihan Damayanti (2020)

Influence of the Independent Board of Commissioners on Sustainability Report Disclosure. The fifth hypothesis (H5) states that the independent board of commissioners (X5) affects the disclosure of the company's Sustainability Report (Y). However, based on the results of hypothesis testing, it can be concluded that the independent board of commissioners (X5) does not affect the disclosure of the Sustainability Report (Y), so it can be stated that H5 is rejected.

The results of this study are not in line with previous research from Andre Diono (2017) and Dwita Aliniar (2017), which states that the independent board of commissioners affects the disclosure of the sustainability report, but according to the research of Rotua Apriliya Tobing (2019) and Ainul Fatihan Damayanti (2020) that the board of independent commissioners has no significant effect on the disclosure of sustainability reports.

Effect of Company Size on Sustainability Report Disclosure. The sixth hypothesis (H6) states that company size (X6) affects the disclosure of the company's Sustainability Report (Y). Based on the results of hypothesis testing, it

can be concluded that company size (X6) does not affect the disclosure of the company's Sustainability Report (Y), so it can be stated that H6 is rejected

Based on the test results, company size is proven not to affect sustainability report disclosure; this is probably due to both small companies and large companies both will be in the spotlight of the wider community, regardless of whether the company is a multinational company or just a local company, both of them will still be valued the same by the community for the impact of the company's operating activities in the broader community, so that large or no matter how small a company still has the same obligation in disclosing a Sustainability Report.

The results of this study are in line with previous research from Rparents Apriliya Tobing (2019), Sri Sundari (2011) and Ainul Fatihan Damayanti (2020), Diono (2017), and Dwita Aliniar (2017), which states that company size has a significant and significant effect on sustainability report disclosure and reject the research of Dwita Aliniar (2017), Handre Diono (2017) and Aurilea Adi Laksono (2018)

Implications of Research Results. The results showed that the audit committee had a significant positive effect on the disclosure of corporate sustainability, while Profitability, Leverage, institutional ownership, and independent commissioners harmed the disclosure of sustainability, and company size had no significant positive effect on corporate sustainability disclosure in companies listed on the Indonesia Stock Exchange (IDX).) period 2015-2019. The implications of the results of this study include 2 (two) things, namely theoretical and practical implications. Theoretical implications relate to the contribution of the findings to the development of sustainable disclosure theories, and practical implications relate to the contribution of research findings to achieving sustainable disclosure in companies.

The results of this study prove the influence of Profitability, Leverage, audit committees, and independent commissioners on sustainability disclosure through empirical testing with the legitimacy theory of companies sampled on the Indonesia Stock Exchange. This study supports the legitimacy theory, which emphasizes the importance of information released by companies to their stakeholders to gain legitimacy and acceptance of the company's operational activities.

Legitimacy theory recommends that companies ensure that their activities and performance are acceptable to society. Therefore, companies use annual reports (annual reporting) and social and environmental disclosures in their sustainability reports to describe the company's sustainability so that they are accepted by society. The results of this study are also expected to be a reference for further research, which can add variables about financial performance, good corporate governance, and company size in research on sustainability and can add insight and references in the development of sustainability accounting.

The practical implications of this research are to provide information, references, and material for consideration for companies that are members of the Indonesia Stock Exchange to be able to issue sustainability reports for decision-making for all stakeholders. Suppose companies want to increase their sustainable disclosure. In that case, companies must also improve their social and environmental performance to increase the quality and quantity of their sustainable disclosure. The better companies' environmental and social performance, the wider the extent of sustainable disclosure they can disclose. Management should not only focus on financial performance to pursue Profitability alone but also on non-financial performance, such as environmental and social, along with its disclosures for the company's long-term sustainability. Companies should evaluate their social and environmental performance regularly so that the company always gets a good view from their stakeholders.

Research Limitations. The limitation of this study is the low adjusted R2 value of the tested capital of 0.476. However, it can be said that the independent variables (Profitability, Leverage, institutional ownership, independent board of commissioners, and market firm size) taken in this study have a degree of relationship with the dependent variable (disclosure of SR) of 47.6% so that the remaining 52.4% are other variables that are not stated to have a more significant influence because, in this study, further researchers can make variables that have not been studied much by previous researchers as a reference variable for disclosure of SR in the future. Furthermore, the sample population of 45 companies that can be studied is only 17; on the last day, the percentage was 37.8%, yet to reach 50%.

CONCLUSION

Based on the research results obtained through statistical testing and discussion as described in the previous chapter, it can be concluded that:

1. The profitability factor has no significant effect on the company's sustainable disclosure, meaning that the size of the SR disclosure is not affected by the company's Profitability.
2. The leverage factor does not significantly influence the company's sustainable disclosure. Meaning that the size of the SR disclosure is not affected by the company's Leverage
3. The institutional ownership factor does not affect the company's sustainable disclosure, meaning that institutional ownership tends to act only for its interests rather than to maximize its value. So that managers are less concerned about carrying out SR activities and disclosing company SR, and there is no alignment of interests between principals and agents for company performance.
4. The audit committee factor influences the company's sustainable disclosure. This means that a large number of audit committees will have an oversight effect on management within the operational scope and business strategy of the company's sustainability so that oversight of the company's long-term strategy in the form of broader SR disclosures also provides guarantees that can minimize conflicts between stakeholders.
5. The independent commissioner factor does not affect the company's sustainable disclosure. This means that a large number of independent commissioners outside is a commitment to openness to the company's business; the background of independent commissioners who are professional and beyond management's control does not have an oversight effect on decisions that have been made by the company, so that one of the decisions taken, for example, disclosure of SR is not in line with management's goals contributes to the decision on the size of the disclosure of SR.
6. The company size factor does not affect SR disclosure, meaning that size does not influence the disclosure of the sustainability report.

From the conclusions that have been stated above, several suggestions can be put forward as follows:

1. For Companies. Company management should disclose activities related to sustainability in a more complete and detailed manner in its annual report or make a separate report regarding the company's social and environmental activities in a sustainability report. In addition, companies need to implement SR and report SR not only to comply with regulations but also to realize that implementing SR will bring competitive advantages that differentiate companies from other companies, especially companies engaged in directly exploiting natural resources, which will have an impact on the company's image and the trust of the company's customers themselves.
2. For Investors. It is hoped that investors who will invest their capital in a company will pay attention to the disclosure of sustainability reports made by the company. This is because by disclosing social responsibility by the company, the company will have a good image from the public regarding the company's attention to social and environmental conditions and the impact that the company will have on the sustainability of the company's business. Investors can consider the sustainability report disclosed by the company as an assessment before investing. With a sustainability report, investors can assess a company that is not only good in financial performance,
3. For Further Researchers. It is hoped that future researchers should use other variables such as company age, governance committee, the proportion of commissioners, and so on. In addition, future researchers are expected to use other objects in companies listed on the Indonesia Stock Exchange, for example, companies in the Manufacturing sector, Mining sector that have a direct impact on the environment or use indices such as the SRI-KEHATI index, LQ45 Index, Kompas 100, and so on. The next researcher can add the research period so that they can see the development of sustainability report disclosure from year to year in the long term. In this study, the adjusted R2 value is low from the tested capital of 0.476 (SR disclosure) of 47.6%, so the remainder is 52.

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