

THE EFFECTS OF SUSTAINABILITY REPORT DISCLOSURES TOWARDS FINANCIAL PERFORMANCE OF COMPANIES LISTED IN IDX80

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Abstract

In an endeavour to develop sustainability, companies disclose sustainability reports as a practice of corporate responsibility practices towards social and environment, which oriented towards fulfilling public expectations for the existence of a business. This study aims to examine the effect of disclosing economic performance, environmental performance, and social performance in sustainability report on the financial performance of companies listed in the IDX80 stock index. Disclosures of sustainability report is measured using the GRI Standards Index. The independent variables in this study are disclosure of economic performance, disclosure of environmental performance, and disclosure of social performance. The dependent variable in this study is return on assets. This study is a quantitative study using a sample of 47 companies listed on the IDX80 stock index as the research object. The data collection method used is the documentation method of content analysis of sustainability reports and financial reports. The data analysis method used the multiple linear regression analysis method. The results show that the disclosure of economic performance, environmental performance, and social performance partially has no effect on the company's financial performance.

Keywords: *sustainability report performance; financial performance; IDX80*

1. INTRODUCTION

Today, many companies in Indonesia are in the growth phase and are starting to develop, most companies are still focused on pursuing profits. Elkington (1997), says that now the objective of business is not only to gain profit (profit), but also to pay attention to responsibility for society (people) and the environment (planet). When a company does not attach importance to the concept of sustainability, then in the future there will be many obstacles faced by the company. One example that can be used as a lesson is the case of Ted Baker, Ray Kelvin as CEO had to leave his position due to sexual harassment of employees, there were more than 200 employees who participated in an online petition after 50 incidents of sexual harassment were recorded. As a result of this case, Ted Baker's stock declined 12% in one week and issued a profit warning, which is a warning statement issued by the company that profits will be lower than expected, this is because the company's deteriorating reputation has caused unsold stock and reduce company profits (BBC, 2019). The warning was substantiated a year after the publication of this case,

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namely the full year profit was 63 million pounds sterling, which in the estimate was about 73.8 million pounds sterling. The company has failed in the social aspect, where the company should be able to ensure the comfort and safety of its employees, especially as a result of the company's failure to carry out its social aspects, the company's shares and profits have also decreased, which will certainly affect the company's profitability and have an impact on its financial performance. From this case, it can be shown that the sustainability report is an aspect that can affect the company's financial performance.

In previous studies that examined the effect of disclosing economic, environmental and social performance in sustainability reports on company financial performance, the conclusions in each research were inconsistent. Yulianty & Nugrahanti (2020) found that only the economic aspects in sustainability reports have a significant effect on the company's financial performance. In research by Mulpiani (2019), it was found that disclosures that affected financial performance were only economic performance and environmental performance, social performance had no effect. Then based on the findings of Sari & Andreas (2019), the disclosure of sustainability reports in all aspects has no effect on the company's financial performance.

The conclusion of the results of previous studies is still inconsistent. In addition, it is still believed that companies that are aware of sustainability and carry out sustainability report disclosures have had an impact on their financial performance compared to companies that do not disclose, this is because sustainability reports can convince investors that companies care about the sustainability of their companies, this will influence investors when taking a decision and then affect the company's financial performance. This is what prompted the researcher to take this topic in the researcher's final assignment. The researcher chose the IDX80 for the 2019-2021 period as the object of research because in this index there are companies from various sectors and it was just released in 2019 so not many studies have used this index as a research object on the topic of sustainability reports and financial performance.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

This theory stipulates that organizations must not only be accountable to investors and financiers but also balance the various expectations and interests of stakeholders who are able to influence and can be affected by organizational actions (Freeman, 1984).

Based on Fuady's point of view (2013), legitimacy theory teaches how to make a rule of law legitimized and valid, along with the conditions that need to be met so that it is accepted by the community and if necessary, forcefully.

Sustainability reports contain both financial and non-financial information which is composed of information on social and environmental activities, this information is what brings the company forward in a sustainable manner going forward.

According to Sujarweni (2019), financial performance is the output of the process of evaluating work that has been completed, this output is then compared with predetermined benchmarks. The company's performance reflects the good and bad of the company's financial condition. It is important for companies to know this so that resources can be maximized in the face of change. Measurement of financial performance can be done through ratios, such as liquidity ratios, solvency ratios (leverage), activity ratios, profitability ratios, and valuation ratios.

The effect of disclosing economic performance in the sustainability report on financial performance

From the findings of Mulpiani (2019), it is stated that disclosure of the economic dimension positively influences financial performance (ROA), meaning that a high level of disclosure of the economic dimension in a sustainability report will also result in a high return on asset (ROA) value for the company. Meanwhile, in Sari & Andreas' research (2019), the economic dimension does not affect financial performance (ROA). Then in the research of Yulianty & Nugrahanti (2020), the economic dimension of the sustainability report has an influence on financial performance which is proxied by profitability (ROA). From the explanation above, the following hypothesis is formed:

H1: Disclosure of economic performance in the sustainability report has a positive effect on the company's financial performance.

The effect of environmental performance disclosure in the sustainability report on financial performance

Research by Mulpiani (2019), found that disclosure of the environmental dimension has a positive effect on financial performance (ROA), meaning that company transparency in the environmental dimension can improve corporate image and influence investors in making decisions and influencing financial performance. Contrary to the findings of Sari & Andreas (2019), the environmental dimension in sustainability reports does not affect financial performance, it is said that stakeholders tend not to pay attention to sustainability reports and pay more attention to annual reports which are considered to better describe market response. From the explanation above, the following hypothesis is formed:

H2: Disclosure of environmental performance in the sustainability report has a positive effect on the company's financial performance.

Effect of disclosure of social performance in the sustainability report on financial performance

Mulpiani (2019) in his findings, states that disclosing the social dimension negatively affects financial performance, this is because disclosing sustainability reports will increase company expenses which cause a decrease in company profits. Likewise with the findings of Sari & Andreas (2019), the social dimension does not affect financial performance, because the size of financial performance (ROA) is affected by the level of sales which does not affect the disclosure of sustainability

reports, moreover stakeholders are not directly related to sales to consumers. From the explanation above, the following hypothesis is formed:

H3: Disclosure of social performance in sustainability reports has a positive effect on the company's financial performance.

3. RESEARCH METHOD

This study uses a population sourced from companies listed on the IDX80 stock index. The population includes a group of individuals, events, or others that the researcher wants to study with the aim of investigating a matter. There are 108 companies included in the IDX80 stock index for the 2019-2021 period.

Table 1. Sample Selection

Information	Amount
Companies that have been listed at least once in the IDX80 stock index for the 2019-2021 period	108
Companies that have been listed at least once in the IDX80 stock index for the 2019-2021 period which disclose audited financial reports or annual reports and sustainability reports for 3 consecutive years	47
Total final firm-year observations (47x3)	141

In this study, secondary data has relevance to financial performance sourced from company financial report documents. Based on the hypotheses listed in the previous chapter regarding the disclosure of sustainability reports on economic, social and environmental performance on financial performance, an empirical model is formed as follows:

$$ROA_{i,t} = \alpha + \beta_1 SRDIEC_{i,t} + \beta_2 SRDIEN_{i,t} + \beta_3 SRDISO_{i,t} + \beta_4 TATO + \beta_5 CR + \beta_6 DER + \beta_6 GROWTH + \beta_7 SIZE e_{i,t} \dots \dots \dots \text{Model (1)}$$

Researchers use the dependent variable return on assets (ROA) because the size of a company's profitability can influence investors' decisions in investing, in which the higher the profitability reflects the better the company's opportunities so that investors will respond positively and encourage an increase in company value and a greater rate of return. on assets to investors, the greater the net profit generated for every rupiah contained in total assets. The formula for return on assets is as follows:

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

The economic dimension includes the influence of the company in dealing with economic conditions for its stakeholders and on the economic system at the local, national and global levels. The economic dimension consists of 7 disclosure items.

$$SRDIEC = n/7$$

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Information:

SRDIEC = Sustainability Report Disclosure Index Economic
n = Number of company disclosures
7 = Number of economic performance disclosures that companies should disclose according to GRI

The environmental dimension includes the company's influence on living things and environmental elements, including land, air, water, and ecosystems. The environmental dimension consists of 8 disclosure items.

$SRDIEN = n/8$

Information:

SRDIEN = Sustainability Report Disclosure Index Environment
n = Number of company disclosures
8 = Number of environmental performance disclosures that companies should disclose according to GRI

The social dimension includes the company's influence on the social system in which the company operates. The social dimension is divided into 4 sub-categories, namely labor practices and work convenience, human rights, community and product responsibility. The social dimension consists of 19 disclosure items.

$SRDISO = n/19$

Information:

SRDISO = Sustainability Report Disclosure Index Social
n = Number of company disclosures
19 = Number of social performance disclosures that companies should disclose according to GRI

One of the control variables determined by the researcher is total asset turnover (TATO), because how efficient a company is in generating sales from its total assets can determine the company's profitability. Kasmir (2019) states that total asset turnover functions as a measurement of total asset turnover in a company and the number of sales generated for each rupiah of assets. Researchers use total asset turnover as one of the controls because by knowing the TATO value, an investor is able to assess how efficient a company is in generating sales, where a high TATO value indicates that the company has effectively generated profits, this will make investors more interested in investing in the company. The total asset turnover formula is as follows:

$TATO = \text{Sales} / (\text{Total Asset})$

Kasmir (2019) states that the current ratio functions as a measurement of how well a company is able to pay off its short-term obligations when they are due using the company's current assets. Researchers use the current ratio as a control variable because with this ratio investors can find out how liquid the company is and from there investors can judge the company's financial performance, where a high current ratio value can convince investors that the company has a small risk of defaulting on its short-term obligations, and therefore the assets owned by the

company can be used to generate profits that make investors more interested in investing. The current ratio formula is as follows:

$$CR=(\text{Current Assets})/(\text{Current Liabilities})$$

Researchers chose the debt-to-equity ratio (DER) as a control variable because the DER value describes the high and low debt ratio, where the higher the debt ratio, the lower the profitability value of a company. This is likely to happen because a high debt ratio indicates interest expenses, which is also high, thereby reducing company profits, which is certainly not desired by investors. The debt to equity ratio formula is as follows:

$$DER=(\text{Total Liability})/(\text{Total Equity})$$

Brigham & Gapenski (1996) stated that growth opportunity is a company's opportunity to grow its business in the future, he also found that companies that are growing rapidly really need funds for business development, especially for investment purposes. When a company is at a high growth rate, the company can expand its business which requires a lot of costs and of course affects the company's financing decisions. Here is the growth formula:

$$\text{Growth}=(\text{Current Year Total Assets}-\text{Previous Year Total Assets})/(\text{Current Year Total Assets})$$

Dalci et al (2019), stated that large companies have a higher chance of obtaining external funding. With the increasing size of the company, there is a possibility that there will be even greater problems regarding stakeholders and legitimacy, so that the implementation of effective sustainability in a company is increasingly needed, but it is not only large companies that need sustainability, small companies also need to implement it, because they are still in the growth process. company. Researchers use size as one of the control variables because the size of the company will affect investors in funding decisions, by knowing the size of a company investors can optimize the funding which then these funds can be used by companies to improve their financial performance. How big a company can be known from the size of its assets (Harahap, 2018). The following is the formula for determining company size:

$$\text{Size}=\text{Ln Total Asset}$$

Researchers use the multiple linear regression method to find out how much influence the independent variables have on the dependent variable. Here, the independent variables are measured by disclosing economic performance, environmental performance, and social performance in sustainability reports, and the dependent variable or financial performance is measured by return on assets (ROA).), with control variables, namely total asset turnover (TATO), current assets (CR), debt to equity ratio (DER), growth opportunity (GROWTH), and firm size (SIZE). The multiple linear regression method includes more than one independent variable and serves to show direction, as well as the size of the influence of the independent variables on the dependent variable (Ghozali, 2021). Researchers used the SPSS 26 program as a statistical measurement medium in testing. From testing this quantitative data, the results of descriptive statistical tests, correlation tests, classical assumption tests, and hypothesis tests will be seen. Following are the details of each research data test:

Descriptive statistical analysis, the test function is to describe data including the mean (mean), standard deviation, variance, maximum and minimum, sum, range, kurtosis, and distribution skewness or skewness (Ghozali, 2021). With this analysis, researchers can assess data in tables or graphs.

Pearson correlation test, the test functions to analyze whether the independent variable affects the dependent variable and shows the degree of attachment of the relationship between variables to the correlation coefficient (Ghozali, 2021). The nature of the independent variable and the dependent variable can be positive or negative. If it is positive, the high value of the independent variable will increase the value of the dependent variable and vice versa. Researchers used the Pearson correlation test in conducting a correlation test, where a significance value of <0.05 means correlation and if > 0.5 means no correlation. The Pearson value itself was stated to be uncorrelated at the correlation level of 0.00 to 0.20, weakly correlated at values of 0.21 to 0.40, moderately correlated at 0.41 to 0.60, strongly correlated at 0.61, and perfectly correlated at 0.81 to 1.00.

Classical assumption test, the test is carried out before the multiple linear regression test, if there are no problems, then proceed to the next test, namely multiple linear regression. Parts of the classic assumption test are the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. This test is used to ensure that the data is normally distributed.

Normality test, testing is used to assess the distribution of the regression model, whether the distribution of data is normally distributed or not (Ghozali, 2021). A data group is considered good when the data is normally distributed or close to normal, so that it passes into further statistical testing, the researcher uses the Kolmogorov Smirnov test, where a significance value > 0.05 means that the residual value is considered normally distributed and vice versa.

Multicollinearity test, the test functions in ensuring the existence of a correlation between the independent variables in the regression model (Ghozali, 2021). The regression model is said to be good if there is no correlation between the independent variables. This test can be considered as a confirmation that the regression model does not contain multicollinearity. If the VIF value is < 10 and the tolerance value is > 0.1 , it means that the regression model has zero multicollinearity problems.

Heteroscedasticity test, the test functions in knowing the existence of an uneven distribution of variance between the residues of other observations (Ghozali, 2021). The problem of heteroscedasticity can be said to be nil if the probability is more than 5%. Testing was carried out through the Glejser test with a significance criterion of 5%.

Autocorrelation test, the test is used to find out whether there is autocorrelation in the regression model (Ghozali, 2021). This test analyzes time series data. Testing is done through the Run test test. If the significance value is > 0.05 , it means that it is free from autocorrelation problems and vice versa.

Model specification test, testing is enabled to find out the significance of the f-test model as a basis before testing the hypothesis. If the R-squared is below 0.1, it means that the forecast value and the real value are based on proximity, then it is

considered weak, while the R-squared value is 0.1 - 0.2 considered average, and the R-squared value is 0.2 - 0.3 is considered strong.

Test of the coefficient of determination, the test is used to find out how effective a regression model is in describing the dependent variable using its coefficient of determination (Ghozali, 2021). The closer the coefficient of determination is to 1, the higher the possibility that the independent variable will provide information about the dependent variable.

Statistical test F, the test functions in finding the effect of all independent variables simultaneously on the dependent variable, this test is also known as the feasibility test (Ghozali, 2021). If the significance of $\text{prob} > F$ is less than 0.05, it means that the regression model has been run properly because the independent variables affect the dependent variable simultaneously.

Hypothesis test (t-test), the test functions as a measurement of how extensive the influence of each independent variable is partially to explain the contents of the dependent variable (Ghozali, 2021). If the significance of the p-value is < 0.05 for each independent variable, it means that the independent variable has a significant effect on the variable dependent and vice versa. The research method contains the research design, objectives and targets (population, sample, informants or research subjects), data collection techniques, research hypotheses, operational definitions of variables, data analysis techniques and analytical methods.

4. DATA ANALYSIS AND DISCUSSION

Table 2. Descriptive Statistics

Descriptive Statistics					
Variable	N	Minimal	Maximum	Mean	Std. Deviation
ROA	141	-.50	.36	.0399	.08777
SRDIEC	141	.14	1.00	.4519	.19515
SRDIEN	141	.00	1.00	.5399	.23543
SRDISO	141	.05	1.00	.3636	.18274
TATO	141	.02	3.09	.5722	.56863
CR	141	.17	6.18	1.5626	1.27383
DER	141	-10.83	17.07	2.8072	3.36748
GROWTH	141	-.88	.82	.0503	.14648
SIZE	141	14.08	21.27	17.6361	1.56274
Valid N (listwise)	141				

Based on the table above, return on assets has a mean of 0.04 which indicates that on average every Rp. The standard deviation of return on assets of 0.09 indicates that the variable is heterogeneous because the standard deviation value is $>$ the mean. In return on assets, the minimum and maximum values are -0.50 and 0.36. The minimum value of return on assets is obtained by PT. Waskita Beton Precast Tbk. meaning that the company has the worst level of profitability because it is unable to generate profits from its assets. While the maximum value

of return on assets is obtained by PT. Unilever Indonesia Tbk. meaning that the company has the best level of profitability because it is able to manage its assets effectively so that these assets generate profits.

Based on the table above, the sustainability report disclosure economic index has a mean of 0.45 which indicates that the average disclosure of the economic dimension in a company's sustainability report is 45%. The standard deviation of the sustainability report disclosure index economic 0.20 shows that the variable is homogeneous because the standard deviation value is <mean. In the sustainability report disclosure index economic, it is found that the minimum and maximum values are 0.14 and 1. The minimum value for the sustainability report disclosure index economic is obtained by several companies, meaning that these companies have a poor level of disclosure of the economic dimension by GRI standards, but this does not happen because the company disobeyed in disclosing the economic dimension, but because there are several companies that still use the G4 standard. Meanwhile, the maximum value of the sustainability report disclosure economic index was obtained by PT. Indika Energy Tbk. means that the company has the best level of disclosure of the economic dimension according to the GRI standard.

Based on the table above, the sustainability report disclosure index environment has a mean of 0.54 which indicates that the average disclosure of the environmental dimension in a company's sustainability report is 54%. The standard deviation of the sustainability report disclosure index environment is 0.24 indicating that the variable is homogeneous because the standard deviation value is <mean. In the sustainability report disclosure index environment, there are minimum and maximum values of 0 and 1. The minimum value of the sustainability report disclosure index environment is obtained by several companies, meaning that these companies have the worst level of disclosure of environmental dimensions according to the GRI standard. While the maximum value of the sustainability report disclosure index environment was obtained by several companies, it means that these companies have the best level of disclosure of environmental dimensions according to GRI standards.

Based on the table above, the social sustainability report disclosure index has a mean of 0.36 which indicates that the average social dimension disclosure in a company's sustainability report is 36%. The standard deviation of the sustainability report disclosure social index is 0.18 indicating that the variable is homogeneous because the standard deviation value is <mean. In the social disclosure index sustainability report, it is found that the minimum and maximum values are 0.05 and 1. The minimum value of the social sustainability report disclosure index was obtained by PT. Wijaya Karya Gedung Gedung Tbk. it means that this company has the worst social dimension disclosure level according to GRI standards. Meanwhile, the maximum value of the social sustainability report disclosure index was obtained by PT. Waskita Karya Tbk. meaning that these companies have the best level of social dimension disclosure according to GRI standards.

Table 3. Pearson Correlation Test

Correlations			
		ROA	
	Pearson Correlation	Sig.(2- tailed)	N
SRDIEC	-.126	.138	141
SRDIEN	.052	.541	141
SRDISO	.032	.707	141
TATO	.452**	.000	141
CR	.313**	.000	141
DER	-.014	.868	141
GROWTH	0.376**	.000	141
SIZE	-.187*	.026	141

The Pearson correlation test table above shows the relationship between the independent variable (ROA) and the dependent variable (SRDIEC, SRDIEN, and SRDISO). exceeds 0.05 so it can be said to be uncorrelated.

In the classic assumption test of this study, all variables were treated by means of data transformation using the double-log method to treat the normality problem and the difference method to treat the autocorrelation problem. The double-log method is carried out by converting all the variables in the study into logarithmic (log) form. The difference method is carried out by changing the dependent variable of the study with the $Y_t - \text{Lag } Y_t$ formula (Ghozali, 2018). Therefore the regression model changes to be as follows:

$$\text{DiffLnROA}_{i,t} = \alpha + \beta_1 \text{LnSRDIEC}_{i,t} + \beta_2 \text{LnSRDIEN}_{i,t} + \beta_3 \text{LnSRDISO}_{i,t} + \beta_4 \text{LnTATO} + \beta_5 \text{LnCR} + \beta_6 \text{LnDER} + \beta_6 \text{LnGROWTH} + \beta_7 \text{LnSIZE}_{i,t} + e_{i,t} \dots \dots \dots \text{Model (1)}$$

Normality Test

Table 4. Normality Test

One-Sample Kolmogorov-Smirnov Test		
Unstandardized Residual		
N		140
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.50546834
Most Extreme Differences	Absolute	.072
	Positive	.072
	Negative	-.052

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Test Statistic	.072
Asymp. Sig. (2-tailed)	.074 ^c

The normality test table with the Kolmogorov-Smirnov test shows that the regression model of this study has a significance value of 0.074 which is greater than the 5% significance level. Therefore, the regression model is normally distributed and free from symptoms of normality.

Tabel 5. Multicollinearity Test

Coefficients ^a		Collinearity Statistics	
Model		Tolerance	VIF
1	Ln_SRDIEC	.624	1.602
	Ln_SRDIEN	.697	1.434
	Ln_SRDISO	.611	1.637
	Ln_TATO	.403	2.479
	Ln_CR	.232	4.315
	Ln_DER	.234	4.266
	Ln_GROWTH	.967	1.034
	Ln_SIZE	.456	2.194

The multicollinearity test table above shows that the tolerance values for all variables are > 0.1 and the VIF values for all variables are < 10. Therefore, the regression model has zero multicollinearity problems.

Table 6. Heteroscedasticity Test

Coefficients ^a		
Model		Sig.
1	Ln_SRDIEC	.115
	Ln_SRDIEN	.777
	Ln_SRDISO	.678
	Ln_TATO	.568
	Ln_CR	.152
	Ln_DER	.125
	Ln_GROWTH	.801
	Ln_SIZE	.182

The heteroscedasticity test table with the Glesjer test above shows that the significance level of all independent variables in this study, namely SRDIEC, SRDIEN, and SRDISO > 5% significance level, namely 0.115, 0.777, and 0.678. Therefore, the regression model is free from heteroscedasticity problems

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Tabel 7. Autocorrelation Test

Runs Test	
	Unstandardized Residual
Test Value ^a	-.05064
Cases < Test Value	70
Cases >= Test Value	70
Total Cases	140
Number of Runs	65
Z	-1.018
Asymp. Sig. (2-tailed)	.309

The autocorrelation test table with the Runs test above shows that the significance value is 0.309 so that it passes the Runs test criteria. Therefore, the regression model has zero autocorrelation problems.

Table 8. Test of the Coefficient of Determination (R2)

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.474 ^a	.225	.177	.52067

The test table for the coefficient of determination (R2) above shows that the dependent variable (ROA) can be translated by 22.5% by the independent variables (SRDIEC, SRDIEN, and SRDISO) and the control variables (TATO, CR, DER, GROWTH, and SIZE), while the difference is described by other indicators that are not used in the regression model of this study. This happens because the return on assets is not only influenced by SRDIEC, SRDIEN, SRDISO, TATO, CR, DER, GROWTH, and SIZE but also by other elements that affect return on assets.

Table 9. Statistical Test F

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.296	8	1.287	4.747	.000 ^b
	Residual	35.514	131	.271		
	Total	45.810	139			

The F statistic test table above shows the value of F = 4,747 with a significance of 0%. Based on the F distribution table, it is found that K=8 and n-k=132, so the Ftable value is 2.01. With this, the standard Fcount is greater than F

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table with a significance below 5% is met. Therefore, the research regression model is considered workable, because simultaneously the independent variables and control variables affect the dependent variable.

Table 10. Hypothesis Testing (t-test)

Coefficients ^a		Unstandardized		
Model		Coefficients	t	Sig.
		B		
1	Ln_SRDIEC	.118	.445	.657
	Ln_SRDIEN	-.295	-1.186	.238
	Ln_SRDISO	-.014	-.063	.950
	Ln_TATO	-.424	-3.260	.001
	Ln_CR	.414	1.797	.075
	Ln_DER	.292	1.663	.099
	Ln_GROWTH	-.047	-.423	.673
	Ln_SIZE	.277	.162	.872

The t statistical test table above shows the t values of the independent variables (SRDIEC, SRDIEN, and SRDISO) partially are 0.445, -1.186, and -0.063, the β coefficient values of the independent variables are partially 0.118, -0.295, and -0.14, and the significance value partially independent variable is 0.657, 0.238, and 0.950. Based on the t distribution table it can be seen that at a significance level of 5% and $n-k-1 = 131$, the value of $t_{table} = 1.97824$. With this, it can be seen that the criteria $t_{count} > t_{table}$ and a significance below 5% are not met by all independent variables. Therefore, it can be concluded that the sustainability report disclosure index economic, sustainability report disclosure index environment, and social index disclosure social sustainability report has no effect on financial performance (return on assets) partially.

The effect of disclosing economic performance in the sustainability report on the company's financial performance.

The results of the hypothesis test show the significance level of disclosure of economic performance is 0.657 at the level of $\alpha = 5\%$, so it can be concluded that disclosure of economic performance in the sustainability report has no significant effect on the company's financial performance. Therefore, H1 from this study failed to prove.

The effect of environmental performance disclosure in the sustainability report on the company's financial performance

The results of the hypothesis test show the significance level of disclosure of economic performance is 0.238 at the level of $\alpha = 5\%$, so it can be concluded that disclosure of environmental performance in the sustainability report has no

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significant effect on the company's financial performance. Therefore, H2 from this study failed to prove.

The effect of disclosure of social performance in sustainability reports on the company's financial performance

The results of the hypothesis test show the significance level of disclosure of economic performance is 0.950 at the level of $\alpha = 5\%$, so it can be concluded that disclosure of social performance in sustainability reports has no significant effect on the company's financial performance. Therefore, H3 from this study failed to prove.

5. CONCLUSIONS AND SUGGESTIONS

From the presentation of the test results and the discussion in chapter 4, the researcher concludes that the first hypothesis, namely that disclosure of economic performance in sustainability reports has a positive effect on financial performance in this study is rejected, meaning that disclosure of economic performance in sustainability reports cannot be used as a benchmark for increasing financial performance as an aspect investors' considerations in investing in a company or in other words, if there is a decrease or increase in the company's financial performance, this is not due to the influence or result of disclosing economic performance in the sustainability report. Furthermore, the second hypothesis, namely the disclosure of environmental performance in sustainability reports has a positive effect on financial performance in this study is rejected, meaning that disclosure of environmental performance in sustainability reports cannot be used as a benchmark for increasing financial performance as an aspect of investor consideration in investing in a company or in other words, if there is a decrease or increase in the company's financial performance, this is not due to the influence or result of disclosing environmental performance in the sustainability report. Then in the third hypothesis, namely the disclosure of social performance in sustainability reports has a positive effect on financial performance in this study is rejected, meaning that disclosure of social performance in sustainability reports cannot be used as a benchmark for increasing financial performance as an aspect of investor consideration in investing in a company or in other words, if there is a decrease or increase in the company's financial performance, this is not due to the influence or result of disclosing social performance in the sustainability report.

In future research, it is hoped that it will be carried out after the next few years so that more and more companies disclose sustainability reports consistently. In future research, it is hoped that all companies listed on the Indonesia Stock Exchange will be used as a population so that the sample is more optimal and broad so that it can describe the disclosure of sustainability reports as a whole in Indonesia. The Indonesian government is expected to issue stricter rules regarding disclosure of sustainability reports by companies, because there are still very few companies disclosing sustainability reports in Indonesia. Explain research results and findings as well as suggestions for future research.

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