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Determinants of Sustainability Report Disclosure on LQ45 Companies on the Indonesia Stock Exchange

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Abstract. This research is quantitative study which aimed to determine the effect of profitability as measured by return on assets, the size of the company measured by the logarithm natural of total assets and leverage as measured by debt to assets on sustainability report disclosure as measured by sustainability report disclosure index on LQ45 company in Indonesia Stock Exchange in the 2016-2020 research year. The population for this study were all LQ45 companies in Indonesia Stock Exchange. The samples for this study were 12 companies selected using purposive sampling method. The analysis technique used is Panel Data Regression Analysis with programs E-Views 10 and Microsoft Excel 2019. This study proves that profitability has no effect on sustainability report disclosure, and firm size has positive and significant effect on sustainability report disclosure, while leverage has negative and significant effect on sustainability report disclosure.

Keywords: Profitability; Company Size; Leverage; Sustainbaility Report Disclosure

A. INTRODUCTION

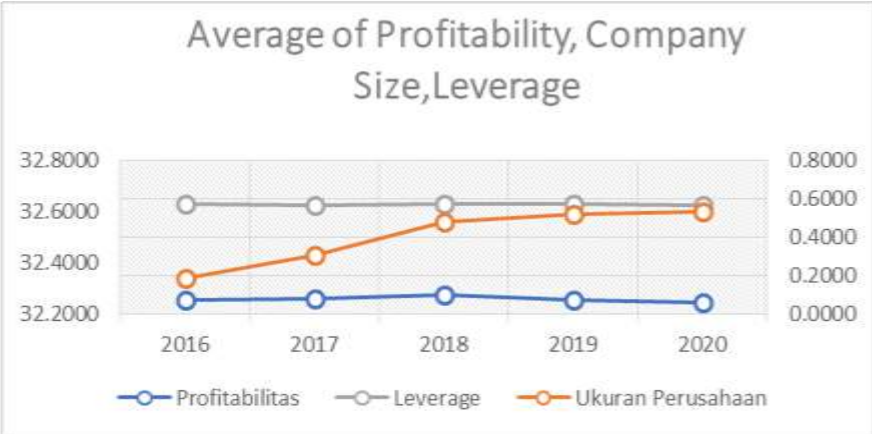
Environmental and social issues such as water pollution, air, chemical waste, and other environmental damage caused by industrial activities and involving large companies have occurred in Indonesia. Two cases on a national and even international scale that are most often discussed by the community to date are the case of PT Freeport which has caused various losses, due to the destruction of natural resources which are not only felt by tribes or communities around the mining area but also in a wider range, and also the case of PT Lapindo Brantas which submerged 16 villages in 3 sub-districts which until departing from the many environmental problems and social problems caused by industrial activity, forcing the company to not only focus on profit or profit in the interests of shareholders, but also be responsible for environmental and social issues. Companies must also think about the impact of their industrial activities on the surrounding environment. This is the basis for the emergence of a sustainability report or it can also be called a sustainable report. As the name implies, a sustainability report is a report that measures the extent of a company's transparency and accountability in disclosing its performance to stakeholders or stakeholders in order to achieve the sustainable development goals. Based on the Global Reporting Initiative (GRI) guidelines, the sustainability report describes reports on the social, environmental and economic impacts caused by companies from their industrial activities. at this time the overflow of mud and gas still has not stopped. Sustainability report is a medium that can be used by companies to show how transparent and accountable the company is.

Table 1. LQ45 Index Companies That Publish Sustainability Report Period 2016 - 2020

No	code	GRI Standard				
		2016	2017	2018	2019	2020
1	AKRA	GRI4	GRI Standard	GRI Standard	GRI Standard	GRI Standard
2	ANTM	GRI4	GRI Standard	GRI Standard	GRI Standard	GRI Standard
3	ASII	GRI4	GRI Standard	GRI Standard	GRI Standard	GRI Standard
4	BBCA	GRI4	GRI Standard	GRI Standard	GRI Standard	GRI Standard
5	BBNI	GRI4	GRI Standard	GRI Standard	GRI Standard	GRI Standard
6	BBRI	GRI4	GRI Standard	GRI Standard	GRI Standard	GRI Standard
7	BMRI	GRI4	GRI Standard	GRI Standard	GRI Standard	GRI Standard
8	INCO	GRI4	GRI Standard	GRI Standard	GRI Standard	GRI Standard
9	PGAS	GRI Standard	GRI Standard	GRI Standard	GRI Standard	GRI Standard
10	PTBA	GRI4	GRI4	GRI Standard	GRI Standard	GRI Standard
11	UNTR	GRI4	GRI4	GRI Standard	GRI Standard	GRI Standard
12	UNVR	GRI4	GRI Standard	GRI Standard	GRI Standard	GRI Standard

Sumber: www.idx.co.id

From table 1 , it can be seen that of the 45 companies listed on the LQ45 index, only 12 companies have consistently published sustainability reports for five consecutive years. Other companies listed on the LQ45 index are known to be inconsistent in disclosing the report, and there are even some companies that do not disclose the ongoing report at all. This shows that there are still many companies in Indonesia that are not aware of the importance of sustainability report disclosure. There are several aspects that are closely related to sustainability report disclosure, including profitability, company size and also leverage



Sumber: www.idx.co.id (data diolah, 2021)

Figure 1. Average Profitability Chart, Company Size, Company Leverage LQ45 Index That Published Sustainability Report Period 2016 – 2020

From chart 1 , it can be seen that the average profitability of LQ45 index companies that published sustainability reports during the period 2016 to 2020 tends to experience fluctuating movements. The fluctuating chart movement shows that companies that consistently publish sustainability reports during the research period are not followed by an increase or decrease in the profits or profits owned by the company. This is because the size of the profit owned is not a benchmark for the company in issuing reports that are still voluntary in nature. Based on the chart above, it was found that the average size of companies on the LQ45 index that published a sustainability report during the period 2015 to 2020 continued to increase continuously.

The increasing size of the company indicates that there is more information that must be conveyed by the company to stakeholders (Abdulsalam & Babangida, 2020). This corroborates the theory of stakeholders who state that company performance, especially in the aspect of company size, has a positive relationship with the disclosure of sustainability reports.

The average leverage of LQ45 index companies that published sustainability reports during the 2016-2020 period tends to decrease, where the increase only occurred in 2017. The theory says that companies with high leverage are likely to disclose more information to creditors, suppliers, investors and other stakeholders. Where this aims to increase stakeholder confidence that the company can fulfill its obligations and can increase the opportunity to get a good investment, but the table shows the opposite.

Based on previous research, it is known that there are inconsistent results regarding the relationship between profitability, company size, and leverage to sustainability report disclosure. The results of research on the phenomenon of profitability conducted by (Maryana & Carolina, 2021), (Sonia & Khafid, 2020), (Jannah & Kurnia, 2016), and (Nguyen & Nguyen, 2020) show that profitability has a positive and significant effect on sustainability report disclosure. Meanwhile, research conducted by (Gunarsih, Setiyono, Sayekti, & Novak, 2020) and (Kilic And Kuzey, 2017) showed that profitability had a significant negative effect on sustainability report disclosure. while (Marsuking, 2020) and (Persson & Vingren, 2017) show the opposite where profitability has no significant effect on sustainability report disclosure.

The next factor which is the size of the company is research conducted by (Abdulsalam & Babangida, 2020), (Akbulut & Kaya, 2019) and (Karaman, Kilic, & Uyar, 2018) which proves that the size of the company has a significant positive effect on the sustainability report. Meanwhile, the research that resulted in the size of the company was not affected by the disclosure of sustainability reports carried out by the company was proven by research conducted (Maryana & Carolina, 2021) and (Ariyani, Ak, & Hartomo, 2018).

The last phenomenon or factor is leverage. Based on the results of research conducted by (Ariyani et al., 2018), (Nur Alfiyah, 2018) and (Karaman et al., 2018) shows that leverage has a significant positive effect on sustainability report disclosure. Meanwhile, based on research conducted by (Jannah & Kurnia, 2016) shows that leverage has no effect on the disclosure of sustainability report disclosure.

Based on the explanation above, there are several inconsistent results or there is a gap in research, as well as the phenomenon of the lack of concern of companies in Indonesia for the importance of sustainability report disclosure, it is necessary to have further research on sustainability report disclosure on large companies in the LQ45 index, as well as influencing factors. The factors in question include profitability, company size and leverage on Sustainability Report Disclosure on LQ45 companies on the Indonesia Stock Exchange during the 2016-2020 observation period

B. LITERATURE REVIEW

Stakeholder Theory

Stakeholder theory is a theory that views that industrial activities carried out by companies are not only to maximize the wealth of the company or shareholders, but also for the benefit of stakeholders such as employees, suppliers, government and also the community. In (Ariyani et al., 2018) In 1984, Freeman developed a stakeholder theory. Freeman states that the emergence of social responsibility reflects a shift from internal to external stakeholders. Companies must replace their business objectives which originally only looked at or measured economic performance which tended to only satisfy stakeholders and shareholders, becoming more calculating social factors as a form of study and corporate responsibility for social problems which can disturb stakeholders.

Chariri and Ghozali in (Sejati & Prastiwi, 2015) said that companies must be able to maintain their relationship with stakeholders by meeting their needs and desires, especially stakeholders who have the power to the availability of resources utilized by companies in their industrial activities, companies must think of stakeholders who are directly or indirectly affected by their business activities such as, society, the welfare of employees, investors and also customers.

One of the efforts that can be made by organizations or companies to maintain their relationship with stakeholders is the Sustainability Report Disclosure. The issuance of a sustainable report shows the company's transparency to stakeholders and all stakeholders regarding economic performance, as well as non-economic, which can change the perception of the community or stakeholders that the company cares and pays attention to social and environmental conditions. The intended non-economic performance is that the company is responsible and pays attention to the impacts felt by employees, society, and the surrounding environment as a result of the industrial activities carried out.

Legitimacy Theory

The theory of legitimacy is an attempt or way that can be carried out by a company to ensure that its operating activities are in accordance with the norms and rules that exist in society. This legitimacy can be obtained if there are similarities between the company's operating activities and what is expected by the community. Grey et. al, (1996) in (Suhardiyah, Khotimah, & Subakir, 2018) said that legitimacy theory is a company management system oriented towards partiality towards society, which is more focused on the role of information and openness to establish relationships between companies and governments, individuals, and community groups

When there is a discrepancy between these two things, the legitimacy of the company will be threatened which will later create a legitimacy gap. Legitimacy gap is a mismatch between the company's operating activities and public perception. The legitimacy gap can be overcome by the disclosure of a sustainability report (Sustainability Report Disclosure) as a form of transparency in the company's operating activities for the impact on the surrounding environment. Sustainability report is a tool to legitimize an operational activity, and shows that the operational activities carried out by a company are within the limits that are acceptable to the community (Wicaksono & Septiani, 2020).

Based on the theory of stakeholders that has been explained earlier, companies in carrying out their business activities cannot be separated from the surrounding social environment, so the company must maintain the legitimacy of stakeholders in order to support the company in achieving goals. Disclosure of volunetary reports such as sustainability reports can improve the reputation and transparency of the company which is useful for maintaining the legitimacy of stakeholders so that the sustainability of the company's industry can be guaranteed in the long term

Profitability and Sustainability Report Disclosure

Profitability is a state in which a company obtains income or profit from its business activities. Sustainability report disclosure to the public can be determined by the amount of profit obtained by the company (Nur Alfiyah, 2018). The relationship between profitability and sustainability reports is in line with the theory of stakeholders, where high profitability reflects the company's ability to generate profits so that the company can increase its contribution and inform more things related to environmental and social responsibility to the community. This information is contained in a sustainability report whose disclosure can maintain the company's relationship with stakeholders. (Wiwik Anggiyani & Yanto, 2016). Sustainability report disclosure is used by the company as a tool or medium between the company and stakeholders

Based on research conducted by (Nguyen & Nguyen, 2020) profitability as measured using return on equity (ROE) has a positive influence on sustainability report disclosure, and is supported by research conducted (Jannah & Kurnia, 2016) which also shows that profitability has a positive effect on sustainability report disclosure.

Company Size and Sustainability Report Disclosure

A company with a larger size in terms of ownership of the total amount of its assets will be easier to carry out its operations. According to (Abdulsalam & Babangida, 2020) The size of the company reflects how large the company is in its assets and number of employees. Related to the theory of legitimacy, large companies will certainly pay more attention to the interests of stakeholders and their activities will follow the limits and values accepted by society. Large companies are better known and highlighted by the community than small companies, large companies have greater resources and social responsibility to the community (Hidayah, Badawi, & Nugroho, 2019). This happens because companies

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that have a large size have a wider social and business environment, so companies need to express their responsibility to the environment and surrounding social for the sustainability of the company's operating activities.

Based on research conducted by (Akbulut & Kaya, 2019) stated that there is a positive relationship between company size and sustainability report disclosure. The research is in line with research conducted by (Karaman et al., 2018) where companies that have a large size are more concerned with sustainability report disclosure because it is part of the company's legitimacy strategy. In addition, large companies also tend to have a greater chance of disclosing reports that are voluntary, because they have more resources for the process of making such reports compared to small companies.

Leverage and Sustainability Report Disclosure

The high amount of leverage reflects the company's ability to meet its obligations. Dalam (Cashmere, 2017) said that the solvency ratio is a ratio used to measure the extent to which a company's assets are financed with debt. Leverage is how much the company's ability from the results of the company's operations to pay off the cost of paying interest or principal on the loan and a measure of how much the company is financed from the debt element (Sitangganga, 2014).

According to (Nguyen & Nguyen, 2020) companies that make financial institutions their main source of capital, will disclose more information to creditors, suppliers, and investors because the level of financial leverage tends to be high. It aims to create and increase confidence in creditors that the company can fulfill its financial obligations and increase the chances of getting good investment from financial institutions. Roberts (1992) in (Karaman et al., 2018) viewed from the perspective of stakeholder theory, the disclosure of sustainable reports carried out by companies can be seen as a way to meet the expectations of creditors, which is one part of the stakeholders or stakeholders of the company.

Based on research conducted by (Ariyani et al., 2018) it can be concluded that leverage has a significant positive effect on the sustainability report. This means that the higher the company's leverage level, the higher or better the level of sustainability report published by the company. So that the disclosure of the sustainability report can be used by companies in obtaining credit loans to stakeholders. The research is in line with research conducted by (Liana, 2019) and (Akbulut & Kaya, 2019) which say that leverage affects the disclosure of sustainable reports.

C. RESEARCH METHODOLOGY

In this study, the type of data used was secondary data. These data or data sources or data used in this study come from annual reports, sustainability reports and GRI standards obtained by accessing the official website of the Indonesia Stock Exchange (IDX), namely www.idx.co.id and the official website of companies indexed by LQ45 on the Indonesia Stock Exchange (IDX), as well as the official website of the GRI (Global Reporting Initiative).

The panel data regression analysis method is an analysis technique used in this study by utilizing the Miscosoft Office Excel 2019 and Eviews 10 computer programs. The data used in this study is a combination of time series and cross section data. Therefore, the use of panel data regression analysis is the most appropriate analysis tool. The general form of panel data regression is as follows:

$$Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \mu_{it}$$

Information:
Y_{it} = *Sustainability Report Disclosure*
X_1 = Profitability
X_2 = Company Size
X_3 = *Leverage*
β = Constant
i = LQ45 index companies on the Indonesia Stock Exchange
t = Time Period
μ it = *Error Term*

Descriptive Statistics

According to (Ghozali, 2016) descriptive statistics can find out or provide a description of the data used in the study in terms of the average value (mean), median, minimum, maximum, and standard deviation (standard deviation). Descriptive analysis aims to determine the characteristics of each variable in the research sample through descriptive statistical analysis. The data used in this study are Profitability, Company Size and Leverage on Sustainability Report Disclosure

Hypothesis Test

In testing this hypothesis, the tests used are the Partial Test (t Test) and the Coefficient of Determination Test (R2).

D. RESULTS AND DISCUSSION

The results of the research are written in the form of flowing paragraphs written systematically, critically and informatively. The use of tables, pictures, etc. is only as a supporter that clarifies the discussion and is limited to really substantial supporters, for example tables of statistical test results, pictures of model test results, etc. The discussion of the results is argumentative regarding the relevance of the results, theory, previous research and empirical facts found, and shows the novelty of the findings. Each table is written without vertical lines and is equipped with sources of research data processing years. Tables, pictures and graphs are placed on the top or bottom with the title placed on top for the table and placed on the bottom for pictures and graphs aligned to the left. Avoid explaining tables and figures using the words "Table above, figure below, following table, etc." but state the table clearly using names such as Table 1, Figure 1, etc. Writing words in Table 1, Figure 1 must be in bold. Tables are numbered in order of presentation (Table 1, etc.), without a right or left border. The title of the table is written at the top of the table with the center justified. Write down the complete source and year of data from the table presented. The writing of the table is explained as in the example template for the Accounting and Financial Research Journal as follows:

Descriptive Statistics

Based on data processing carried out using Eviews version 10, which includes a sustainability report sisclosure, profitability, company size and leverage, the following are presented descriptive statistical data in this study:

Table 2. Descriptive Statistical Results

	SRDI	ROA	SIZE	DAR
Mean	0.422372	0.074878	32.50100	0.567038
Maximum	0.859100	0.466600	34.95210	0.857100
Minimum	0.120800	-0.028600	30.39300	0.126300
Std. Dev.	0.127210	0.105206	1.656875	0.223041
Observations	60	60	60	60

Sumber: Output E-Views 10 (data diolah)

The interpretation of descriptive statistics is as follows:

1. Variable Sustainability Report Disclosure (SRDI)
   Based on table 2, it is known that the highest SRDI value is owned by PGAS or PT Perusahaan Gas Negara in 2020, which is 0.859100 or 85.91%. Where PGAS revealed 128 items out of a total of 149 items that should have been disclosed. Meanwhile, the lowest SRDI value was owned by BBCA or PT Bank Central Asia in 2016 with a value of 0.120800 or 12.08%, where BBCA only revealed 18 items out of 149 items that should have been disclosed. The sustainability report disclosure index of 12 companies for 5 years of observation has an average of 0.422372 or 43.23%. Furthermore, the standard deviation in SRDI is 0.127210, where this value is smaller than the average value of SRDI which indicates that there is a relatively small gap between the highest value of SRDI and the lowest value of SRDI.
2. Variable Profitability (ROA)
   Based on table 2, it shows that the company that has the highest ROA value is a UNVR company or PT Unilever Indonesia in 2018 with a value of 0.466600 or 46.66%. In addition, the company that has the lowest ROA value is the PGAS company or PT Perusahaan Gas Negara in 2020 with a value of -0.028600 or -2.86%. The average profitability ratio (ROA) was 0.074878 or 7.49% of the 12 LQ45 index companies during the 5-year research period, namely 2016-2020, with a standard deviation of 0.105206 where this value was greater than the average value indicating that there was a relatively large or large gap between the highest value and the lowest value.
3. Variable Company Size (SIZE)
   Based on table 2 , it can be seen that the company that has the largest company size is PT Bank Rakyat Indonesia in 2020, which is 34.95210. Furthermore, the company that has the smallest company size is PT AKR Corporindo or AKRA, which was 30.39300 in 2016. The average of the variable ratio of company size (size) is 32.50100 from 12 LQ45 index companies during the 5-year research period, with a standard deviation of 1.656875 which is smaller than the average which means that there is a gap that is not too far between the lowest company size and the highest company size.
4. Variable Leverage (DAR)
   In table 2 , it can be found that the company that has the highest DAR value is PT Bank Rakyat Indonesia or BBRI with a value of 0.857100 or 85.71% in 2018. Furthermore, the lowest leverage is owned by PT Vale Indonesia or INCO with a value of 0.126300 or 12.63% in 2019. The average of the variable leverage ratio (DAR) was 0.567038 of the 12 LQ45 index companies during the 5-year study period, with a standard deviation of 0.223041 which is smaller than the average which means there is a relatively small gap between the highest leverage and the lowest leverage.

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Panel Data Regression Analysis

Restrcited F Test (Pooled Least Square VS Fixed Effect Model)

Table 3. F Restricted Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.305558	(11,45)	0.0022
Cross-section Chi-square	35.534118	11	0.0002

Source: E-Views 10 output (data processed)

Based on table 3, the probability value of Cross Section Shi-Square in this study is 0.0002 < 0.05, so it can be concluded that H0 was rejected and Ha was accepted. So the best model that is appropriately used in the estimation of panel data in this study between the Pooled Least Square model and the Fixed Effect Model is the Fixed Effect Model

Uji Haussman (Fixed Effect Model VS Random Effect Model)

Table 4. Haussman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	7.900827	3	0.0481

Source: E-Views 10 output (data processed)

Based on table 4, the probability value of Cross Section Shi-Square in this study is 0.0481 < 0.05, so it can be concluded that H0 is rejected and Ha is accepted. So the best model that is appropriately used in the estimation of panel data in this study between the Random Effect Model and the Fixed Effect Model is the Fixed Effect Model.

Panel Data Regression Model Used

Tabel 5. Fixed Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.167036	1.586538	-2.626497	0.0118
ROA	-0.331118	0.302682	-1.093947	0.2798
SIZE	0.151173	0.049635	3.045702	0.0039
DAR	-0.527435	0.184703	-2.855579	0.0065

Source: E-Views 10 output (data processed)

Based on the results of the tests that have been carried out on the panel data regression model, the regression equation can be written as follows:

SRDI = - 4.167036 – 0.331118 (ROA) + 0.151173 (SIZE) – 0.527435 (DAR)

1. Based on the results of the panel data regression test in table 5, a constant value of –4.167036 can be found. This can be interpreted to mean that if the independent or free variables, namely profitability (ROA), company size (SIZE), and leverage (DAR) are considered constant or equal to 0 (zero), then the value of sustainability report disclosure (SRDI) is minus 4.167036.
2. Profitability measured using ROA shows a regression coefficient of -0.331118 which can be interpreted to mean that if the ROA value increases by 1 (assuming a fixed or no change in the value of other variable coefficients), then the value of sustainability report disclosure (SRDI) decreases by 0.331118.
3. The size of the company (SIZE) shows a regression coefficient of 0.151173 which can be interpreted to mean that if the SIZE value increases by 1 (assuming a fixed or no change in the coefficient value of other variables), then the value of the sustainability report disclosure (SRDI) increases by 0.151173.
4. Leverage measured using DAR shows a regression coefficient of -0.527435 which can be interpreted to mean that if the DAR value increases by 1 (assuming a fixed or no change in the value of other variable coefficients), then the sustainability report disclosure (SRDI) value decreases by 0.527435.

Partial Test (T test)

Table 6. Test Results t

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.167036	1.586538	-2.626497	0.0118
ROA	-0.331118	0.302682	-1.093947	0.2798
SIZE	0.151173	0.049635	3.045702	0.0039
DAR	-0.527435	0.184703	-2.855579	0.0065

Source: E-Views 10 output (data processed)

Based on table 6 , it can be known the influence between independent variables on dependent variables partially as follows:

1. Profitability (ROA) to Sustainability Report Disclosure (SRDI)
   The results obtained, namely profitability projected with Return On Asset (ROA) showing a significance value of 0.2798 > 0.05 or greater than α with a coefficient of -0.331118, and a value of 〖-t〗 _hitung < -t_tabel namely -1.093947 < -2.00324 with df = 60 - 4 = 56 and a significance level of 5%, so it can be interpreted that the profitability variable has no effect on sustainability report disclosure (SRDI).
2. Company Size (SIZE) of Sustainability Report Disclosure (SRDI)
   The results obtained, namely the projected size of the company with SIZE shows a significance value of 0.0039 < 0.05 or smaller than α with a coefficient of 0.151173, and a t_hitung > t_tabel value of 3.045702 > 2.00324 with df = 60 - 4 = 56 and a significance level of 5%, then H0 is rejected and Ha is accepted, so it can be interpreted that the company size variable has a significant positive effect on sustainability report disclosure (SRDI).
3. Leverage (DAR) on Sustainability Report Disclosure (SRDI)

The result is that the leverage projected with the Debt to Asset Ratio (DAR) shows a significance value of 0.0065 < 0.05 or greater than α with a coefficient of -0.27435, and a value of 〖-t〗_hitung > 〖-t〗_tabel which is -2.855579 > -2.00324 with df = 60 - 4 = 56 and a significance level of 5%, then H0 is rejected and Ha is accepted, so that it can be interpreted that the leverage variable negatively affects the sustainability report disclosure (SRDI).

Coefficient of Determination Test (R2)

Table. 7 Coefficient of Determination Test Results (R2)

R-squared	0.631103
Adjusted R-squared	0.516335
S.E. of regression	0.091486
F-statistic	5.498953
Prob(F-statistic)	0.000006

Source: E-Views 10 output (data processed)

Based on table 7, it can be seen that the value of adjusted R-squared from the test results of the coefficient of determination is 0.516335 or 51.63%. These results can be interpreted to mean that 51.63% sustainability report disclosure can be explained by independent variables consisting of profitability, company size and leverage. While the remaining value or 48.37% (100% - 51.63%) can be influenced or explained by other factors outside the independent variables in this study.

The Effect of Profitability on Sustainability Report Disclosure

Based on the output of Eviews 10, the results of the regression test panel data in table 5 showed the results that profitability measured using Return On Asset (ROA) had no effect on sustainability report disclosure (SRDI). This is evidenced by looking at the significance value of 0.2798 > 0.05 or greater than the α with a coefficient of -0.331118, and the value of 〖-t〗_hitung < -t_tabel which is -1.093947 < -2.00324, then the first hypothesis (H1) is rejected. These results can be interpreted to mean that the high and low level of profitability of the company will not affect the level of disclosure of the company's sustainability report (sustainability report disclosure).

The relationship between profitability and sustainability reports is in line with stakeholder theory, where high profitability reflects the company's ability to generate profits so that the company can increase its contribution and inform more things related to environmental and social responsibility to the community. This information is contained in a sustainability report whose disclosure can maintain the company's relationship with stakeholders, but during this research period the size of profitability or the amount of profit did not affect the sustainability report disclosure. The results of this study are not in accordance with or in line with the theory of these stakeholders.

The average level of profitability and sustainability report disclosure in 2018 to 2020 also shows the same thing, where in that period the profitability level decreased, namely 0.0944 in 2018, 0.0720 in 2019 and 0.0591 in 2020, but the level of sustainability report disclosure increased by 0.4183 in 2018, 0.4251 in 2019 and 0.5295 in 2020. The cause of the decline in profitability can be caused by several things, namely the internal conditions

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of the company and also external or macro conditions. Where in 2019 there was an outbreak of a disease that attacked the whole world, namely Covid-19. The existence of the pandemic has an impact on the company's economic condition, where the government implements the PSBB (Large-Scale Social Restrictions) program which also has an impact on the company's operating activities that must be closed or carried out from home (Work From Home).

The opposite happened to the disclosure of sustainable reports carried out by one of the companies that were the object of this study, namely PGAS, where in 2020 the level of sustainability report disclosure increased from 0.7248 to 0.8591. The increase occurred due to one form of social responsibility carried out by the company in 2020, namely by assisting the government in overcoming the impact of the Covid-19 pandemic, which in the previous year had never been carried out. The form of assistance is in the form of food package assistance to people in need, gas activation for public kitchens at Wisma Atlet for 5 months, provision of portable hand washing facilities in several public facilities, implementation of mass Covid-19 rapid tests, provision of PPE, medical masks, disinfectant devices, hand sanitizers for several hospitals in Indonesia, PGAS employees, and communities around the company's operational area.

The results of this study are in line with research conducted by (Nur Alfiyah, 2018), (Ariyani et al., 2018), (Marsuking, 2020), (Hartoyo, Khafid, & Agustina, 2014), (Khafid & Aniktia, 2015), which shows that profitability has no effect on sustainability report disclosure. However, the results of this study are not in line with the research conducted by (Nguyen & Nguyen, 2020), where profitability measured using ROE (Return On Equity) shows that profitability has a positive effect on sustainability report disclosure.

Effect of Company Size on Sustainability Report Disclosure

Based on the output of Eviews 10, the results of the regression test panel data in table 5 show the results that the size of the company measured using Ln Total Asset has a significant effect on sustainability report disclosure (SRDI). This is evidenced by looking at the significance value of 0.0039 < 0.05 or smaller than the α with a coefficient of 0.151173, and the value of the t_hitung > t_tabel which is 3.045702 > 2.00324, then hypothesis 2 (H2) is accepted. These results can be interpreted to mean that the larger the size of the company, it will affect the level of disclosure of the company's sustainability report (sustainability report disclosure).

Based on the theory of legitimacy, the larger the size of a company, the greater the level of legitimacy of the company. This happens because companies that have a large size have a wider social and business environment, so companies need to express their responsibility to the environment and surrounding social for the sustainability of the company's operating activities.

In this study, there were 12 companies that were used as research samples where 11 companies experienced an increase in company size from the previous year in line with the increase in sustainability report disclosure. The increase in sustainability report disclosure that occurred in 2020 was due to the contribution to the community in responding to the Covid-19 pandemic case. The contribution is in the form of providing health facilities, providing laboratories for PCR, making hospitals as referrals for Covid-19 patients. This is in line with the legitimacy theory which states that the larger the size of the company will cause the company to tend to reveal more items in its ongoing reports.

The results of this study are in line with research conducted by (Nguyen & Nguyen, 2020), (Karaman et al., 2018), (Akbulut & Kaya, 2019), and (Kilic And Kuzey, 2017) which states that the size of the company has a positive effect on sustainability report disclosure, where companies that have a large size are more concerned with sustainability report disclosure because it is part of the company's legitimacy strategy. The results of this study are appropriate or in line with the theory of legitimacy. Because the large size of the company shows greater resources and social responsibility to the community. (Hidayah et al., 2019). In a sense, the size of the company during the research period, namely 2016-2020, has a significant positive effect on sustainability report disclosure, where the larger the size of the company measured using the natural logarithm of total assets, the greater the level of sustainability report disclosure.

The Effect of Leverage on Sustainability Report Disclosure

Based on the output of Eviews 10, the results of the regression test panel data in table 5 showed the results that leverage measured using the Debt to Asset Ratio (DAR) had a significant negative effect on sustainability report disclosure (SRDI). This is evidenced by looking at the significance value of 0.0065 < 0.05 or less than α with a coefficient of -0.527435, and the value of 〖-t〗_hitung > -t_tabel which is -2.855579 > -2.00324, then hypothesis 3 (H3) is accepted. These results can be interpreted to mean that between leverage and sustainability report disclosure has an inversely proportional movement, where the greater the leverage, the smaller the level of disclosure of the company's sustainability report (sustainability report disclosure).

Viewed from the perspective of stakeholder theory, the disclosure of sustainable reports carried out by the company can be seen as a way to meet the expectations of creditors, which is one part of the company's stakeholders or stakeholders. Companies with a high level of leverage will disclose lower social responsibility, while companies with a low level of leverage will carry out broader disclosures of sustainable reports, this is because companies must reduce the cost of disclosing the reports so as not to be highlighted by creditors (Nur Alfiyah, 2018).

The results of this study are in line with research conducted by (Sonia & Khafid, 2020), (Maryana & Carolina, 2021), (Abdulsalam & Babangida, 2020) and also (Akbulut & Kaya, 2019) which states that leverage negatively affects sustainability report disclosure. The results of this study are in line with the theory of these stakeholders, which proves that leverage has a negative effect on sustainability report disclosure. This is because the decision to disclose the social information contained in the ongoing report, will be followed by expenditure on such disclosure which can later reduce or reduce the company's revenue.

E. CONCLUSIONS AND SUGGESTIONS

Based on the results of research and hypothesis tests that have been carried out using regression analysis of previous panel data, it can be concluded that profitability measured using Return On Asset (ROA) shows results that have no effect on Sustainability Report Disclosure. Meanwhile, the Company Size measured using the Natural Logarithm (SIZE) shows the results that the Company Size affects the Sustainability Report Disclosure. Meanwhile, Leverage measured using debt to asset ratio (DAR) shows the result that leverage affects sustainability report disclosure.

The limitations in this study include difficulties in obtaining data, this is because some of the continuous reports needed when collecting data are not available on the Indonesia Stock Exchange website, besides that researchers have difficulty in obtaining or searching for book literature that can be used because the research was carried out in the midst of a pandemic situation like today. In addition, e-books related to research titles are also still not close or inaccessible.

The advice in this study is that it is hoped that the company's management can be more concerned about environmental conditions and surrounding communities affected by the results of operations carried out by the company, both now and in the future, as well as so that the government can implement regulations regarding the company's obligations in issuing sustainability reports, so that all companies, both those that go public and do not go public, are more concerned about environmental impacts and social resulting. In addition, the results of this study are expected to be used as a reference in making considerations about investment decisions made by investors, which not only look at the economic or fundamental factors of the company but also by paying attention to the disclosure of sustainability reports.

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