The Determinant of Sustainability Report Disclosure with GCG as a Moderating Variable (Asian Companies Participating in ASRA 2017-2018)

Maylia Pramono Sari[1], Surya Raharja[2], Syam Widya[3], Maulia Fitriani[4]
{mayliapramonosari@mail.unnes.ac.id[1]}

Universitas Negeri Semarang, Indonesia[1, 3, 4]
Universitas Diponegoro, Indonesia[2]

Abstract. This study aims to examine and analyze the effect of company growth, industry type and leverage on the level of sustainability report disclosure using GCG indicators as moderating variables. 25 companies that received awards at The Asia Sustainability Reporting Awards (ASRA) in 2017-2018 were used as samples in this study. This study uses secondary data in the form of financial statements and company sustainability reports. The data analysis technique was carried out with Moderated Regression Analysis (MRA) using IBM SPSS Statistics 22 software. The results showed that company growth, industry type and leverage simultaneously affected the level of sustainability report disclosure. While partially shows that company growth, industry type and leverage do not affect the level of sustainability report disclosure. However, the audit committee has been proven to strengthen the relationship between industry types and the level of sustainability report disclosure. And the number of members of the board of directors is proven to weaken the relationship of leverage to the level of sustainability report disclosure. while the governance committee variables is not proven as moderating variables. Suggestions that the researcher can give to the next researcher are expected to add an observation period to obtain a larger amount from the sample of this study. And it is expected to be able to use other variables to obtain maximum research results.

Keywords: Company Growth, Industry Type, Leverage, Governance Committee, Audit Committee, Board of Directors, Sustainability Report

1 Introduction

The objective of establishing a company is to make a profit. In addition, companies are also required to pay attention to the continuity of their business. It is caused by the demand for funds of hope for the company's establishment and operational processes. Corporate operating activities often impact the surrounding environment, both negative impacts and positive impacts, which have until now become an interesting issue for the community. The thing that needs to be considered by the company in overcoming the impact on the surrounding environment is by creating a harmonious between the company owner and the surrounding community to gain legitimacy from the community. In addition to increasing accountability and transparency, companies are also encouraged to disclose sustainability information in sustainability reports and those integrated into corporate annual reports.

A sustainability report is a report carried out by a company voluntarily that reports the

ICE-BEES 2021, July 27-28, Semarang, Indonesia

DOI 10.4108/eai.27-7-2021.2316896

company's contribution to the community, which viewed from 3 aspects, namely economic, social, and environmental aspects [1]. Law Number 40 of 2007 concerning Limited Liability Companies regulates social and environmental responsibility. The regulation was made to realize sustainable development in order to improve the quality of life and the environment which is beneficial for the company. Social and environmental responsibility activities need to be reported through social responsibility reports. The reports can be presented in an annual report, or through a sustainability report as a separate from the annual report [2].

Schaltegger and Burritt [3] found that sustainability report has two aspects, namely critical path and managerial path. The critical path described sustainability reporting as a barrier to corporate sustainability so that the practice will be eliminated. Meanwhile, in the managerial path perspective, it shows that sustainability reporting is assistance in managerial decision-making. Regardless of the barrier or help, the practice of disclosing sustainability reports has become the norm for corporate social responsibility in relation to investors and stakeholders.

The Asia Sustainability Reporting Awards (ASRA) is the highest international recognition for sustainability reporting, which celebrates the excellence of corporate sustainability reporting in Asia every year since 2015. All companies that compile sustainability reports or integrated reports in Asia, including the Middle East are welcome to participate in this award. The existence of the Asia Sustainability Reporting Awards (ASRA) is expected to encourage companies to keep increased their attention to the impact caused by the ongoing corporate business activities on the environment and to be more careful in making business decisions by prioritizing the principles contained in the sustainability reporting guidelines report. In addition, with international recognition of sustainability reporting, the company can increase public trust so that companies can easily gain legitimacy from the community, which will impact the company's business continuity, which is more secure.

Based on the gap phenomena and research gap above, the objectives of this study are divided into six. First, to analyze the effect of company growth on the level of the sustainability report disclosure. Second, to analyze the effect of industry type on the level of the sustainability report disclosure. Third, to analyze the effect of leverage on the level of sustainability report disclosure. Fourth, to analyze the effect of moderated influence of the governance committee. Fifth, to analyze the effect moderated influence of audit committee. The last, to analyze the effect of moderated influence of the board of director on the level of the sustainability report disclosure.

The originality of this research is contained in the object of research and the research model. The object of research in this study are companies in Asia that received awards at The Asia Sustainability Reporting Awards (ASRA) 2017-2018. This study uses a research model by adding moderating variables in the form of GCG as a proxy for the governance committee, the number of members of the audit committee, and the number of members of the board of directors.

2 Literature Review And Hypotheses Development

2.1 Legitimacy Theory

Legitimacy Theory explains how a company in explaining its operating activities continuously in line with the norms and values applicable in the society where the company is established with the aim that the company gains legitimacy from the community [4]. The adjustment to the norms is intended so that the company can be accepted by the community and get full support so that the run business that is being run can continue.

2.2 Stakeholder Theory

Meanwhile, another theory that discusses the relationship between the company and its stakeholders is stakeholder theory. According to Khafid and Mulyaningsih [2], based on the stakeholder theory, companies will choose to disclose information about their environmental, social, and intellectual performance voluntarily, over and above their mandatory demands, to meet stakeholder real or recognized expectations. Furthermore, companies with Good Corporate Governance (GCG) are assumed to have a high probability of disclosing voluntary environmental and social responsibility as an effort to fulfill stakeholder needs [5]. The companies will consider stakeholder interest more to gain moral support for the company to design the appropriate strategy to achieve company performance that is in line with the company expectations and goals. However, until now, there are still irregularities committed by companies. Even though these companies have published sustainability reports and have received awards at The Asia Sustainability Reporting Awards (ASRA) event. Gap phenomena underly this research. Several previous studies related to sustainability reporting have been carried out, such as Hastuti [6]; Munsaidah et al. [7]; Anggiyani and Yanto [8]; Lucia and Panggabean [9]; Sari et al. [10]; Khafid et al. [4]; Sulistyawati and Qadriatin [11].

2.3 Disclosure of Sustainability Report

Disclosure of sustainability reports by companies can be influenced by several factors, including indicators of corporate financial performance, indicators of company characteristics, and indicators of Good Corporate Governance (GCG). From the corporate financial performance indicators, the researchers take company growth and leverage. Afterward, from the company characteristics indicators, the researchers take industry type in this research. Furthermore, from the GCG indicators, the researchers use governance committee, audit committee, and board of directors as moderating variables. Meanwhile, the sample population in this study is the companies that have won The Asia Sustainability Reporting Awards (ASRA) in 2017-2018.

2.4 Hypotheses Development

Company growth is defined as an indicator that shows the financial performance of a company. High company growth will result in high profitability in the future so that it will attract investors to invest [4]. Legitimacy theory explains that companies must gain legitimacy and trust from the public and investors for the survival of the company's business. So that companies with high growth rates can carry out more activities because the company's wealth (assets) is greater so that it can have an impact on society and the environment. Thus, the company will pay more attention to the disclosure of the sustainability report for the sake of the company's business continuity. Companies with high growth rates will receive more attention from the public and investors, so companies with high growth rates will tend to disclose more sustainability reports.

H1: Significant and positive effect of company growth on the level of sustainability report disclosure.

Industry type is a classification of companies based on the company's operating activities. Companies with high profile categories will get more attention from the public than low profile companies [12]. So that high profile companies will tend to disclose sustainability reports to gain legitimacy and trust from the public. As explained in the legitimacy theory, companies that get a high profile that has a high impact and risk will pay more attention to the disclosure of its sustainability report to maintain the company's business continuity. Considering that in the establishment of a company there is a contract or agreement that must be fulfilled by the company, then if in the course of business activities there are things that are not in accordance with the agreement, the community has the right to make demands against the company. High profile companies will tend to disclose more about their sustainability reports.

H2: Significant and positive effect of Industry type on the level of sustainability report disclosure

Leverage shows the company's ability to pay off all its obligations, both short- term and long-term obligations. Companies with a high level of leverage have a high financial risk as well. The risk can be in the form of difficulty in obtaining loans from banks or the stock market. Therefore, companies that have a high level of leverage will tend to disclose sustainability reports to gain the trust of creditors. Stakeholder theory explains to which party the company must be responsible [4]. Based on stakeholder theory, companies will tend to pay attention to the interests of stakeholders who are considered to have strong power for the company. Companies that have a high leverage will tend to disclose more sustainability report.

H3: Significant and positive effect of Leverage on the level of sustainability report disclosure

One indicator of the company's financial performance is indicated by the high and low growth of the company which can be seen from its sales or income. The higher the company's growth, the better the company's performance. The high growth of the company is one of the company's goals to attract more investors to invest in the company. So that companies will be encouraged to pay more attention to stakeholder interests by disclosing sustainability reports to gain the trust of investors. One of the factors that encourage the achievement of company goals is the implementation of GCG in accordance with established principles and ethics.

The governance committee is part of the company's GCG indicators. The establishment of a governance committee can recommend companies in relation to the implementation of sustainability report disclosure in realizing one of the GCG principles, namely transparency [13]. The application of the principle of information disclosure to investors and the public is expected to give a good image to the company. The establishment of a governance committee is expected to encourage a high level of disclosure of a company's sustainability report. So that the relationship between company growth to increase sustainability report disclosure will be stronger with the existence of a governance committee involved in making company decisions to disclose sustainability reports.

Based on the description above, it can be concluded that the higher the company's growth, the higher the level of disclosure of the sustainability report, with the governance committee, it can encourage the management to disclose the sustainability report to the company. Thus, the governance committee can strengthen the relationship between company growth and the level of disclosure of the sustainability report.

H4: Governance committee can strengthen company growth on the level of sustainability report disclosure.

The classification of companies based on the company's operating activities can be seen from the characteristics of the company and the level of company risk. Companies classified as high profile tend to have a high level of sensitivity to the environment compared to low profile companies. High profile companies also tend to have a high risk and receive more attention from the public. The role of the governance committee as part of the company's GCG implementation can provide input on whether the company needs to disclose the sustainability report. Seeing the disclosure of the sustainability report which is still voluntary, it provides an opportunity for companies to make the best decisions in disclosing the sustainability report.

The establishment of a governance committee is expected to be able to recommend to the management to pay more attention to the disclosure of sustainability reports as an effort to gain legitimacy from the community and stakeholders. So that the existence of a governance committee can encourage the level of disclosure of the sustainability report. Especially for companies that are classified as high profile which get a lot of attention from the public.

Based on the description above, it can be inferred that the different types of industries affect the level of disclosure of the sustainability report. Companies that are classified as high profile will tend to pay more attention to the level of disclosure of the company's sustainability report to obtain a good image in the community and attract stakeholders. The existence of a governance committee encourages high profile companies to continue to improve the quality of their sustainability report disclosures to maintain the company's business continuity. Thus, the governance committee can strengthen the relationship between the type of industry and the level of disclosure of the sustainability report.

H5: Governance committee can strengthen industry type on the level of sustainability report disclosure.

Leverage shows the company's ability to pay off all its obligations. Companies with a high level of leverage have a high financial risk as well [5]. The role of the governance committee is to give consideration to whether the company needs to disclose the sustainability report to gain the trust of the public and investors. The high level of leverage indicates that most of the company's funding sources come from third parties. Based on the stakeholder theory, the company will pay more attention to the needs of stakeholders and be accountable in the form of reports, both mandatory and voluntary to meet the information requests needed by stakeholders. The governance committee as part of corporate governance has a role to encourage companies to carry out social responsibility and disclose sustainability reports in an effort to gain trust from creditors.

Based on the description above, it can be concluded that companies with high leverage will tend to disclose sustainability reports to gain the trust of creditors. The existence of a governance committee can recommend companies to pay more attention to the implementation of sustainability report disclosure. Thus, it can be concluded that the governance committee can strengthen the leverage relationship to the level of disclosure of the sustainability report.

H6: Governance committee can strengthen leverage on the level of sustainability report disclosure.

The audit committee is tasked with ensuring that the financial statements must be presented fairly and in accordance with generally accepted accounting principles (GAAP). The existence of an audit committee can encourage companies to carry out disclosure of company reports, both mandatory and voluntary. The audit committee is tasked with ensuring that the company's high growth rate will attract more investors to invest their shares. So that these conditions must be balanced with the completeness of information in accordance with the requests and expectations of stakeholders. One of them is by disclosing the sustainability report as a form of corporate social responsibility towards the environment, social and economy in accordance with predetermined principles.

The large number of members of the audit committee is expected to encourage companies to increase the disclosure of sustainability reports. The more members of the audit committee, it is easier for the company to supervise the performance of management so that in addition to focusing on the financial statements, the company can also pay attention to the implementation of the sustainability report disclosure as a form of effort to meet the needs of stakeholders.

Based on the description above, it can be concluded that the higher the company's growth, the higher the level of disclosure of the sustainability report, with a large number of audit committees making it easier to supervise and coordinate their members in carrying out their duties effectively. So that the large number of members of the audit committee can encourage a high level of disclosure of the sustainability report in the company. Thus, the number of audit committee members can strengthen the relationship between company growth and the level of disclosure of the sustainability report.

H7: Audit committee can strengthen company growth on the level of sustainability report disclosure.

In general, high profile companies will receive more attention from the public than low profile companies. The risk of high profile companies is also higher. The existence of an audit committee will encourage companies to disclose sustainability reports in order to establish good relations with stakeholders and gain legitimacy by achieving the company's GCG practices. The audit committee must have a plan that focuses on implementing corporate social responsibility. The realization of the implementation of social responsibility is published through the disclosure of the sustainability report.

The large number of members of the audit committee is expected to improve supervision and control over the disclosure of the sustainability report. Companies that are classified as high profile are more sensitive to the environment, so they get more attention from the public. As a result, high profile companies will be more at high risk in the continuity of their business. The existence of an audit committee is expected to be able to control the risks that may occur which can be a threat to the sustainability of the company's business. One of them is by applying the principle of transparency not only regarding financial performance but also regarding corporate social and environmental responsibility through the disclosure of sustainability reports.

Based on the description above, it can be concluded that high profile companies tend to disclose sustainability reports to gain legitimacy from the community and stakeholders. The large number of members of the audit committee can encourage management to continue to increase the disclosure of sustainability reports by conducting effective supervision and control. Thus, it can be concluded that the audit committee can strengthen the relationship between the type of industry and the level of disclosure of the sustainability report.

H8: Audit committee can strengthen industry type on the level of sustainability report disclosure

A high level of leverage will pose a high financial risk for the company because the company must bear larger interest payments. However, if the company is able to use the funding from the third party properly, the high level of leverage can be an opportunity for the company to earn high profits as well. Therefore, companies that have a high level of leverage will try to get support from stakeholders. This is in accordance with the stakeholder theory which explains that the survival of the company depends on stakeholder support and that support must be sought so that the company's activities are to seek these supports [4].

The audit committee tasked with supervising the auditors, ensuring that management takes appropriate corrective actions against laws and regulations is responsible for the implementation of disclosure of both financial statements and corporate sustainability reports. The large number of members of the audit committee can facilitate the process of monitoring and checking company reports whether they are in accordance with existing rules and principles. The existence of an audit committee can encourage management to improve the quality of company reports, both in financial and non-financial fields such as sustainability reports. One form of the company's efforts to seek support from stakeholders is to meet the needs of stakeholders. The audit committee as one of the company's organs must have a clear and focused written plan in the implementation of corporate social responsibility in order to carry out social responsibility tasks [14]. Thus, the audit committee can encourage the implementation of the company's sustainability report disclosure.

Based on the description above, it can be concluded that companies with high levels of leverage will tend to disclose their sustainability reports to gain support from stakeholders. The large number of members of the audit committee can facilitate the supervision process and ensure that the implementation of sustainability report disclosure is carried out effectively and in accordance with applicable regulations. Thus, it can be concluded that the audit committee can strengthen the leverage relationship to the level of disclosure of the sustainability report.

H9: Audit committee can strengthen leverage on the level of sustainability report disclosure.

One of the components of Good Corporate Governance (GCG) is the board of directors. The board of directors needs to publish information on social responsibility as a form of implementation of one of the GCG principles, namely accountability. The more members of the board of directors, the greater the opportunity to publish a sustainability report. Companies with high corporate growth rates will tend to disclose sustainability reports to attract more investors. So that to meet the demands of investors, the board of directors will pay more attention to the information that must be submitted in the disclosure of the sustainability report. The large number of members of the board of directors is expected to increase the disclosure of sustainability reports in the company. The more the number of members of the board of directors, the more who can be responsible for the implementation of the disclosure of the sustainability report.

Based on the description above, it can be inferred that the higher the company's growth, the higher the level of disclosure of the sustainability report, with the large number of members of the board of directors, it can encourage management to also pay attention to the disclosure of the sustainability report as a form of effort to maintain the sustainability of the company's business in the long term. Thus, the number of members of the board of directors can strengthen the relationship between the company's growth and the level of disclosure of the sustainability report.

H10: The board of director can strengthen company growth on the level of sustainability report disclosure.

The board of directors, apart from monitoring the company's performance, also contributes to efforts to gain company legitimacy by promoting wider disclosure of sustainability reports. Companies that are classified as high profile will get more attention from the public. Therefore, high profile companies will tend to pay attention to the disclosure of the company's sustainability report to maintain the company's image and gain the trust of the public. The role of the board of directors is to monitor the preparation of the sustainability report and be responsible for the realization of corporate accountability in accordance with GCG principles.

The number of members of the board of directors is expected to facilitate monitoring and supervision in the preparation of sustainability reports and the realization of corporate accountability. High profile companies receive special attention from the public because their operations are in direct contact with the public. So that high profile companies are more at risk of getting demands from the community if things happen that are not in accordance with the social contract that is being carried out. Therefore, it is important for high profile companies to create a good image in the community, one of which is by disclosing a sustainability report to show the company's social and environmental responsibility. The existence of a member of the board of directors as the party responsible for the long-term sustainability of the company's business must be competent in making decisions and policies for the company. Thus, the large number of members of the board of directors can encourage companies to improve the quality of disclosure of the company's sustainability report.

Based on the description above, it can be concluded that high profile companies that have a high level of sensitivity will tend to disclose sustainability reports. The large number of members of the board of directors makes it easier to monitor and supervise the preparation of the sustainability report so that it can run effectively. Thus, the large number of members of the board of directors can encourage the increase in the quality of the company's sustainability report. Thus, the board of directors can strengthen the relationship between industry type and the level of disclosure of the sustainability report.

H11: The board of director can strengthen industry type on the level of sustainability report disclosure.

A high level of leverage will also pose a high financial risk for the company. Companies with high levels of leverage will be in the spotlight of creditors. Companies with a high level of leverage mean that the company must bear large amounts of loan interest. So the company will try to gain the trust of creditors by disclosing the sustainability report. The role of the board of directors is to monitor and ensure management in the preparation of the sustainability report. The more the number of members of the board of directors, the greater the opportunity to publish a sustainability report.

The large number of members of the board of directors can increase the disclosure of the sustainability report. it is assumed that the large number of members of the board of directors can facilitate the process of monitoring and compiling the company management responsibilities in the form of annual reports, one of them is in the form of a sustainability report. The board of directors sees that companies with a high level of leverage will tend to pay more attention to the company's accountability reports in order to maintain the company's business continuity in the long term. So that members of the board of directors will ask management to fulfill the demands of stakeholders in an effort to seek support from stakeholders, one of which is by disclosing sustainability reports. Thus, the presence of members of the board of directors can encourage increased disclosure of the company's sustainability report.

Based on the description above, it can be concluded that companies with a high level of leverage will tend to disclose sustainability reports to gain support from stakeholders. The existence of a member of the board of directors itself can encourage the company to continue to increase the disclosure of sustainability reports in order to maintain the continuity of the company's business. Thus, it can be concluded that the board of directors can strengthen the leverage relationship to the level of disclosure of sustainability reports.

H12: The board of director can strengthen leverage on the level of sustainability report disclosure.

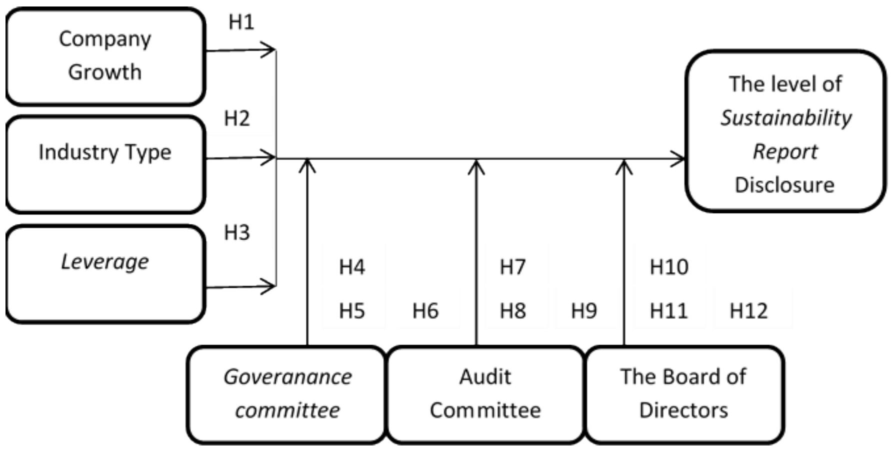

Fig. 1. Theoretical Framework

3 Method

The type of research used is quantitative data which is secondary data. Secondary data can be obtained and collected from annual financial reports and sustainability reports of companies that received awards at The Asia Sustainability Report Award (ASRA) 2017-2018. There are three types of variables in this study, where the dependent variable is the level of disclosure of the sustainability report. The independent variables are company growth, type of industry, and leverage. The moderating variables are the governance committee, audit committee, and the board of directors.

The population in this study were companies that received awards at The Asia Sustainability Reporting Award (ASRA) in 2017 and 2018. We conduct the research in 2020, so that is way, we use the data of ASRA 2017 and 2018 due to the data of 2020 is not available yet. The sampling technique used in this study was the purposive sampling technique. The population in this study amounted to 38 companies. This study obtained a sample of 25 companies with 2 (two) years of observation (2017-2018). Thus, the number of analysis units in this study is 50 units. In this study, the 2016 GRI standard was used where there were 145 items disclosed. The 145 items are divided into 5 aspects, namely universal standards using 3 indicators (foundation, general disclosure, management approach), economic standards using 6 indicators (economic performance, market presence, indirect economic impact, procurement practices, anti-corruption, and anti-corruption). -competitive behavior), environmental standards use 8 indicators (materials, energy, water, biodiversity, emissions, wastewater and waste, environmental compliance, and supplier environmental assessment), social standards use 19 indicators (employment, labor relations/management, health and safety, training and education, diversity and equal opportunity, non-discrimination, freedom of association and collective bargaining, child labor, forced or compulsory labor, safety practices, indigenous peoples rights, human rights assessments, local communities, social supplier assessments , public policy, customer health and safety, marketing and labeling, customer privacy, and socio-economic compliance), and the GRI standards glossary with one indicator (GRI standards glossary).

This study involved seven variables consisting of one dependent variable, three independent variables, and three moderating variables. The dependent variable is the level of disclosure of the sustainability report; independent variables consisting of company growth, type of industry, and leverage. Meanwhile, the moderating variable in this study is GCG which is proxied by the governance committee, audit committee, and the board of directors. Variable operational interpretation can be seen in table 1:

Table 1. Definition of Operational Research

Variable	Variable Definition	Measurement
The level of sustainability report	Reporting conducted by voluntary companies that report corporate contributions to the community is seen from 3 aspects, namely economic, social and environmental	SDRI = $\frac{number\ of\ items\ disclosed}{number\ of\ items\ expect\ to\ be\ disclosed}$ Khafid et al. [4]
Company growth	One of the financial performance indicators that describe the achievement of the company both in terms of sales and revenue in a certain period	$Growth = \frac{total\ asset_t - total\ asset_{t-1}}{total\ asset_{t-1}}$ Shamil et al. [15]
Industry type	Classification of a company based on the main activities carried out by the company	Variable *dummy* Anggiyani and Yanto [8]
Leverage	The level of strength/ability of the company to try to pay off all of its obligations, both long-term and short-term obligations	$DER = \frac{Total\ Debt}{Total\ Equity}$ Aniktia and Khafid [5]

Variable	Variable Definition	Measurement
The level of sustainability report	Reporting conducted by voluntary companies that report corporate contributions to the community is seen from 3 aspects, namely economic, social and environmental	SDRI = $\frac{\text{number of items disclosed}}{\text{number of items expect to be disclosed}}$ Khafid et al. [4]
Governance committee	Committee consisting of several members of the board of directors who have the task to develop and recommend the board, guidelines in the implementation and ethics of corporate governance	Variable *dummy* Khafid and Mulyaningsih [2]
Audit committee	Committee appointed by the company as a communicator between the board of directors and external auditors, internal auditors and also independent members	Number of members of the audit committee Agustina and Rusmana [14]
The board of director	Corporate organs in charge and collegially responsible for managing the company	Number of members of the board of directors (Wulanda, 2017)

The technique of collecting data in this research is documentation technique. Documentation technique is a data collection technique in the form of archives or certain documents where in this study data was collected by downloading from the website of each company in the form of annual reports and sustainability reports for 2017-2018 which will be sampled in this study. Meanwhile, the data processing and data analysis technique used a moderator regression analysis (MRA) technique.

4 Results and Discussions

The description of the data used in this study can be known through descriptive statistical analysis. Descriptive statistical tests will show the mean, maximum, minimum, and standard deviation of the data of the research. The descriptive statistics is presented in Table 2, Test of Classical Assumption in Table 3 and the Regression Analysis Result in Table 4.

Table 2. Results of Descriptive Statistics Test

Variable	N	Minimum	Maximum	Mean	Std. Deviation
The level of sustainability report	50	0.297	0.876	0.55283	0.158919
Company growth	50	-0.417	0.558	0.04026	0.154333
Industry type	50	0	1	0.76	0.431
Leverage	50	0.017	17.256	1.55279	3.146971
Governance committee	50	0	1	0.78	0.418
Audit committee	50	2	5	3.56	0.705
The board of director	50	3	15	8.56	3.183

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Valid N (listwise)	50				

(Secondary data processed)

Before performing regression testing and hypothesis testing, the classical assumption test is used to determine whether a regression model meets the requirements for the presence or absence of a classical assumption problem. Classical assumption test of each model includes normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

Table 3. Classical Assumption

Test	Analysis Tool	Result	Meaning
Normality	Kolmogorov Smirnov	Asymp. Sig (2 -tailed) 0.200 (0,200>0,05)	The data is distributed normally
Multicollinearity	VIF	VIF value <10 and the tolerance value > 0.10	The data is free from multicollinearity symptoms
Autocorrelation	Durbin Watson	du <DW <4-dU 1,8413 < 1,916 < 2,1587	There is no autocorrelation
Heteroskedasticity	Glejser	t test and F test all variables have a significance value above the 5% confidence level	There is no heteroscedasticity

(Secondary data processed)

Table 4. presents the results of regression analysis in the study. The table contain information about the significance value and alpha value.

Table 4. Regression Analysis Result

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,757	,229		3,304	,002
	growth	1,208	,867	1,173	1,394	,172
	type	-,027	,146	-,074	-,187	,853
	leverage	-,356	,180	-7,055	-1,981	,056
	gc	-,258	,165	-,680	-1,563	,127
	ac	,088	,048	,392	1,861	,071
	bod	-,034	,013	-,678	-2,585	,014
	x1z1	-,789	,756	-,747	-1,043	,304
	x1z2	,106	,137	,333	,772	,446
	x1z3	-,002	,046	-,011	-,036	,972
	x2z1	,142	,081	,448	1,753	,089
	x2z2	-,096	,039	-1,032	-2,485	,018
	x2z3	,018	,013	,555	1,416	,166
	x3z1	,195	,156	3,924	1,252	,219
	x3z2	,027	,025	1,643	1,119	,271
	x3z3	,013	,004	1,734	2,984	,005
a. Dependent Variable: sr						

Table 5. presents a summary of the results of hypothesis testing in the study. The table contains information related to the hypothesis, regression coefficient, significance value, alpha value, and to the decision whether the hypothesis is accepted.

Table 5. Summary of Hypothesis Test Result

	Hypothesis	B	t-count value	Sig.	Decision
H1	Significant and positive effect company growth on the level sustainability report disclosure	1,208	1,394	0,172	Rejected
H2	Significant and positive effect Industry type on the level sustainability report disclosure	-0,027	-0,187	0,853	Rejected
H3	Significant and positive effect Leverage on the level sustainability report disclosure	-0,356	-1,981	0,056	Rejected
H4	Governance committee can strengthen company growth on the level of sustainability report disclosure	-0,789	-1,043	0,304	Rejected
H5	Governance committee can strengthen industry type on the level of sustainability report disclosure	0,106	0,772	0,446	Rejected
H6	Governance committee can strengthen leverage on the level of sustainability report disclosure	-0,002	-0,036	0,972	Rejected
H7	Audit committee can strengthen company growth on the level of sustainability report disclosure	0,142	1,753	0,089	Rejected
H8	Audit committee can strengthen Industry type on the level of sustainability report disclosure	-0,096	-2,485	0,018	Accepted (strengthen)
H9	Audit committee can strengthen leverage on the level of sustainability report disclosure	0,018	1,416	0,166	Rejected
H10	The board of director can strengthen company growth on the level of sustainability report disclosure	0,195	1,252	0,219	Rejected
H11	The board of director can strengthen industry type on the level of sustainability report disclosure	0,027	1,119	0,271	Rejected

To answer the first question, based on the analysis result, the company growth coefficient value is 1.208 with the significance value is 0.172. This value is greater than the α value, which indicates that the effect of company growth is insignificant on the level of sustainability report disclosure. There is no effect of company growth on the level of sustainability report disclosure is assumed that companies in various countries are currently starting to aggressively disclose sustainability reports and are trying to get official recognition in the implementation of their sustainability report disclosures. One of them is by participating in The Asia Sustainability

Reporting Awards (ASRA) event.

To answer the second question, based on the analysis result, the industrial type coefficient value is -0.027 and the significance value of the industry type is 0.853. This value is greater than α, which indicates that the industry type does not influence the level of the sustainability report disclosure. There is no effect of industry type on the level of sustainability report disclosure is assumed that the sustainability report disclosure is now starting to be driven by each country. Thus, the disclosure is starting to shift from being voluntary to being mandatory for companies both classified as high profile companies and low profile companies. Disclosure of sustainability report is also carried out based on management awareness of the importance of social and environmental responsibility to comply with applicable laws and regulations. Thus, both companies that are classified as high profile and low profile do not affect the level of sustainability report disclosure.

To answer the third question, based on the analysis result, the leverage coefficient value is -0.356 the significance value of leverage is 0,056. This value is greater than α, which means that leverage does not affect the level of the sustainability report disclosure. There is no effect of leverage on the level of the sustainability report disclosure is assumed that not all companies with a high level of leverage will also bear high monitoring costs related to information management carried out by the company. Thus, companies with high leverage enable sustainability report disclosure compared to companies with low leverage as a form of corporate responsibility to investors and the public.

To answer the fourth question, the formation of a governance committee in a company is expected to encourage companies to disclose sustainability reports as a form of effort in gaining support from stakeholders. In addition, it can also provide recommendations regarding the disclosure of sustainability reports as a form of implementation of one of the principles of GCG, namely openness. Companies classified as high profile tend to pay attention to openness principle to gain legitimacy from the community. The governance committee the governance committee is not able to moderate the relationship between company growth, industry type, and leverage on the level of the sustainability report disclosure. It is assumed that there are still few companies that form governance committees so that the governance committee variable cannot play a role in strengthening or weakening the relationship between company growth and industry type on the level of the sustainability report disclosure. Furthermore, the disclosure of the sustainability report also requires significant costs so that the companies with high leverage will tend to make a decision not to disclose the sustainability report to reduce the risk of rising costs that must be incurred by them. In addition, the implementation of the sustainability report disclosure is based on the management's awareness of the importance of corporate social and environmental responsibility as a form of complying with the applicable laws and regulations. The existence of governance committees cannot play a role in strengthening the relationship between company growth and industry type on the level of the sustainability report disclosure because there are still few companies that form governance committees.

To answer the fifth question, a large number of members of the audit committee are expected to provide consideration in making the sustainability report disclosure. Where the audit committee is in charge of ensuring that the financial statements are presented fairly following generally accepted accounting principles, as well as in the disclosure of sustainability reports, it is ensured that it will be presented following applicable principles and regulations. Thus, the existence of an audit committee can encourage the companies to disclose sustainability reports as additional information in addition to issuing financial statements with integrity. Based on the research results, the number of members of the audit committee is not able to moderate company growth and leverage on the level of the sustainability report disclosure because the audit committee still focuses only on the quality of the corporate financial statements compared to the sustainability report which is still voluntary. In addition, many or few members of the audit committee do not guarantee a high level of sustainability report disclosure. However, the number of members of the audit committee can strengthen the relationship between industry type and the level of sustainability report disclosure. It is due to the audit committee, which is in charge of providing auditor supervision and ensuring that management takes appropriate corrective actions against laws and regulations, is expected to ensure wider information disclosure and the control system can run well. Thus, the existence of an audit committee can encourage companies to disclose sustainability reports as additional information in addition to issuing financial statements with integrity.

To answer the sixth question, the board of directors as a component of GCG needs to publish information regarding corporate social and environmental responsibility. The board of directors, who is in charge of ensuring the company's long-term business continuity, is expected to encourage companies to disclose sustainability reports. In particular, for high-profile companies that are under the public spotlight because the activities of the company's operations have the potential to relate to the wider community. Therefore, the board of directors is obliged to pay more attention to the disclosure of the corporate sustainability report for the sake of the company's business continuity. The number of the board of director member will not affect the high level of the sustainability report disclosure. But the board of directors can weaken the relationship of leverage to sustainability report. This finding is not supported by the Stakeholder theory, but supports the other theory which is Legitimation theory. The theory explained that companies with high leverage less enable sustainability report disclosure compared to companies with low leverage as they don't want the stakeholders know about that. Companies with high leverage will tend to stay away from the spotlight of debtholders, one of which is by not disclosing sustainability reports. Companies with high leverage will encourage companies to present high profits so that investors continue to give trust to the companies.

5 Conclusions And Limitations

5.1 Conclusions

The conclusions from this research are as follows:

a) Based on the results of the study, company growth, industry type, and leverage do not have a significant effect on the level of the sustainability report disclosure. The governance committee cannot strengthen the relationship between company growth, industry type, and leverage on the level of the sustainability report disclosure.

b) The number of audit committee members does not moderate the relationship between firm growth and leverage but can strengthen the relationship between industry type and level of sustainability report disclosure. The audit committee is a Committee appointed by the company as a communicator between the board of directors and external auditors, internal auditors and also independent members. The existence of an audit committee can assist in ensuring wide disclosure of information and the control system can run well so as to encourage companies to disclose sustainability reports. The existence of the audit committee is expected to be able to control the risks that may occur, which can be a threat to the sustainability of the company business. One of them is by implementing the principle of transparency not only regarding financial performance but also regarding the corporate social and environmental responsibilities through the disclosure of sustainability reports.

c) The board of directors cannot strengthen the relationship between company growth, and industry type on the level of the sustainability report disclosure but can weaken the relationship between industry type and the level of the sustainability report disclosure. The existence of the number of the board of director members can assist in ensuring extensive information disclosures and the control system can run well so that it can encourage companies to disclose sustainability reports. The existence of an audit committee can weaken the relationship of leverage to sustainability report and support the Legitimation theory.
d) GRI or commonly called the Global Reporting Initiative is one of the organizations that compile guidelines for disclosure of sustainability reports based in the Netherlands, which is internationally recognized and used by many countries. One of the Global Reporting Initiative (GRI) guidelines that can be used as a guide in preparing sustainability reports is the GRI standard which was launched in 2016. The GRI standard is a global best practice in terms of reporting on economic, environmental and social impacts. Based on GRI standards, the Sustainability report provides information about positive or negative contribution of an organization to sustainable development (www.globalreporting.org).
e) The disclosure of sustainability reports by companies can be influenced by several factors, including indicators of corporate financial performance, indicators of company characteristics, and indicators of Good Corporate Governance (GCG). Companies can implement sustainability report disclosure practices and the implementation of Good Corporate Governance (GCG).

5.2 Limitations

The limitations in this study are as follows:

a) For further researchers, there are several implications. First, further research is expected to use a wider sample to obtain maximum results. Second, further research can extend the observation period for a larger number of samples. Third, further research is expected to use other variables that can be used to determine other variables that can affect the level of the sustainability report disclosure. Fourth, further research can use other variables to be used as moderating variables that can strengthen or weaken the effect of the independent variables on the dependent variable.
b) For companies, companies can disclose sustainability reports as social responsibility towards stakeholders and the surrounding environment; and implement Good Corporate Governance (GCG) properly to gain public trust and attract investors to achieve common goals.
c) For stakeholders, investors will pay more attention to corporate sustainability reports to increase the company's concern for social, economy, and environment so as to create harmonious relationships between companies and stakeholders.

Reference

[1] N. Hasanah, D. Syam, and A. W. Jati, "Pengaruh corporate governance terhadap pengungkapan sustainability report pada perusahaan di Indonesia," *J. Reviu Akunt. dan Keuang.*, vol. 5, no. 1, 2015.

[2] M. Khafid and M. Mulyaningsih, "Kontribusi Karakteristik Perusahaan Dan Corporate

Governance Terhadap Publikasi Sustainability Report," *EKUITAS (Jurnal Ekon. dan Keuangan)*, vol. 19, no. 3, pp. 340–359, 2015.

[3] S. Schaltegger and R. L. Burritt, "Sustainability accounting for companies: Catchphrase or decision support for business leaders?," *J. World Bus.*, vol. 45, no. 4, pp. 375–384, 2010.

[4] M. Khafid, N. Baroroh, and M. Firmansyah, "The Role of Corporate Governance in Moderating the Influence of Company Growth and Size on Corporate Social Responsibility Disclosure," *KnE Soc. Sci.*, pp. 27–45, 2018.

[5] R. Aniktia and M. Khafid, "Pengaruh mekaniseme good corporate governance dan kinerja keuangan terhadap pengungkapan sustainability report," *Account. Anal. J.*, vol. 4, no. 3, 2015.

[6] W. Hastuti, "Pengaruh Ukuran Perusahaan, Pertumbuhan Perusahaan, Dan Tipe Industri Terhadap Pengungkapan Tanggung Jawab Sosial Perusahaan Dalam Laporan Tahunan (Studi Empiris pada perusahaan Manufaktur yang listing di BEI)," *J. Akunt.*, vol. 2, no. 3, 2014.

[7] S. Munsaidah, R. Andini, and A. Supriyanto, "Analisis Pengaruh Firm Size, Age, Profitabilitas, Leverage, dan Growth Perusahaan terhadap Corporate Social Responsibility (Csr) pada Perusahaan Property Dan Real Estate yang Terdaftar di Bursa Efek Indonesia pada Tahun 2010-2014," *J. Account.*, vol. 2, no. 2, 2016.

[8] S. W. Anggiyani and H. Yanto, "Determinan pengungkapan sustainability report pada perusahaan yang terdaftar di Bursa Efek Indonesia," *Account. Anal. J.*, vol. 5, no. 2, pp. 1–10, 2016.

[9] L. Lucia and R. R. Panggabean, "The Effect of Firm's Characteristic and Corporate Governance to Sustainability Report Disclosure," *SEEIJ (Social Econ. Ecol. Int. Journal)*, vol. 2, no. 1, pp. 18–28, 2018.

[10] M. P. Sari, S. Raharja, A. Yulianto, A. Ardiansari, and I. D. Pamungkas, "Compliance Analysis of Asia Sustainability Reporting Awards (ASRA) 2018 Companies," *Int. J. Sci. Technol. Res.*, vol. 9, no. 3, pp. 3891–3896, 2020.

[11] A. I. Sulistyawati and A. Qadriatin, "Pengungkapan Sustainability Report dan Faktor-Faktor yang Mempengaruhinya," *Solusi*, vol. 16, no. 4, 2019.

[12] A. S. Aulia and D. Syam, "Pengaruh karakteristik perusahaan terhadap praktek pengungkapan sustainability reporting dalam laporan tahunan perusahaan publik di Indonesia," *J. reviu Akunt. dan Keuang.*, vol. 3, no. 1, 2013.

[13] M. Safitri and S. Saifudin, "Implikasi Karakteristik Perusahaan dan Good Corporate Governance Terhadap Pengungkapan Sustainability Report," *JBE (Jurnal Bingkai Ekon.*, vol. 4, no. 1, pp. 13–25, 2019.

[14] U. Agustina, O. Rusmana, and I. Suparlinah, "The Influence Of Corporate Governance And Compay Characteristics To The Disclosure Of Corporate Sosial Responsibility (Empirical Study In Mining Companies That Publish Sustainability Report)," *Simp. Nas. Akunt. Xix Lampung*, pp. 1–22, 2016.

[15] M. M. Shamil, J. M. Shaikh, P. L. Ho, and A. Krishnan, "The influence of board characteristics on sustainability reporting Empirical evidence from Sri Lankan firms," *Asian Rev. Account.*, vol. 22, no. 2, pp. 78–97, 2014, doi: 10.1108/ARA-09-2013-0060.