ANALYSIS OF KEY FACTORS AFFECTING THE REPORTING DISCLOSURE INDEXES OF SUSTAINABILITY REPORTING IN INDONESIA

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ABSTRACT

Companies that are concerned with environmental and social interests on an ongoing basis will continue to benefit in the future if carried out with full responsibility. A company discloses its social and environmental activities by issuing a sustainability report that is separate from a company's GRI-guided financial statements. GRI is a standard developed for sustainability report guidelines covering the general standards and specific standards undertaken by an organization or company. The development of Sustainability Reporting in Indonesia shows a positive improvement from previous years. This study will examine the effect of firm characteristics proxied from firm size, financial performance such as profitability ratio, liquidity, leverage, industry type and governance committee towards sustainability report reporting based on GRI G4 standard. In this study a) GRI disclosure calculated using GRI index which exist in Indonesia has a fairly good average of 0.59 in 2014; 0.60 by 2015; 0.60 in 2016. Only leverage and Governance Comitee variables have a significant effect on SR reporting, while firm size, profitability, liquidity and type industry variables have no significant effect on SR disclosure.

Keywords: GRI, Sustainability Report, Company Size, Profitability, Leverage, Liquidity, Governance Committee, Industry Type.

INTRODUCTION

Dynamic companies that are concerned about the environment and social surrounding, not only concerned with financial interests only. Because this concern is not only for the interests of the company but for the benefit of shareholders or investors and stakeholders. Companies that are concerned with environmental and social interests on an ongoing basis will continue to benefit in the future if carried out with full responsibility.

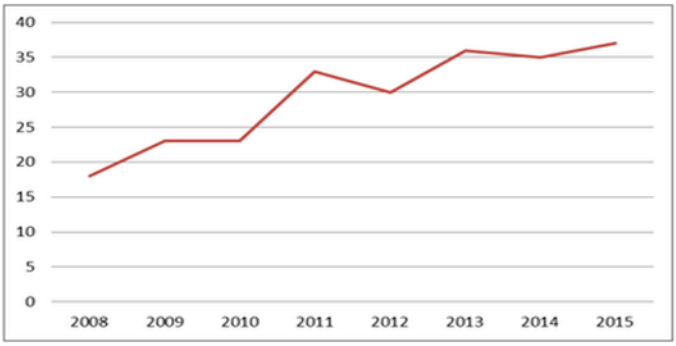
The success of an organization or company can be achieved if a company pursue economic, social and cultural interests for various stakeholders such as: employees, customers, suppliers, creditors etc.). Sustainability Reporting or often referred to as Sustainability Report is an important thing because it can meet a demand from the stakeholders or stakeholders in carrying out activities that affect the environment. By revealing the Sustainability Report (SR), a company can improve transparency, enhance the company's name, legitimacy, compare with other competitors, have good competitiveness, motivate employees and process control over the information disclosed. (Hahn and Kuhnen, 2013)
Current sustainability-related reporting practices are still voluntary so companies are flexible in experimenting with information disclosure. (Chen and Bouvain, 2009 in Hahn and Kuhen, 2013)

GRI (Global Reporting Initiative) is a pioneer and guidance of sustainability reporting of a company since 1990 until today. The role of GRI as an independent international organization helps to understand and communicate a company's sustainability report to the government and other stakeholders. GRI (Global Reporting Initiative) released in 2013 that is GRI G4 which there are several aspects of reporting principles, disclosure standards and guidelines for the implementation of the preparation of sustainability reports by a company in various sectors or sizes. (GRI G4,2013)

GRI Guidelines (Global Reporting Initiative) as guidelines for creating sustainability reports that cover the general standards and specific standards undertaken by an organization or company. The Guidelines also provide international references to all parties involved by disclosing a governance and performance approach and environmental, social, and economic impacts. These guidelines are developed through a process involving global stakeholders from representatives of businesses, labor, civil society, and financial markets, as well as auditors and experts in various fields, and through close dialogue with regulators and government agencies in various countries.(GRI G4,2013)

GRI Reporting Initiative (GRI) Sustainability Guidelines there are two different types of Disclosure Standards: Disclosure of Common Standards and Disclosure of Special Standards. General Standards Disclosure contains on Strategy and Analysis, organization profile, material and boundary aspects identified, stakeholder relationships, reporting profiles, governance, ethics and integrity. Whereas Disclosure of Special Standards includes disclosure of management approaches and indicators (GRI G4.2013)

The development of Sustainability Reporting in Indonesia shows a positive improvement from previous years. Organizations that create and publish Sustainability Reports are increasingly not only for companies listing on the exchange, but also SOEs, non-listing companies of both small and medium-sized businesses and nonprofit organizations participating in creating and reporting them.



Grafik 1. Tren Peserta ISRA tahun 2008 – 2015 (sumber: NCSR[2])

In the graph above shows that the participants of ISRA in the previous year that is between the years 2008-2010 has not shown the full effort of the company in reporting sustainability reporting. There are 85 companies in February 2016 based on GRI data that the company has created and reported the sustainability report. By 2015 as many as 63 companies have made and published their sustainability report.

According to Darwin, Chairman of the National Center for Sustainability Report (NSCR), 438 companies listed on the new BEI have 25 companies that create and publish Sustainability Reporting in 2011. Based on monitoring in 2015 the number of public companies in Indonesia there are 41 issuers issuing SR , this is quite an increase compared to 2011.

The company in issuing Sustainability Report has a reason to disclose it because Sustainability Report's disclosure is still voluntary. The reasons the company revealed it are:
1. The ability of companies to improve specific target progress
2. Facilitating the implementation of environmental strategies
3. Awareness of management within a company to raise issues
4. Ability to not limit the company's information on the internal and external parties
5. Generate company credibility from the transparency expressed
6. Ability to communicate standards and influence
7. License for promotion and operation
8. Advantages in terms of corporate reputation, saving costs in identifying, improving efficiency, improving business activity, developing opportunities, improving staff morale. (Kolk, 2004)

Given these reasons, the company that has issued the SR (Sustainability Report) in the following year will reveal it again. Matters affecting SR (Sustainability Report) reporting also vary as firm size, profitability, Governance committee, industry type, leverage and liquidity.

Characteristics of companies in this case that is the size of the company, also determine the level of investor confidence, good credibility is required so that companies need to contribute in social growth and the surrounding environment. Governance committee is one of the good functions in corporate governance in conducting supervision or control of corporate activities.

Profitability, liquidity, and leverage are measures of the executive's ability to create profit levels, planning in financial management and the level of corporate financial risk that should be taken into consideration in designing social programs and environmental preservation disclosed in sustainability reports, as a form of corporate role in helping improve social circumstances and help conserve the environment. (Azwir, 2014)

This study will examine the effect of firm characteristics proxied from firm size, financial performance such as profitability ratios, liquidity, leverage and governance comitee against sustainability report reporting based on GRI G4 standard. In the previous research conducted by Suryono and Prastiwi (2011) under the title Influence of Corporate Characteristics and Corporate Governance (CG) to SR Disclosure Practice shows that profitability have positive effect on SR and firm size which have positive effect on SR. Research conducted by Khafid (2012) under the title Corporate Characteristic and Corporate Governance Contribution to SR Publication has a positive profitability result on SR, firm size which positively influence to SR, leverage negatively affect SR and governance comitee which positively influence to SR. research conducted by Lutfia (2013) under the title Influence of Financial Performance, Company Size, Capital Structure and Corporate Governance towards SR publication have leverage result negatively affect SR and governance comitee have positive effect to SR. The research conducted by Azwir (2014) entitled The Influence of Corporate Characteristics and Corporate Governance on SR Disclosure at LQ45 Company Listed on IDX has result of profitability have positive effect to SR, leverage influence to SR and Governance Committee have positive effect to SR. Research conducted by Nurul (2012) entitled The Influence of Sustainability Report Towards The Company Financial Performance: an Empirical Study of Oil and Gas Industry Listed in Indonesian Stock Exchange (IDX) 2007-2011 has a result of profitability affect on SR and liquidity affect SR . Research conducted by Dwi (2016) entitled The Influence of Corporate Governance and Corporate Characteristics to SR Disclosure have resulted leverage affecting SR and Governance Committee influence on SR. Research conducted by Aulia (2013) entitled The Influence of Corporate Characteristics on SR

Disclosure Practice in Annual Report of Public Company in Indonesia has result that firm size have positive effect on SR and Type of company have significant positive effect to SR.

The specificity of this study from other studies is in this study using the guidance index GRI G4 on the reporting of SR companies contained in the BEI with content analysis method, then from the results of analysis, analysis conducted to see how the process of applying sustainability development and sustainability reporting conducted company . Thereafter to connect between the dependent variable (Sustainability Report) with the independent (Company Size, Profitability, Leverage, Liquidity, Governance Committee and Industrial Type) using multiple linear regression analysis. Therefore the researchers will examine " **Analysis of Key Factors Affecting the Reporting Disclosure Indexes of Sustainablity Reporting In Indonesia**"

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Sustainability Reporting

Sustainability reports are reports published by companies or organizations regarding the economic, environmental, and social impacts caused by daily activities. The sustainability report also presents the values and models of organizational governance, and shows the link between strategy and its commitment to the global economy. (GRI, 2014)

SR is designed to help corporations plan, prepare, report and disclose information about corporate commitment, implementation, measurement, disclosure and accountability to performance management of economic, social and environmental issues and corporate governance to internal and external stakeholders in order to realize the vision and objectives sustainable corporations and stakeholders.

It should be noted that the emergence of SR in response to criticism from various groups on the fundamental weakness of the financial reporting model and management reporting that emphasizes more on information about the aspects and indicators of the company's economic finance success. While the aspects and indicators of success of corporate failure in managing social and environmental issues as the basic pillars of the corporation are ignored. To overcome this weakness, an SR model was developed that seeks to integrate and present economic, social and environmental information and corporate governance in a reporting package. The goal is to realize the sustainability of business and corporations in the long term. . (Lako, 2014)

In addition, sustainability reporting has benefits for companies such as better manage sustainability risk, engage and manage stakeholders more structured, target and improve performance, benchmark against other companies, improve credibility who is responsible (PWC, 2016)

Stakeholder Theory

Stakeholder theory is the theory of widening the narrower theories of shareholders. Like Friedman (1970) in (Dunn, 2006) outlined, the theory of shareholders concerns the maximization of shareholder value in order to maximize the economic profitability and competition that still exists. Considering the existence of Shareholder Theory in a time perspective, it is understandable that shareholders are the main focus. Over time, other stakeholders get more attention from the company. With the advent of social responsibility, focusing on other stakeholders is inevitable. In 1984, Freeman developed a theory of stakeholders. Freeman states that the emergence of social responsibility reflects the shift from internal to external stakeholders. Stakeholder theory emphasizes that managers must act in the interests of all stakeholders, not just shareholders. Laplume et al (2008) also confirmed this: "Organizations must be managed in the interests of all its constituents, not just for the benefit of shareholders". Thus, the company should take various demands from a broad group of stakeholders to consider in order to survive in a long period of time.

(Deegan and Unerman (2006) in Konuk, 2017) divide stakeholder theory into ethical or normative branches, and positive (managerial) branches. The ethical branch states that all stakeholders have the same right to be treated fairly by the company. This branch gives stakeholders intrinsic rights (e.g. good working conditions) to stakeholders who must meet. This right should not be affected by the strength of the stakeholders. Under conditions of sustainability, stakeholders have the right to be informed of how the impact of their activities, even if they do not use this information. Positive branches of stakeholder theory suggest that stronger stakeholders are more likely to be fulfilled in their demands. Strong stakeholder relationships are prioritized over less powerful stakeholders. This is contrary to the ethical branch, which states that all intrinsic rights stakeholders, regardless of their level of strength. Companies use information disclosure to meet stakeholder demands Gray calls this branch 'organization-centered' (Gray et al., 1996 in Konuk, 2017).

The company decided to participate in sustainability reporting, as the general public and especially the stakeholders demanded that. Stakeholders pursue different economies, environmental and social interests, which determine the success of an organization (Buchholz and Rosenthal, 2005; Laplume et al., 2008). Sustainability reporting is the way companies use to meet the demands of stakeholders (Lozano and Huisingh, 2011). (Herzig and Schaltegger (2006) in Konuk, 2017), for example concluding objectives and benefits: enhancing transparency and accountability; enhance the company's reputation and brand value, the legitimacy of corporate activities; comparison and benchmark against competitors, signifies competitiveness, establishes and supports employee motivation and supports internal company information and process control. Stakeholder theory explains why and how firms disclose information of sustainability. Stakeholder theory suggests that companies' stakeholder interests must be taken into account when an operating strategy is established (Freeman, 1984).

The development of Stakeholder Theory in the early 1990s which emphasized that corporations need to establish harmonious and synergistic relationships with parties or individuals that influence or be influenced by the achievement of corporate objectives (Freeman, 1984, Caroll, 1993, Bertens, 2000) business concerns to stakeholders, including the environment in the company's economic and business activities are essential. Care and responsibility to maintain harmony of relationships is a firm strategy to build business sustainability. (Benn and Bolton, 2011in Lako, 2014)

Friedman's research is also increasingly disputed after the emergence of the concept of Triple Bottom Line of Business (TBLB) initiated by John Elkington (1997,2001). The relationship between profit, the planet, and the people, Elkington puts the environment as the primary pillar of business followed by society as the second basic pillar. According to Elkington if business behavior is not friendly to the environment and the community that becomes the bottom line of business or if society and the environment are experiencing a crisis then the profit and business sustainability will face serious problems. Therefore, corporations need to integrate the achievement of economic goals with social and environmental goals (triple bottom-line performance) to maintain long-term business and profitability.

Elkington's thinking has received widespread support from various circles (Benn and Bolton, 2011). The UN also supported it by initiating the formation of the Global Reporting Initiatives (GRI) in 1999 and the Global Compact in 2001. In 2001, GRI initiated the emergence of reporting guidelines and the Sustainability Reporting model that allowed corporations to integrate economic or financial, social and environmental information reporting as well as corporate governance in an integrated reporting package. These guidelines and reporting modules continue to be GRI up to date, and have been applied by many global corporations, including a number of corporations in Indonesia in reporting their information to users.

HYPOTHESES DEVELOPMENT

Influence between firm size and SR (Sustainability Report) disclosure

The size of the company shows that the larger the company, the political cost is also greater than the small company. The size of the company can be seen from the total assets owned by the company. Large companies tend to have an influence on the environment around the company. Like its relationship with society and large companies also have more shareholders than small companies. (Eva, 2015)

Company size can be measured by total assets owned by the company that will affect SR reporting. If the assets owned by the company increase or increase then the size of the company will also increase or greater, in addition SR reporting will be more widely disclosed by companies that refer to items - items in the GRI. With the existence of an increased or large assets within the company, the size of the company will also increase or greater.

This is in line with research conducted by Suryono (2011) who examines the influence of corporate characteristics and corporate governance on SR disclosure practices, has the result that firm size has a positive effect on SR disclosure. Research conducted by Khafid (2012) with title of contribution of company characteristic and corporate governance toward SR publication stated result that company size have positive effect to SR publication and research conducted by Adipradan (2014) with title of influence of financial performance, company size and corporate governance toward SR disclosure has a positive effect on SR showing the same result that is firm size has positive effect on SR. Based on the above description then formulated the hypothesis:
H1: Company size positively affects SR disclosure.

Influence Between Profitability and SR (Sustainability Report) disclosure

Profitability is the company's ability to earn profits that are typically measured using a percentage to assess the extent to which the company can make a profit at an acceptable level (Wikipedia Indonesia)

The main goal of the company is to generate profitability. With high profitability, the company's demands on environmental social responsibility are also getting bigger. Moreover, if the high profitability of a company is not offset by conducting and reporting social responsibility, then competitors who want to bring down the company will use the environmental issue.

The higher the profitability of a company then the company will widely implement and express the SR voluntarily. If the company discloses SR in accordance with the GRI then investors will see the good side of the company and the public's view will also be good to the company so that the company will receive higher profitability. Based on previous research conducted by Suryono (2011), which examines the influence of corporate characteristics and corporate governance on SR disclosure practices, it has resulted that the profitability of the company has a positive effect on SR disclosure, a research conducted by Khafid (2012) with the title of contribution of corporate characteristics and corporate governance on the SR publication stated that the profitability of the company had a positive effect on the SR publication and the research conducted by Azwir (2014) entitled the influence of corporate characteristics and corporate governance towards SR disclosure at LQ45 company listed on BEI indicated that profitability had positive effect on SR disclosure. Based on the above description then formulated the hypothesis:
H2: profitability has a significant positive effect on SR disclosure

Influence between Leverage and SR (Sustainability Report) disclosure

Leverage is the use of fixed costs used to make changes to the company's earnings before interest and EBIT taxes against EPS. (Hamid, 2015)

The use of capital from loans to creditors made by the company due to the limited funds used to finance its operations so fixed costs arise. So in this case the company must apply leverage policy.

Leverage is a comparison used to measure how much total debt can be funded from the total assets of the company. The high level of leverage allows companies to break the credit agreement so that the company will report a higher profit so that the

financial condition is strong and can be persuaded to obtain credit loans to stakeholders. It takes time and expense in SR disclosure of a company separate from the annual report. Previous research conducted by Lutfia (2012) entitled the influence of financial performance, firm size, capital structure and corporate governance towards SR publication shows that leverage negatively affect SR publication. Research conducted by Khafid (2012) with title contribution of corporate characteristic and corporate governance towards SR publication stated result that company leverage negatively effect to SR publication and research conducted by Dwi (2016) entitled influence of corporate governance and company characteristic to SR disclosure showed result that leverage negatively affect SR. Based on previous research conducted by Based on the above description then formulated the hypothesis:
H3: leverage has a significant negative effect on SR disclosure.

Influence between Liquidity with SR (Sustainability Report) disclosure
Liquidity is the ratio calculated from current assets divided by current liabilities to be able to pay off short-term obligations owned by a company. High financial conditions can be shown from the level of liquidity of a company. The credibility of the company is shown to outsiders when the level of liquidity is high with the extent of disclosure made by the company.

Based on previous research conducted by Azwir (2014) entitled the influence of corporate characteristics and corporate governance on SR disclosure at LQ45 company listed on BEI indicated that liquidity had positive effect on SR disclosure, research conducted by Rizki (2016) entitled impact of SR disclosure to performance environment and market performance shows that liquidity has a positive effect on SR disclosure and the research conducted by Nurul (2012) entitled the influence of sustainability report towards the company financial performance (idx) 2007-2011 shows the result that liquidity has a positive effect on SR. Based on the above description then formulated the hypothesis:
H4: Liquidity has a significant positive effect on SR disclosure.

Influence between Governance Committee with SR (Sustainability Report) disclosure
Based on the code of corporate governance issued by the National Committee on Governance Policy (2006) states that the governance committee's policy committee is responsible for assisting the board of commissioners in reviewing the overall GCG policies developed by the Board of Directors and assessing the consistency of its implementation, including those relating to business ethics and corporate social responsibility . Governance Comitee is a committee consisting of several boards of directors, this committee was formed in order to answer commitment principle of responsibility in achieving GCG. The purpose of corporate responsibility for social and environmental activities by companies is to gain public legitimacy in order to maintain its business in the long term. The seriousness of companies in implementing long-term sustainability can be expressed through sustainability reports. Thus the existence of the governance committee can recommend to disclose sustainability report.

Based on research conducted by Adiprana (2014) with the title of influence of financial performance, firm size and corporate governance towards SR disclosure have positive effect to SR show result that Governance Committee positive to SR, research conducted by Dwi (2016) entitled influence of corporate governance and the characteristics of the company towards the disclosure of SR shows the result that the Governance Committee has a positive effect on SR and the research conducted by Khafid (2012) with the title of corporate characteristic contribution and corporate governance towards SR publication stated the result that corporate governance committee has positive effect on SR publication. Based on the above description then formulated the hypothesis:
H5: Governance Committee has a significant positive effect on SR disclosure

Influence between Industrial Type and SR (Sustainability Report) disclosure
Industrial type is divided into two types, namely high profile and low profile. According to Aulia (2013) defines high profile industry is industry that has consumer visibiltas, high political risk, or face high competition. While low profile companies have the level of consumer visibility and low levels of political risk. In this research, high profile industry is industry in oil and gas field, mining, paper, agribusiness, and telecommunication. While the industry is classified as a low profile, such as banking.

Previous research conducted by Aulia (2013) entitled The Influence of Corporate Characteristics on SR Disclosure Practices in the Annual Report of Public Companies in Indonesia shows the result that the type of company has a significant positive effect on SR, the research conducted by Ahmad (2014) entitled Influence of Company Characteristics and Profitability against The disclosure of the Sustainability Report shows that the industry type has a significant positive effect on SR, the research conducted by Yosepin (2014) entitled The Effect of Company Size, Profitability, and Industrial Type on Voluntary Disclosure Sustainability Reporting has resulted that industry type has a significant positive effect on SR. Based on the above description then formulated the hypothesis:
H6: Industrial Type has a significant positive effect on SR disclosure

POPULATION AND SAMPLE

The population in this study is a company listed on the Indonesia Stock Exchange. The study period is 3 years from 2014-2016. The method used in this research is purposive sampling method because the sampling that will be used is limited in accordance with the criteria set by the researcher. In this research the stages of sampling are:
1. Issuing SR and financial reports during 2014-2016.
2. Companies that apply GRI to the SRI Registered Sustainability Report during 2014-2016 consecutively can be accessed through www.idx.co.id or the company's official website.
3. Companies that present their currency in rupiah.

4. The Company in the research year shall not suffer any loss.

No	KETERANGAN	2014	2015	2016
1.	Companies issuing SR and financial reports during 2014-2016.	45	45	45
2.	Companies that implement GRI 2014-2016 are not consecutive and may be accessed www.idx.co.id or the company's official website	8	8	8
3.	Companies that present their currency in rupiah.	7	7	7
4.	The Company in the research year shall not suffer any loss.	4	4	4
	total company used as sample	26	26	26

SOURCES AND TYPE OF DATA
This study uses secondary data derived from the company's annual report on the Indonesia Stock Exchange in 2014-2016. Data collection from 2014-2016 is based on the increase of companies reporting Sustainability Report (SR).

OPERATIONAL DEFINITIONS AND VARIABLES MEASUREMENTS

DEPENDENT VARIABLE
The dependent variable or dependent variable is the variable described using the GRI index. In this dependent variable is SR disclosure measured by a GRI-based environmental disclosure proxy which includes the disclosure of general and specific standards where there are 7 common standards (strategy and analysis, organizational profile, material and boundary aspects identified, stakeholder relations, reporting profiles , governance, ethics and integrity) and 4 disclosures of specific standards (disclosure of management approaches, economic performance, environment, social). The level of disclosure of environmental responsibility is done by scoring or numbering (1) for companies that have made environmental disclosures in accordance with those items, while the number (0) is given to companies that do not disclose. Scores earned by each company will be added to get a total score. The level of corporate disclosure of each company by dividing the total score revealed by the total GRI score index, namely:

$$TJL = \frac{\text{Total score disclosed}}{\text{Total GRI score index}}$$

INDEPENDENT VARIABLE
Independent variables in this research are:
1. Company size
In this study the size of the company is calculated from the log value of total assets in the company.
2. Profitability
In this study, profitability is calculated from net profit measured using return on asset

$$ROA = \frac{\text{net profit after tax (EAT)}}{\text{Total Assets}}$$

3. **Leverage**
In this research leverage is the ability of the company to pay its debts using assets owned. This leverage calculation refers to research Akrout and Outhman (2013) by using the formula:

$$Leverage = \frac{\text{Total Liability}}{\text{Total Assets}}$$

4**. Liquidity**
Liquidity Ratio is the ratio of current assets divided by current liabilities called current ratio to be able to pay off short-term obligations owned by a company. Using the formula:

$$\text{Current ratio} = \frac{\text{Current asset}}{\text{Current liability}}$$

5. **Governance Committee**
The size of the Governance Committee in this study by coding 1 for the company that formed the Governance Committee and code 0 for companies that do not form the Governance Committee.

6. **Industrial Type**
Type of industry in this research is by grouping 2 types of industries that are high profile companies such as mining, manufacturing, aviation, automotive, and transportation and tourism. While low profile companies such as banking companies (Yosepin, 2014) In the calculation using dummy variables if included in the class of environmentally sensitive industry (high profile) is coded 1 and is not an environmentally sensitive industry (low profile) coded 0.

MULTIPLE REGRESSION TEST
The method of analysis used in this study to see the practice of Sustainability Reporting conducted by the company then the researcher uses analysis of content analysis method based on the disclosure / reporting provision that should be done according to GRI. In the GRI present disclosures of general standards and special standards, where there are 7 categories of general standard disclosure (strategy and analysis, organizational profile, material and boundary identified, stakeholder relationships, reporting, governance, ethics and integrity) and 4 categories disclosure of specific standards (disclosure of management approach, economic performance, environment, social). Multiple regression analysis in this research is used in quantitative method. Multiple regression analysis is used to determine the effect of independent variables (firm size, profitability, leverage, liquidity, governance comitee, industry type) with SR dependent variable of disclosure measured using GRI guideline. Method of multiple regression analysis with equation:
$SRi = \beta 1UP + \beta 2P + \beta 3Lev + \beta 4LQ + \beta 5UGC + \beta 6UTI\ \varepsilon$
Information :
SRi: Corporate Social Responsibility Index
UP: Company Size
P: Profitability
Lev: Leverage
LQ: Liquidity
GC: Governance Comitee
IT: Industrial Type
E: error

ANALYSIS RESULTS AND DISCUSSION

TABEL 1

Score GRI Indeks

from table 1 average score index GRI shows numbers above 0.5 or 50% from 2014-2016. This indicates that the average company reporting SR expresses broadly the economic performance and environmental performance of the company which means that SR disclosures conducted in Indonesia have been implemented quite well.

Tabel 4.2
Frekuensi Variabel *Governance Comitee*

GC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HAS NO GOVERNANCE COMITEE	4	5.1	5.1	5.1
	HAS GOVERNANCE COMITEE	74	94.9	94.9	100.0
	Total	78	100.0	100.0	

Table 4.2 shows that firms that do not form a governance commitee are 5.1% or 4 firms. While companies that form the governance comitee as much as 94.9% or 74 companies. The conclusion in this study of the total sample of 78 from the year 2014-2016 the majority of companies companies form governance comitee.

Tabel 4.3

Frekuensi Variabel Type Industri

TI

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	LOW PROFILE	18	23.1	23.1	23.1
	HIGH PROFILE	60	76.9	76.9	100.0
	Total	78	100.0	100.0	

Table 4.3 shows that companies included in low profile type are 23.1% or 18 companies, while those in high profile type are 76.9% or 60 companies. In conclusion in this study companies that publish sustainability report (SR) is a high profile company.

Tabel 4.4

Statistik Deskriptif Variabel

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
UP	78	6.32	9.77	7.7229	.80127
P	78	.00	.43	.0851	.09637
LEV	78	.03	.90	.5518	.23971
LQ	78	.01	24.30	2.1901	4.05686
SRI	78	.31	.85	.6017	.11280
Valid N (listwise)	78				

Table 4.4 shows that companies issuing SR and meeting sample criteria are 78 companies from 3 consecutive years. From the variable UP (Company Size) calculated from the total asset log shows that the total asset is smallest 6.32 or 2,100,853,000 owned by PT. Multi Bintang by 2015 and the largest total assets of 9.77 or 5,922,454,323,000 owned by PT. Biofarma in 2016. The average size of the company of 78 total samples is 7.7229 with a standard deviation of 0.80127 meaning that the total company's total assets owned is quite large.

From the variable P (Profitability) shows that the smallest profit of 0.001791 is owned by Bank CIMB in 2015 and the highest profit of 0.43 which is owned by PT.Multi Bintang. In this profitability use the ratio of ROA where the overall investment of corporate assets used using the measurement of capital ability to generate profits for all investors. The average profitability of 78 total samples was 0.0851 with a standard deviation of 0.09637. From the average profitability indicates that the profitability of the company being sampled research is still small because the value of its ROA is not close to 1, if close to 1 the better profitability of the company because any existing assets can generate profits.

From the LEV (leverage) variable shows that the lowest leverage of 0.03 is owned by PT.Indonesia Power in 2016 and the highest leverage of 0.90 is owned by Bank Maybank (BII) in 2015. Average leverage of 78 total samples was 0.5518 with a standard deviation of 0.23971. The average leverage measured by the DER (Debt Equity Ratio) indicates that a figure below 1.00 indicates that the firm has a debt that is smaller than the capital (equity) it owns.

From the LQ (liquidity) variable shows that the smallest liquidity of 0.01 is owned by Bank BJB 2015 and the highest liquidity of 24.3 which is owned by Bank BRI in 2015. The average liquidity of 78 total samples is 2.1901 with a standard deviation of 4.05686. From the result of the average liquidity obtained by 2.19 indicates that the liquidity of the company is quite good because the average ratio is not less than 1.

From the SRI variable (sustainability reporting) shows that the smallest of 0.31 is owned by PT. Astra International in 2014 and the highest sustainability reporting of 0.85 owned by PT. Petrokimia Gresik in 2015. The average sustainability reporting of 78 total samples is 0.6017 with a standard deviation of 0.11280. An average of 60.17% indicates that the majority of companies that have published sustainability reports (SR) are good enough to adopt existing standards in GRI G4.

Results Analysis of key factors (UP, P, LEV, LQ, GC, TI) Affecting Sustainability Reporting (SR) in Indonesia
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.572	.189		3.032	.003
	UP	.005	.018	.039	.302	.763
	P	-.062	.137	-.053	-.457	.649
	LEV	.192	.070	.408	2.748	.008
	LQ	.001	.003	.021	.186	.853
	GC	-.123	.054	-.241	-2.256	.027
	TI	.002	.044	.007	.043	.966

a. Dependent Variable: SRI

a) GRI disclosure calculated using the existing GRI index in Indonesia has a fairly good average of 0.59 in 2014; 0.60 by 2015; 0.60 in 2016. This means that from year to year disclosure of GRI in Indonesia is increasing. This indicates that companies in Indonesia are growing and increasingly recognizing the importance of sustainability reporting.
b) Company Size Variable calculated from total asset log does not affect SR reporting. H1 is rejected. This proves that increasing the total assets of the company does not guarantee the company discloses SR. This study supports research conducted by Chigbu (2013) and Wabwire (2016) which support that firm size has no effect on SR disclosure because big companies are more looking at the benefits of the costs used to express SR while smaller firms pay less attention to SR disclosure issues because it focuses more on market competition to enlarge its business.
c) Profitability variables calculated from net profit has no effect on SR.H2 reporting rejected. This is because the higher level of profitability will not expand the company's policy in disclosing its social and environmental responsibilities because if the company has a high level of income then the company considers that there is no need to report things that may disrupt the information on financial statements.This is causing profitability has no effect on SR disclosure. This study supports the research conducted by Istianingsih (2015) who said that Profitability does not affect the disclosure of this SR means the higher level of profitability will not expand the company's policy in disclosing its social and environmental responsibilities because if the company has a high level of income then the company considers that there is no need to report things that may disrupt the information on the financial statements.
d) Leverage variables significantly influence SR reporting but have a positive direction, meaning that the higher the leverage in a company then the SR reporting rate will be better or higher. This means SR reporting can be used by companies in obtaining credit loans to stakeholders.H3 accepted. This research supports research conducted by Purnasiwi (2011) and Santri (2014). Because with a high level of leverage then the creditors will think again to the company when the settlement of corporate liabilities that have matured. Through this SR disclosure can reduce the risk that occurs in the company so that the company can gain the trust and existence of the creditor and the community.
e) Liquidity variable has no significant effect on SR reporting. H4 rejected. Creditors are more aware of the company's condition than the financial statements than the SR report, so liquidity has no effect on SR disclosure. This study supports research conducted by Nugroho (2014), Suryono (2011) and Lutfiah (2012) who say that liquidity does not affect SR disclosure because lenders focus more on additional information about financial performance than additional information on social and environmental activities such as SR.
f) Governance Committee has significant effect on SR reporting. This means that in the implementation of serious corporate responsibility for long-term stability, the establishment of a Governance Committee can help SR reporting much higher. H5 accepted. The results of this study support previous research conducted by Adiprana (2014), Dwi (2016) and Khafid (2012). Companies that have a Governance Committee tend to conduct SR publications compared with companies that do not have a Governance Committee, it is embodied in the disclosure of social responsibility through the disclosure of the SR as a response of the company to pressure from the public as well as a reaction to the request Stakeholders.
g) Variable Type Industry has no significant effect on SR.H6 reporting rejected. This study supports research conducted by Silaen (2010) which has the result that the type of industry has no effect on SR disclosure, which means that the size of the industry does not affect the SR disclosure significantly. This implies that the type of industry does not necessarily affect the extent of SR disclosure. Companies that are said to be high profile or low profile are both trying to make a wider disclosure of SR disclosure to provide benefits to its stakeholders.
So in this study only leverage and Governance Comitee variables affecting SR reporting, while the variable size of the company, profitability, liquidity and industry type have no effect on SR.

CONCLUSION

Only leverage and Governance Committee variables have a significant effect on SR disclosure, while firm size, profitability, liquidity and type industry variables have no significant effect on SR disclosure.

LIMITATION AND SUGGESTION

This study is inseparable from the limitations that require criticism and suggestions that can be improved in further research. Limitations of this study, namely:

1. In this study the sample used 26 companies in one year so the total number of samples from 2014-2016 as many as 78 on the BEI and publish SR (Sustainability Report). The small number of samples is because of the company's website does not upload its SR and the data is processed using purposive sampling.
2. The period of this study is less long only 3 years from 2014-2016, so less describes the condition.
3. Variables used only 5 variables only so less able to explain the wider disclosure of SR conducted by the company. It should add another independent variable that is different from this research such as capital structure, company activity and other financial performance.

While the implications of this research may be able to contribute to the development of accounting science in particular discusses what are the key factors that affect SR (Sustainability Report), especially in Indonesia and also the company can be more broadly in expressing SR (Sustainability Report) in order to later sustainability reports made by the company can be used by stakeholders in making decisions.

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