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Research Article

Analysis Of Factors Influencing The Sustainability Report Disclosure (Case Study Of Mining-Sector-Companies-Listed-In-Indonesia-Stock Exchange From 2015 To 2019)

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Abstract: This study aims to analyze factors of the sustainability report disclosure. The independent variables were Board Commissioners Size, Proportion of Independent Commissioner, Managerial Capital Ownership, Firm Size, and Profitability. The dependent variable is the Sustainability Report. The population in this study was the mining sector listed in Indonesia Stock Exchange in the period 2015 - 2019. Based on the purposive sampling method, 6 companies published sustainability reports consistently. This study analyzes the company's annual reports and sustainability reports. The analysis techniques for this research were panel data regression methods. The results of this study revealed that the Board Commissioner Size, Proportion of Independent Commissioner, Managerial Capital Ownership, and Profitability did not significantly affect the sustainability report disclosure. While the variable of firm size had a significant effect on the disclosure of sustainability reports.

keywords: Sustainability Report, Board Commissioners Size, Proportion of Independent Commissioner, Managerial Capital Ownership, Firm Size, Profitability.

1. Introduction

Every year the company reports their performance through an annual report. In today's business environment, companies are required to not always present financial reports, but they should have to present non-financial reports through sustainability reporting practices to provide data to the public about social, environmental and corporate governance performance or known as Sustainability Report (SR). Usually, the management only has accountability to control the business enterprise only. However, nowadays, with stakeholders being strategic issues for the existence of a business, the management has to concern social responsibility as a vital element that should be managed (Kapitan dan Ikram, 2019). Sustainability reports are based on the emergence of thoughts that require companies to not solely pay attention to profit, but also other conditions, which include aspects of society (people) and the environment (planet). These 3 aspects are also known as the TBL (Triple Bottom Line).

The Global Reporting Initiative (GRI) was the pioneer that published guidelines of sustainability reports. GRI may be a non-profit organization founded in 1987 that engaged in sustainability. Since it was launched by Global Reporting Initiatives (GRI) in 2001 and continues to be refined, SR has received wide attention from global business players and corporations. Nowadays, around 3,500 global corporations have implemented this model. Theoretically, the appliance of SR is believed to be able to engaged stakeholders' appreciation of the accountability and transparency of company information, which has positive implications for decision-making.

The data published in the majalahcsr.id in Indonesia shows that from the top of 100 go public companies, only 30% of companies make Sustainability Report (SR). Calculated from 2000 to 2017, 97 companies that did report through the Global Report Initiative (GRI). Currently, the Sustainability Reporting disclosure in Indonesia is still voluntary. GRI's public database has collected various sustainability reports from companies in Indonesia since 2015, and GRI has provided technical sharing sessions for organizations that will start their sustainability reporting.

In practice, the disclosure of sustainability reports in Indonesia has encountered several obstacles that made some companies still not doing the disclosure. The absence of a single definition of sustainability reporting that can be accepted globally and how the format of the sustainability report itself should be the main reasons, not every company wants to disclose (Dilling, 2010 in Widianto, 2011). Therefore, this results in obscurity and uncertainty regarding what should be published in a sustainability report, what penalty will be accepted by the company if it does not comply with the standards, how to measure and classify the information and also to whom the sustainability report should be addressed.

2. Literature Review

2.1 Sustainability Report

According to Elkington (1997) in Tarigan and Samuel (2014), sustainability report defines a report that have to reveal all non financial information such as social activities and environmental which can support the company for continuously growing (sustainable performance). Sustainability report has some benefits, stated on the GRI guidelines as follows: 1. SR as a benchmark for business performance by looking into laws, norms, statutes, performance standards, and voluntary initiatives; 2. demonstrate business commitment for developing sustainable, 3. Compared with business performance over its time. According to Kartadjumena and Rodgers (2019), there isn't a standard definition of corporate sustainability. Corporate sustainability refers to enterprise things to do that exhibit the involvement of social and environmental worries in enterprise operations and interaction with stakeholders. According to Hardika, Manurung, and Mulyati (2018) the importance of SR as the groundwork of corporate reporting and indicators in the implementation of company responsibility applications and additionally as a foundation for attracting investor concern in the employer and also public confidence in the firm's operations.

2.2 Board of Commissioners

According to Law of Republic Indonesia Number 40 in 2007 regarding Limited Liability Companies, art. 108 par. (5) told that a Limited Liability Company, it is obligatory to have a minimum of 2 (two) members of the board of commissioners. Therefore, the number of boards of commissioner members in each company varies because it must be adjusted to the complexity of the company while still paying attention to the effectiveness in decision-making.

According to FCGI (2002) in Aziz (2014), the board of commissioners is a mechanism to supervise and provide guidance and direction on management. The size of the Board of Commissioners is calculated using the formula:

BoC = Board of Comissioners

Information:
BoC: Board of Commissioner

2.3Proportion of Independent Commissioners

Members of the board of commissioners who were no longer affiliated parties known as independent commissioners.It is referred to the proportion of independent commissioners in a company's board of commissioners. Independency of the board of commissioners is measured through the ratio or percentage between the variety of the impartial commissioner members compared to the completeness of the board of commissioner members. The proportions of independent commissioners are the representatives of minority shareholders who are responsible for regulating and offering routes to management from outside the company who no longer have an enterprise or family relationship with the company (Moenaf, 2000).

The indicator for the percentage of impartial commissioners is viewed from the quantity of board contributors from outside the organization (outside directors) to the total wide variety of board members, at the minimum of 30% or equal to minority share ownership. Information involving the percentage of independent commissioners is got from the annual file of every company (IDX, 2000).

Proportion of Independent Commissioners = Member of Independent Commissioners

2.4 Managerial Capital Ownership

Bernandhi (2013) in Riadi (2019) stated that managerial capital ownership is the number of share ownership by the active management who is involved in decision making. According to Aniktia and Khafid (2015), the increment of the managerial ownership in a company will encourage company managers to make more efforts to provide benefits for the company. With this share ownership, the managers will act carefully because they share the consequences of the decisions taken. They are more motivated to improve their performance in managing the company so that they can upgrade company value (Widyaningsih, 2018). The interests of shareholders are the

same position as managers in a company that consists of managerial ownership, it comes by the wrong decisions as a consequence of managers' decisions. (Riadi, 2019).

Aziz (2014) stated that managerial capital ownership is calculated by the number of shares owned by the management, whose are the managers and affiliated commissioners (excluding independent commissioners). Managerial ownership is calculated using the ratio between the number of managerial shares or board of directors to the total of shares outstanding. Of all the share capital managed by the company, there are a number of shares owned by management, in other words, the ownership is managerial capital ownership (Aniktia and Khafid, 2015).

Management ownership can calculated by the following formula:

$$\text{Managerial Capital Ownership} = \frac{\text{Number of Managerial Shares}}{\text{Number of Shares Outstanding}} \times 100\%$$

2.5 Firm size

According to Riyanto (2010: 299), "firm size is a description of the size of a company which is shown in the total assets, total sales, and average sales."

According to Naeem and Brata (2020), company size indicates a value that includes all sizes of its company. Various proxies can be used to represent firm size, namely number of employees, log size, stock market value, total assets, etc.

Brigham and Houston (2010) said that firm size concerned total net sales to next several years. According to Jogiyanto (2015:275), firm size can be calculated by the logarithm of total assets. It indicates that more investment in companies regarding total assets. Jogiyanto (2015: 282) formulates the size of the company as follows:

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

Information:
Size = Firm size
Ln = Logarithm

2.6 Profitability

Munawir (2014: 33) stated that "Profitability is the company's ability to generate profits". According to I Made Sudana (2011: 22), profitability is "the ability of a company to generate profits by using owned sources such as assets, capital or company sales".

There are several ratios which include in the profitability ratio: profit margin, ROA and ROE. According to Jogiyanto (2008: 115) the most important ratio in profitability is ROA, and it is a commonly used analytical technique to ensure the level of effectiveness for all company operations. ROA calculation, can show the company's capability to deliver margin from the usage of total assets that have been adjusted to the costs incurred to get these assets. In this study, in this study ROA is used to measure the profitability ratio.

According to Sartono in Adila and Sofyan (2016), ROA shows a company's ability to make efficient use of the total assets for company operations. The formula used to calculate ROA is to compare net income divided by total assets. According to Brigham and Houston (2010), the return on total assets (ROA) is calculated by:

$$\text{Return On Asset} = \frac{\text{Earning After Tax}}{\text{Total Assets}}$$

2.7 Hypothesis Framework

2.7.1 Effect of Board Commissioner Size on Sustainability Report Disclosure

Based on *stakeholder* theory, board of commissioner is an accountability mechanism who assures both of the interests of stakeholder or shareholders are fulfilled by the company. According to Adila and Syofyan (2016) how board of commissioners did was influencing the efficiency of company's activity control. A many proportion of board commissioners known as more critical and efficient control by the director, then this is knowing will add the disclosure aspects of sustainability reporting.

According to Aziz (2014) stated that with a good monitoring process from the Board of Commissioners, it is hoped that the quality of Sustainability Report disclosure will be wider, because the possibility of managers hiding information can be reduced. This means that the more the number of members of the Board of Commissioners in a company, the monitoring will run well and the disclosure of social responsibility made by the company will be wider. The greater the proportion of the board of commissioners, the more critical and efficient the control is carried out by the directors, then this is thought to increase demands regarding the disclosure of the sustainability report.

H1: The Board Commissioner Size affects sustainability report disclosure

2.7.2 Effect of Proportion of Independent Commissioners on Sustainability Report Disclosure

The main duties of independent commissioners are evaluating and supervising the directors' performance on behalf of the interests of shareholders. According to Putri (2013) not all the board of commissioners can show their independence. So their function is not running well and affects the lack of encouragement for management to deliver social disclosure. Because of that, the proportion of independent commissioners does not affect sustainability report disclosure because they tend to pay attention to directors' performance than social disclosure (Adila and Sofyan, 2016).

According to Jamil *et al.* (2020) states that the proportion of independent commissioners does not affect the quality of the sustainability report, although independent commissioners are expected to play an agency role to monitor management on behalf of stakeholders, thereby encouraging high-quality disclosure to reduce information asymmetry.

H2: Proportion of independent Commissioners does not affect sustainability report disclosure

2.7.3 Effect of Managerial Capital Ownership on Sustainability Report Disclosure

Managerial capital ownership is the proportion of shareholders from management whose participation actively makes the decisions, then with the managerial ownership, it will provide more information to the public so that the company gets public legitimacy. With more managerial capital ownership, the company would be more active in adding the value of the company in accordance with the interests of shareholders who are none other than themselves. So that the company discloses this information through a Sustainability Report. The greater the managerial capital ownership in a company, it will further encourage company managers to make more efforts to provide benefits to the company. One of these efforts is the disclosure of sustainability reports (Aniktia and Khafid, 2015).

Eventually, the smaller manager's ownership of the company can cause a larger conflict of interest between the manager and the owner. Jensen & Meckling, (1976) in Nurrahman and Sudarno (2013). The adding of the managerial ownership in a company, can affect the company managers to make more efforts to provide benefits to the company. Aziz's research (2014) shows a significant positive result in the relationship between managerial share ownership and has an effect on the quality of Sustainability Report disclosure.

H3: Managerial capital ownership affects sustainability report disclosure

2.7.4 Effect of Firm Size on Sustainability Report Disclosure

The size of the company describes size of the total assets owned by the company. Total assets are the total resource owned by the business or business entity. The bigger the company, the more interested it will be to disclose broader information. Therefore, the larger a company will have the tendency to disclose broader information compared to smaller companies, this is due to the legitimacy that the company will get by disclosing wider information.

Research conducted by Kusuma and Priantinah (2018) examines the Sustainability Report Disclosure and the Factors that Influence it as well as research conducted by Naeem and Brata (2020) on the firm size factor

influencing the disclosure of sustainability reports. Concurs with research conducted by Dissanayake et al. (2019), company size has a significant effect on the disclosure of sustainability reports. Companies with a large size will get more attention from the public. Therefore, large companies tend to spend more to disclose broader information such as the disclosure of sustainability reports as an effort to maintain company legitimacy.

H4: Firm size affects sustainability report disclosure.

2.7.5 Effect of Profitability on Sustainability Report Disclosure

Profitability ratio is an important indicator for assessing the performance of a company. Profitability is an indicator of management's performance in managing the company's assets as indicated by the profits generated. With the company's sustainability report disclosure, it is expected that it will provide the operational activities by the company is not a profit-oriented, but it also cares for the social and environmental issues. It can engaged stakeholder confidence which have an impact on company value through the number of investment which has an effect on gaining company's profit. Profitability is a reason that gives flexibility to management to reveal the social responsibility programs much more. Thus, the more the profitability, it affects more social information disclosure (Mega, 2013; Hussain et al., 2020).

ssured by shareholders and the public to organize and disclose social activities, regardless of the company's financial status. As a result, companies with a high level of profitability will tend to disclose through SR, because profitability is one of the performance indicators that must be disclosed in the SR.Research conduct by Karaman et al. (2018) which stated that profitability has a significant and positive effect on the company's decision to publish separately a sustainability report in accordance with the GRI framework.

H5 : Profitability affects sustainability report disclosure

3. Research Objects and Methods

3.1 Research Object

According to Nuryaman and Veronica (2015: 5) the object of research is the characteristics inherent in the research subject. If this characteristic is given a value, the value will vary (differ) between individuals or with others. The object of this study consisted of six research variables. The research variable is a construct that will be tested in accordance with the research objectives, the number of the connecting variables is known (Edison and TC.J Adriandra, 2020).

The object of this study consists of six variables: The Disclosure of the Sustainability Report (X), Size of the Board of Commissioners (X1), Proportion of Independent Commissioners (X2), Managerial Capital Ownership (X3), firm size (X4) and Profitability (X5). The population used in this study is the sustainability report data, annual report data and financial report data of mining sector companies listed on the Indonesia Stock Exchange in the period 2015 - 2019.

3.2 Research Methods

3.2.1 Research Population

These findings have some research population from mining sector go public companies in the period 2015 - 2019. There are forty-six companies which are the members of the mining sector. The sample selection of mining companies in this study is because the Indonesian Stock Exchange is the largest and most representative stock market in Indonesia. Based on this population, the sample to be the object of this research can be determined.

3.2.2 Research Sample

The samples chosen by using purposive sampling technique because not all samples have the criteria that has been determined; therefore, the purposive sampling technique chosen by determining certain considerations and must-have criteria for the samples used in the study as follows:

a. Mining sector companies that have been listed on the Indonesia Stock Exchange period 2015 - 2019.

b. Mining sector companies that have been listed on the Indonesia Stock Exchange and published sustainability reports consistently period 2015 - 2019, publish financial reports and annual reports.

Based on those criteria, six companies that consistently published Sustainability Reports in 2015-2019 and become the samples used in this study. The list of mining sector companies included in the research sample is presented in Table 3.1 below :

Table 3.1
Research Sample

No	Code	Company's Name
1	BUMI	BUMI RESOURCES TBK
2	ITMG	INDO TAMBANGRAYA MEGAH TBK
3	PTBA	BUKIT ASAM TBK
4	PTRO	PETROSEA TBK
5	ANTM	ANEKA TAMBANG TBK
6	INCO	VALE INDONESIA TBK

3.3 Data Analysis Techniques

3.3.1 Descriptive Statistics

Before analyzing, there are following procedure:

1. Determine the average number (mean), standard deviation and variance of the size of the board of commissioners, the proportion of independent commissioners, managerial capital ownership, firm size and profitability of the mining sector companies that are listed on Indonesia Stock Exchange.
2. Determine the minimum and maximum value of each variable: the size of the board of commissioners, the proportion of independent commissioners, managerial capital ownership, firm size and profitability.

3.3.2 Selection of Panel Data Regression Model

There are several tests to choose the panel data estimation technique. Those tests are Chow, Hausman and Lagrange Multiplier test (Widarjono, 2007: 258). According to Widarjono (2007: 104), if researchers want to capture the differences in interceptions that occur between companies, the common effect model is ignored so that only the Hausman test is carried out. The choice of a fixed effect or random effect model can also be done by considering the amount of time and individuals in the study.

3.3.3 Classic Assumption Test

3.3.3.1 Normality Test

The jarque-bera is based on a sample that is assumed to be asymptotic and using calculations of skewness and kurtosis that will detect this study's residuals whether the distribution have a normal or not. According to Widarjono (2007: 54), the decision for jarque-bera test is made if:

1. Chi squares count value < chi squares table or jarque-bera probability > the level of significance, then Ho is accepted or the residual is normally distributed.
2. Chi squares count value > chi squares table or jarque-bera probability < significance level, so Ho is rejected or residuals are not normally distributed.

3.3.3.2 Autocorrelation Test

According to Widarjono (2007: 162), the lagrange multiplier method can be an alternative to detect autocorrelation when using eviews. The lagrange multiplier method decision is made if:

1. Chi squares count value < chi squares table or the probability of chi squares > significance level, then Ho is accepted or there is no autocorrelation
2. Chi squares count value > chi squares table or the probability of chi squares < significance level, then Ho is rejected or there is an autocorrelation

3.3.3.3 Heteroscedasticity Test

In this study, the heteroscedasticity test imply the *white* method. The *white* method can be an alternative for detecting heteroscedasticity. This method can also be used with cross terms or without cross terms. According to Widarjono (2007: 141), the *white* method decision is done if:

1. Chi squares count value < chi square table or probability of chi squares > significance level, then Ho is accepted or no heteroscedasticity

2. Chi squares count value > chi squares table or the probability of chi squares < significance level, then Ho is rejected or there is heteroscedasticity

3.3.3.4 Multicollinearity Test

The methods used in conducting the multicollinearity test include variance influence factor and pairwise correlation. In this study, pairwise correlation method is used to detect multicollinearity. Pairwise correlation method will be more useful because by using this method, the independent variables that have a strong correlation can be found in detail. According to Widarjono (2007: 114), the pairwise correlation method decision making is carried out if:

1. The correlation value of each independent variable < 0.85 then Ho is accepted or there is no multicollinearity problem
2. The correlation value of each independent variable > 0.85 then Ho is rejected or multicollinearity problems occur

3.3.4 Hypothesis Test

3.3.4.1 The Coefficient Determination Test

How much the independent variable can affect the dependent variable could be known by the coefficient determination test. The coefficient of determination (R^2) could be known by Table Model Summary. The coefficient determination refers to how much variation in variable Y can be distinct by the variable X (Nachrowi and Hardius, 2006: 20). A model can be categorized as a good model if the value of R^2 is approaching one and vice versa, if the value of R^2 is close to 0 then the model is less good (Widarjono, 2007: 198). Therefore, good or bad a regression model is determined by the value of R^2 which lies between 0 and 1.

3. 3.4.2 Simultaneous Test (F Test)

The test procedure is carried out as follows:

1. Formulate a hypothesis

Ho: Board of commissioners size, proportion of independent commissioners, managerial capital ownership, firm size and profitability as variables have no simultaneous effect on the disclosure of sustainability report.

Ha: Board of commissioners size, proportion of independent commissioners, managerial capital ownership, firm size and profitability size have a simultaneous effect on the disclosure of sustainability report.

2. Determination of significance level

According to Sugiyono (2013: 162), the significance level that is often used is 5% or 0.05 because it is considered to be quite strict in testing the relationship of the variables or shows that the correlation between the two variables is quite real.

3. Decision-making

3.3.4.3 Test Coefficient Regression Coefficients (T test)

The T test is used to test the regression of coefficients individually. According to Gujarati (2009: 105), the testing procedure is described as follows:

1. Formulate a hypothesis
2. Determine the level of significance

The level of significance is set at 5% or 0.05 (α = 0.05), meaning that it is likely that the result of drawing conclusions has a profitability of 95% or an error tolerance of 5%.

3. Decision-making

4. Empirical Results and Discussion

4.1 Descriptive Statistics

Table 4.1 will explain the descriptive statistics that provides mean, median, minimum, maximum and standard variable of each variable that will be tested.

Table 4.1
Descriptive Statistics

	SRDI	C	DK	KI	KM	SIZE	ROA
Mean	0.615044	1.0000	5.866667	2.200000	0.011606	14.70061	4.183333
Median	0.597345	1.0000	6.000000	2.000000	0.000358	14.77860	4.085000
Maximum	0.964602	1.0000	10.00000	4.000000	0.095230	22.03236	20.78000

Minimum	0.380531	1.0000	2.000000	1.000000	0.000000	5.974903	-64.40000
Std. Dev.	0.156948	0.0000	1.978040	0.664364	0.028223	4.661000	14.54504
Skewness	0.607066	NA	0.677293	0.487984	2.543125	-0.482230	-3.482812
Kurtosis	2.713611	NA	3.163413	3.591797	7.703474	2.926864	17.83925
Jarque-Bera	1.945170	NA	2.327010	1.628423	59.99075	1.169417	335.9040
Probability	0.378104	NA	0.312389	0.442989	0.000000	0.557268	0.000000
Sum	18.45133	30.000	176.0000	66.00000	0.348178	441.0184	125.5000
Sum Sq. Dev.	0.714347	0.0000	113.4667	12.80000	0.023100	630.0228	6135.189
Observations	30	30	30	30	30	30	30

Source: Eviews 11 Output

4.2 Panel Data Regression Model

In this study, the amount of time (T) used was 5 periods, starting from 2015 to 2019. As for the number of individuals (N) used there were 6 companies, meaning that the total time (T) < the number of individuals (N) so that it is advisable to use a random effect.

Tabel 4.2 will explain the model as follows:

Table 4.2
Panel Data Regression Results

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	0.543056	0.120245	4.516230	0.0001
DK	-0.032944	0.024243	-1.358898	0.1868
KI	0.023099	0.083245	0.277481	0.7838
KM	-2.742668	1.334776	-2.054778	0.0509
SIZE	0.016275	0.005693	2.858523	0.0087
ROA	0.001680	0.003102	0.541635	0.5931

Source: EViews 11 output

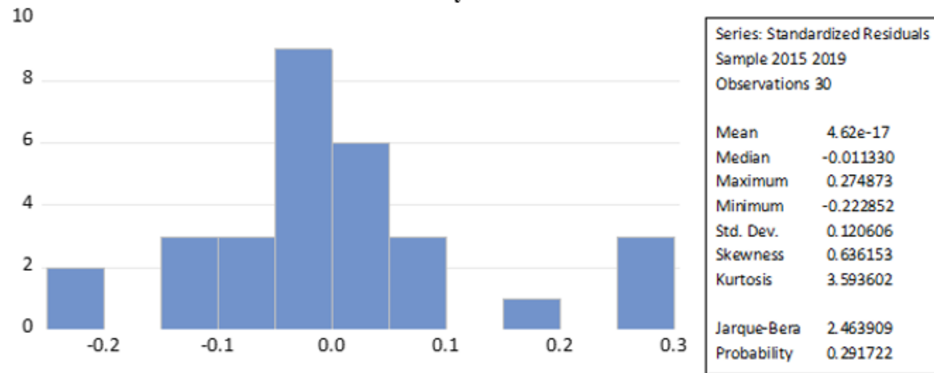
SRDI = 0.543056 - 0.032944DK + 0.023099KI - 2.742668KM + 0.016275SIZE + 0.001680ROA

4.3 Classic Assumption Test

4.3.1 Normality Test

The jarque-bera test is based on a sample that is assumed to be asymptotic and uses calculations of skewness and kurtosis. Based on this test, the residual data distributed normal if the jarque-bera prob. > 0.05 (Widarjono, 2007: 54). Following are the results of the normality test:

Table 4.3
Normality Test Results



Source: EViews 11 Output

Based on the output above, the jarque-bera probability value result is 0.29177 > significance level (0.2917 > 0.05), means accept Ho or the residual has a normal distribution. That explains that the residual value of the research data is normally distributed, classical assumptions regarding normality are fulfilled.

4.3.2 Autocorrelation Test

Lagrange Multiplier (LM) method used to detect autocorrelation. This method is based on the values of F and Prob.Obs * R-squared. Where if the value of Prob.Obs * R-squared exceeds 0.05, there is no autocorrelation problem. In addition, in this study decision making was carried out by looking at the Prob value. Chi-Square that exceeds 0.05 means that there is no autocorrelation problem in the study. As follows table 4.4 of autocorrelation test:

Table 4.4
Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:

Null hypothesis: No serial correlation at up to 2 lags

F-statistic	1.824059	Prob. F(2,22)	0.1849
Obs*R-squared	4.267118	Prob. Chi-Square(2)	0.1184

Source: EViews 11 Output

Based on autocorrelation table, the result of the chi squares probability value is 0.1184 > the significance level (0.184 > 0.05), means that Ho does not rejected or there is no autocorrelation. Therefore, it can be interpreted that this residual data is free from autocorrelation.

4.3.3 Heteroscedasticity Test

White test used to detect heteroscedasticity with criteria if the Prob.Chi-squared value > 0.05, it was inferred that there was no symptom of heteroscedasticity on the regression model, if the probability value was obtained, the Chi-squared value < 0.05 it inferred that there are symptoms of heteroscedasticity in regression model. As follow table 4.5 below the heteroscedasticity test:

Table 4. 5
Heteroscedasticity Test Results

Heteroskedasticity Test: White

Null hypothesis: Homoscedasticity

F-statistic	0.556834	Prob. F(5,24)	0.7318
Obs*R-squared	3.118452	Prob. Chi-Square(5)	0.6817
Scaled explained SS	2.588168	Prob. Chi-Square(5)	0.7632

Source: EViews 11 Output

Based on the white test table above, the smallest value of Prob. (chi-square) obtained is 0.7632 > 0.05. Thus, we can accept Ho that the model does not contain heteroscedasticity problems.

4.3.4 Multicollinearity Test

In this study, to detect multicollinearity, paired correlation method is used to establish if independent variables have a strong correlation. In this method, the criteria used are the correlation value<0.85 of each independent variable.

Table 4. 6
Multicollinearity Test Results

	DK	KI	K M	SIZE	ROA
DK	1.000000	0.572028	-0.323526	0.216371	0.017563
KI	0.572028	1.000000	0.029598	0.301606	-0.527775
KM	-0.323526	0.029598	1.000000	-0.114286	0.286806
SIZE	0.216371	0.301606	-0.114286	1.000000	-0.169497
ROA	0.017563	-0.527775	0.286806	-0.169497	1.000000

Source: EViews 11 output

Based on table 4.6 above, the result shows that the correlation value of each independent variable <0.85 means that Ho is accepted or there is no multicollinearity problem. The strongest correlation that occurs between variables is Board Commissioner Size (DK) and the proportion of independent commissioners (KI) of 0.572028.

4.4 Hypothesis Testing

4.4.1 Determination Coefficient Test

As presented on the table hypothesis, the value obtained of the Adjusted R-Squared is 0.286471, It can be said that as many as 28.65% of the sustainability report disclosures made by companies are influenced by factors such as the size of board of commissioners, the proportion of independent commissioners, managerial capital ownership, firm size and ROA. Whereas the 71.35% is influenced by other variables which were not examined in this study.

4.4.2 Simultaneous Test (F Test)

As presented on the table hypothesis, the probability value of F is smaller than the significance level (0.02 < 0.05) that results in rejecting the Ho, which means that all independent variables affect the dependent variable. Thus, the model formed is feasible to interpret the regression model for the independent variable on the dependent variable. It also shows that size of the board of commissioners, the proportion of independent commissioners, managerial capital ownership, firm size and ROA together have an effect on the disclosure of sustainability reports.

4.5 Discussion

4.5.1 Effect of Board of Commissioners Size on Sustainability Report Disclosure

According to the research findings, empirical results of the first hypothesis suggest that we reject the hypothesis. So it can be said that the size of the board of commissioners variable does not significantly impact.. The board of commissioners' task is supervising in general and / or specifically in accordance with the articles of association and providing advice to the board of directors and company management. The number of members of the board of commissioners varies from company to company. This is because the board of commissioners must be adjusted to the complexity of the company but still pay attention to effectiveness in decision-making.

Research suggest that the number of commissioners does not impact on the disclosure of the sustainability report made by the company. This could be because the Board of Commissioners has not done their job to supervise the management. Our findings corroborate the results presented by Aziz (2014). In contrary, the research by Shamil *et al.* (2014) and Jamil *et al.* (2020) the results of their research state that it has a significant effect on sustainability practices and reporting.

4.5.2 Effect of Proportion of Independent Commissioners on Sustainability Report Disclosure

According to the research findings, empirical results of the second hypothesis suggest that we accept the hypothesis. So it can be said that the proportion of independent commissioners does not significantly impact. In line with our expectation, the increasing proportion of independent commissioners in a company does not determine the number of items disclosed in the sustainability report. Not all members of the board of commissioners can demonstrate their independence so that the supervisory function does not work well and has an impact on the lack of encouragement for management to carry out the social disclosure. In addition, most boards of commissioners pay more attention to performance than to disclosure of company information.

This findings corroborate the results presented by Aniktia and Khafid (2015) and Jamil *et al.* (2020) which shows that the variable does not impact of the sustainability report, although independent commissioners are expected to play an agency role to monitor the management on behalf of stakeholders which can encourage high-quality disclosure to reduce information asymmetry. In contrary, this research does not compliance with Dwita Aliniar and Sri Wahyuni (2017) which support that the proportion of independent commissioners has a positive impact on the quality of sustainability report disclosure.

4.5.3 Effect of Managerial Capital Ownership on Sustainability Report Disclosure

According to the research findings, empirical results of the third hypothesis suggest that we reject the hypothesis. Variable of Managerial Capital Ownership does not impact on the disclosure of sustainability report. It can be because the portion of managerial capital ownership in the company is still very low, so that there is nothing special that encourages managers to be more active in increasing and maximizing company value. In this case, the efforts to maximize corporate value are carried out through disclosure of the sustainability report. Thus, companies do not provide much information to the public for gaining public legitimacy.

The findings in compliance with the result presented by Nurrahman and Sudarno (2013); Aniktia, and Khafid (2015) which stated that managerial ownership has no impact on SR. However, it has the opposite side with research presented by Aziz (2014) and Widyaningsih's (2017).

4.5.4 Effect of Firm Size on Sustainability Report Disclosures

According to the research findings, empirical results of the fourth hypothesis suggest that we accept the hypothesis. Variable for the firm size variable, which is proxies by size has an impact on the disclosure of sustainability report. This shows that the larger the firm size calculated using the natural logarithm of total assets, the greater the total items disclosed in the sustainability report.

In line with our expectation, this findings stated that companies with large sizes will get more attention from the public. Therefore, large companies tend to spend more to disclose broader information such as the disclosure of sustainability reports as an effort to maintain company legitimacy. The findings corroborate with research presented by Dissanayake *et al.* (2019); Kusuma and Priantinah (2019) who found variable firm size might impact on sustainability report disclosure.

4.5.5Effect of Profitability on Sustainability Report Disclosures

According to the research findings, empirical results of the fifth hypothesis suggest that we reject the hypothesis. Variable profitability proxied by ROA does not impact on the disclosure of the SR. The greater the level of company profitability, it does not determine the number of items disclosed in the sustainability report.

Profitability has a positive effect on the disclosure of sustainability reports because usually companies with a higher level of profitability can cause more information to be disclosed. It is because they want to show the public and stakeholders that their company can operate efficiently so they can generate more profits.

The output of this findings are consistent with reports presented by Ria Aniktia and Muhammad Khafid (2015) who found that profitability does not impact on SR. This have opposite side with reports presented by Karaman *et al.* (2018) who said that profitability has a positive effect on the company's decision to announce separately a sustainability report in accordance with GRI framework.

5. Conclusions and Suggestions

5.1 Conclusion

The empirical results of this study investigates factors that affect the sustainability report disclosure for size of the board of commissioners, managerial capital ownership, the proportion of independent commissioners, firm size and joint profitability are only 20%, while the rest are influenced by other factors.

The following conclusions can be drawn factors that affect the disclosure of the sustainability report as:

1. The size of the board of commissioner factor does not affect significantly on sustainability report disclosure for mining sector companies in Indonesia.
2. The proportion of independent commissioner factor does not affect significantly effect on the disclosure of sustainability reports for mining sector companies in Indonesia.
3. Managerial capital ownership factor does not affect significantly on the disclosure of sustainability reports for mining sector companies in Indonesia.
4. The firm size factor has a significantly effect on the disclosure of sustainability reports for mining sector companies in Indonesia.
5. The profitability factor as measured by ROA does not affect significantly on disclosure of sustainability reports for mining sector companies in Indonesia.

5.2 Suggestions

Based on the results and conclusions, the authors provide suggestions that might be used as a basis for consideration for companies that disclose sustainability report*s* and input for further research, as follows:

1. Companies should publish sustainability reports continuously in order to show the commitment for social and environmental responsibility. Thus, this information can acquire more confidence in front of the public, especially investors.
2. Companies that have published sustainability reports are advised to complete the completely items disclosed in accordance with the index in the GRI's standards. Information regarding the items disclosed can be an evaluation of the company's sustainability performance. Thus, it can reduce the negative impact on the environment, resources consumption and costs.
3. Based on the results, firm size affects sustainability reports in Indonesia. This provides a reference for the government to a clear regulations regarding the practice of sustainability report disclosure. Thus, the disclosure of sustainability reports is not only voluntary but will also improve competitiveness and national industry.
4. For further research, it is better to expand the population and observation period in order to better describe the conditions of sustainability report disclosure for all sectors in Indonesia. Also, the low Adjusted R-Squared of the model tested indicates that other variables not used in this study had a huge influencing. Therefore, further research should consider adding other variables that can describe the condition of the company better.

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