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THE INFLUENCE OF COMPANY SIZE, COMPANY ACTIVITIES, PROFITABILITY AND LEVERAGE ON SUSTAINABILITY REPORT DISCLOSURES WITH MANAGERIAL OWNERSHIP AS A MODERATION VARIABLE

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ABSTRACT

The purpose of this study is to determine the effect of company size, company activity, and leverage on the disclosure of sustainability reports in manufacturing companies listed on the Indonesia Stock Exchange (BEi). The research time period used is 4 years, namely the 2016-2019 period. The population of this study includes all manufacturing companies listed on the Indonesia Stock Exchange (BEi) for the period 2016-2019. The sampling technique was using purposive sampling technique. Based on the predetermined criteria, 8 company samples were obtained. The type of data used is secondary data obtained from the Indonesia Stock Exchange website. The analysis method used is panel data regression analysis. With the panel data regression model used is the Fixed Effect model. The results showed that company size has a statistical t value (2.518480)> t-table value (2.04841) and a probability value 0.0200 <0.05, it can be concluded that the firm size variable has a positive effect on the disclosure of sustainability reports, corporate activities are known to have a statistical t value. (-0.073586) <t-table value (2.04841) and probability value 0.9420> 0.05, it can be concluded that the corporate activity variable has no effect on the Sustainability Report disclosure and leverage has at-statistic value of-0.425259, while the t-table with a level of 5%, df (nk) = 28 of 2.04841. Thus the value of the t-statistic Leverage (-0.425259)<t-table value (2.04841) and the prob value of 0.6750> 0.05, it can be concluded that the leverage variable has no effect on sustainability report disclosure

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INTRODUCTION

In running their business, companies often only focus on the profits generated to meet the interests of their shareholders, companies forget that in generating profits by producing selling products where the raw materials are often produced from the surrounding environment, they forget about the limitations in using natural resources, which are not uncommon in This activity damages the environment and disturbs the surrounding community. However, as time goes by, companies are required to not only focus on the profits they generate but also pay attention to the social environment where the company is founded. One of the company's responsibilities is social responsibility (Corporate Social Responsibility). Corporate Social Responsibility is a company's responsibility towards the interests (Stakeholders) who feel the influence or impact of the company's establishment. Based on the many tragedies that cause harm to the environment and surrounding communities caused by company activities that cause public concern, regarding the company's role in protecting the environment. It is from this concern that the government issued Law No. 40 of 2007 concerning limited liability companies. Chapter 1, article point 3, states that social and environmental responsibility is the company's commitment to participate in sustainable economic development. In order to improve the quality of life and the environment which is beneficial, both for the company itself, the local community or the general public. As time goes by and a series of tragedies related to environmental damage occur, companies have begun to realize that the disclosure of a report is not only based on a single bottom line, namely the company's focus on conditions. only the company's finances but must also be based on the triple bottom line, namely people, planet and profit, which not only provides financial information but also provides social and environmental information. Based on this theory, a Sustainability Report is then prepared.

The Sustainability Report is proof of the company's commitment to the environment around the company or for those affected by the company's existence which is then assessed by those who need the information. The Sustainability Report is also proof that there is a commitment from the company to its social environment. the results can be assessed by the parties who need this information, apart from that this Sustainability Report can also be used by parties who need this information, besides that this Sustainability Report can also be used by the government and companies for stakeholders as. one of the efforts to implement sustainable education.

The Sustainability Report is designed to help corporations plan, prepare, report and disclose information about commitment, implementation, measurement and disclosure as well as management accountability for the performance of managing economic issues to stakeholders in order to achieve sustainable plans by making precise and accurate decisions (Wardhani 2016) .

Manufacturing companies are the activity of changing raw materials into goods that have value so they can be sold, according to Heizer, et al (2005). Manufacturing is a type of company that processes materials into semi-finished goods or finished goods of greater value. Manufacturing companies are considered the sector that uses the most natural resources in carrying out the company's production activities and are considered to have an influence on social and environmental impacts, for this reason. Then the author makes manufacturing companies the right object of study in this research. a series of major cases that occurred in Indonesia which caused losses to the environment and surrounding communities, such as the mining case of PT. Freeport in the Papua area, where the company can generate millions of dollars per day but is inversely proportional to the lives of the surrounding community who live in poverty and are almost untouched by the company's assistance, PT. Lapindo Brantas in Sidoarjo, East Java, the company's carelessness resulted in a hydrogen gas leak which resulted in mud. heat that damages the environment in which the company is established. In the manufacturing company itself, environmental pollution occurs at PT. Indobarat Textiles is related to the dumping of factory waste into Rawa Kalimi in Cilangka Village, Kab. Purwakarta (kompas.com, January 2018), PT. Rayon Utama Makmur produces synthetic cotton related to foul-smelling air pollution that spreads to the residents of Plesan Village, Nguter Sukoharjo (www.tirto.id, October 2018). According to the records of the National Center For Sustainability Reporting (NCSR) in Indonesia at the Indonesia Sustainability Report Awards (ISRA) Disclosure of the Sustainability Report was first disclosed in 2005, attended by 7 participants and only 1 company published a sustainability report, in a manufacturing company listed on the Stock Exchange. Securities Indonesia (BEI) only around 11 companies have published Sustainability reports, with the number of disclosures still very low, namely an average of below 50%, companies that have succeeded in disclosing Sustainability reports above 50% are PT companies. Holcim Indonesia Tbk in 2018 and 2019 and also PT. Wijaya Karya Tbk in 2019, the rest only disclosed around 40%. From the description above it can be concluded that disclosure of Sustainability reports by Manufacturing companies is still relatively minimal, this is because Disclosure of Sustainability reports is still voluntary and also requires quite a large amount of money to make. Several factors What is considered to influence the Sustainability Report disclosure is company size. Company Size is the size of the company, The results of research conducted by Pratarna Research and Yulianto (2015) found that there was a significant positive influence of company size on Sustainability report disclosures, while research conducted by (Farah Meutia and Farida Titik (2019) stated that company size had no influence on Sustainability report disclosures and (2019). Susana Dewi, 2019) states that company size has a negative effect on the disclosure of Sustainability reports. According to Irawati (2016) the activity ratio is a ratio used to measure the effectiveness of a company in utilizing its sources of funds. The more effective it is in utilizing funds, the faster the turnover of these funds. The results of research conducted by Suryono and Prastiwi (2011) stated that company activities had a positive effect on Sustainability Report disclosures, while research conducted by Leni Susanti and Amanda Alvita (2019) showed that company activities had an insignificant negative effect on Sustainability Report disclosures. A high activity ratio shows that the company is effective in managing its funding sources, which is reflected in the turnover of all company assets, which is a good thing. However, this makes managers focus on obtaining high profits so that the urge to disclose company information widely, especially voluntary ones such as sustainability reports, decreases. Leverage is the company's ability to fulfill its long-term obligations. Companies with a high level of leverage are dependent on debt. Ratio level High leverage also has an impact on disclosing and creating social information, where disclosing and creating social information will incur significant costs so that companies with a high level of leverage tend to reduce costs for disclosing voluntary reports such as the Sustainability report research conducted by (Hanna Septiani, Mukhzarudfa and Yudi (2018) stated that Leverage had a negative effect on the disclosure of Sustainability reports and (Farah Meutian and Farida Titik (2019) stated that Leverage did not have a significant influence in a negative direction on the disclosure of sustainability reports. With this phenomenon and the inconsistency of previous research, the author is interested in researching this matter. So the title of the author's research is "The influence of company size, company activity and leverage on the disclosure of sustainability reports in manufacturing companies listed on the Indonesia Stock Exchange for the period 2016 to 2021 . 2019) states that company size has a negative effect on Sustainability report disclosure. According to Irawati (2016) the activity ratio is a ratio used to measure how effective a company is in utilizing its funding sources. The more effective you are in utilizing funds, the faster the turnover of these funds. The results of research conducted by Suryono and Prastiwi (2011) show that company activities have a positive effect on Sustainability Report disclosures, while research conducted by (Leni Susanti and Amanda Alvita (2019) shows that company activities have an insignificant negative effect on Sustainability Report disclosures. 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RESEARCH METHODS

Research Approach

This type of research uses associative (causal) research, namely a causal relationship, one variable (independent) influences the variable (dependent), Arry Eksandy (2018:11). This research uses quantitative research, namely research where the data is quantitative data so that the data analysis uses quantitative analysis (inference) or where the data is in the form of numbers. Arry Eksandy (2018:8). The independent variables in this research are company size, company activities and leverage, while the dependent variable is the sustainability report.

Place and time of research

1. Research Place
The research location was carried out at a Manufacturing Sector Company listed on the Indonesian Stock Exchange 2016-2019.
2. Research Time
The research was made in February 2020, the author's steps in make this research in stages starting from observation, identification problems, submitting titles, preparing proposals, seminar proposals, data collection, report writing and thesis examination.

Definition and Measurement of Variables

1. Research Variables

In this section, the definition of each variable will be explained, namely the independent variable and dependent variable used along with the operations and methods of measurement.

a. Dependent Variable

Dependent variables are variables that are influenced by independent variables. This research uses dependent variables
As follows :
1) Sustainability Report (SR)
According to the Global Reporting Initiative (GRI), a Sustainability Report is a report published by a company or organization about the economic, environmental and social impacts caused by daily activities. In the Global Reporting Initiative (GRI) Standard, there are 139 disclosure indicators divided into 3 categories namely economic, environmental and social. The measurement used is the Sustainability Reporting Disclosure Index (SRDI). The first stage is giving a score to each performance indicator contained in the sustainability report. A score of 0 is given if the performance indicator is not disclosed and a score of 1 is given if the performance indicator is disclosed. Next, the scores for each item are

added up to obtain a total score. In this research, the Sustainability Report measurement uses the following formula:
V
SRDE
m
\Global Reporting Initiative(GRI
Information :
SRDI
= Sustainability Reporting Discloser Index
V
= Amount disclosed
m
= Expected number of items (139 items)

b. Independent Variable

Independent Variables are variables that explain
or influence the Dependent variable. The independent variable is
used in this research consists of:
1) Company Size
The first independent variable is size
company, company size or what is usually proxied
This size can describe the size
The company has a big influence on capital
used for operations (Farah Meutia, Farida Titik
.2019).
The indicators used by the author are:
measuring company size is the natural logarithm of
total assets (assets). according to Prasetyorini (2013), size
company can be calculated using the formula as
following:
Size = Ln (Total assets)
(Hery, 2017)
Information:
Size
= Company size
Ln
= Natural logarithm / Total Assets
2) Company Activities
The second independent variable is Activity
Company, According to Kasmir (2017:172) Activity ratio
is the ratio used to measure effectiveness
company in using its assets,
Or it could also be said that this ratio is used to measure
level of efficiency (effectiveness) of resource utilization
company.
The indicator for measuring activities used in this research is Inventory Turnover. The formula used to calculate Inventory Turnover is as follows:
IT SALES- INVENTORY(Kashmere:2017)
3) Leverage
The 3rd Independent Variable is Leverage, Leverage according to Kasmir (2010:112) Leverage is the ratio used to regulate the extent to which Company assets are financed by debt. In a broad sense, leverage is defined as a ratio used to measure a company's ability to pay its short-term and long-term obligations.
4) Profitability

Profitability is a ratio that measures a company's ability to generate profits in an effort to increase shareholder value (Aniktia and Khafid, 2015). According to Wardani and Khoiriyah (2018) profitability is a company's ability to generate profits from its business activities. Profitability is measured using the ROA ratio. ROA measures overall effectiveness in generating profits through available assets, the power to generate profits from invested capital. By using the formula:

5) Managerial Ownership

Disclosure of company managerial ownership can be seen based on the company's annual report which is located in the notes to the financial report, namely from the stakeholder report. Managerial ownership is ownership of company shares owned by management (Hanifah and Purwanto, 2013 in Setyawan et al., 2018). Management ownership is calculated using the following formula

Population and Research Sample

This type of research is empirical research on Manufacturing sector companies listed on the Indonesia Stock Exchange (BEI) from 2016 to 2019. The data used in this research is secondary data, namely data obtained from other parties or second hand data. The data source was obtained from the annual reports of mining sector companies on the BEI website, namely www.idx.co.id. The sampling method in this research uses a nonprobability sampling method, with the sampling technique chosen being purposive sampling. Hypothesis testing was carried out using the panel data regression analysis method (multiple regression analysis) using eviews software. Population and Research Sample All Manufacturing sector companies registered on *the IDX in 2016-2019 were used as the population in this research. The sampling method used is purposive sampling where researchers take samples using certain criteria.*

Data collection methods

The data collection technique in this research uses secondary data, several methods are used, namely:

1. Field Research (Field Search)
Researchers use secondary data, namely data collected by the author in the form of annual financial reports of Manufacturing sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2019.

2. Library research (Library Search)
Is research carried out using literature (library), either in the form of books, notes, or reports of research results from previous research (Arry Eksandy 2018:16)

Data Analysis Method

In quantitative research, data analysis is an activity after data from all respondents or other data sources has been collected.

1. *Descriptive Statistical Analysis*

   Statistics are concerned with how to describe, illustrate, present or explain data so it's easy to understand. Syofian Siregar (2017:2). In quantitative research, data analysis is an activity after data from all data sources is collected. Activities in analysis data is:

   a. *Collecting financial report data for all Manufacturing sector companies listed on the Indonesia Stock Exchange for 2016-2019*
   b. *Tabulate data based on variables*
   c. *Presents data for each variable studied*
   d. *Carry out calculations to answer the problem formulation*
   e. *Carry out data processing using eviews software to test the hypotheses that have been proposed.*

2. *Panel Data Regression Estimation*

   In estimating regression models using panel data, there are three approaches that can be used, namely ordinary least squares (OLS) or *common effect model, fixed effect model and random effect model (Basuki&Prawoto: 2016)*

a. *Common Effect Model (CEM)*
   Common Effect Model is a data pane approach! the simplest. This model does not pay attention to individual or time dimensions so it is assumed that behavior
   between the same individuals over various periods of time. This model combines time series and cross section data in pool form, estimating it using a quadratic approach
   smallest (pooled least square). The regression equation in the common effect model
   can be written as follows:
   Yit= α + Xiß + Eit
   Where:
   = shows cross section (individual).
   = shows the time period Assuming components
   error in ordinary least squares processing, estimation process separately for each
   unit cross section can be carried out (Basuki & Prawoto: 2016).
b. *Fixed Effect Model (FEM)*
   The fixed effect model assumes that there are different effects between individuals. These differences can be accommodated through differences in intercepts, where differences in intercepts can occur due to differences in work culture, managerial and incentives.
   However, the slope is the same between companies. Therefore, in the fixed effects model, each is an unknown parameter and will be estimated using a dummy variable technique which can be written as follows:
   The technique above is called Least Square Dummy
   Variable (LSDV). In addition to being applied to the effects of each individual,
   This LSDV can also accommodate systemic time effects. This can be done by adding a time dummy variable in the model (Basuki & Prawoto: 2016).
c. *Random Effect Model (REM)*
   In contrast to the fixed effects model, the specific effects of each individual are treated as part of an error component that is random and uncorrelated with the observed explanatory variables, a model like this is called the Random Effects Model (REM). This model is often also called the Error Component Model (ECM). Thus, the random effects model equation can be written as follows:

a. *Test Chow*
   The Chow test is used to choose whether the model used is the Common Effect Model (CEM) or the Fixed Effect Model (FEM). This test can be seen in the Probability (Prob) value (Eksandy and

Heriyanto; 2017). Cross-section F and Cross-section chi-square with the following hypothesis:
HO:
The model follows the Common Effect Model (CEM) if the Probability Ceoss-section F and Cross-section chi-square > α (0.05)
Ha:
The model follows the Fixed Effect Model (FEM) if the cross-section F probability and cross-section chi-square < α (0.05).

b. Hausman test
The Hausman test is used to choose whether the model used is the Random Effect Model (REM) or the Fixed Effect Model (FEM). This test can be seen in the Probability (Prob) value (Eksandy & Heriyanto: 2017). Random cross section with the following hypothesis:
HO:
The model follows the Random Effect Model (REM) if value Probability (Prob). Random cross-section > α(0.05).
Ha:
The model follows Fixed Effect Random (FEM) ifvalue Probability (Prob). Random cross-section < α(0.05).

c. Lagrange Multiplier Test
The Langrange Multiplier test is used to choose whether the model used should use the Random Effect Model (REM) or the Common Effect Model (CEM) (Eksandy & Hariyanto: 2017). This test can be seen in the Breush-pagan Probability value with the following hypothesis:
HO:
The model follows the Common Effect Model (CEM) if value Breush-pagan Cross-section probability > α (0.05).
Ha:
The model follows the Random Effect Model (REM) if value Breush-pagan Cross-section probability < α (0.05).

3. *Classic assumption test*
The classical assumption test is a statistical requirement that must be fulfilled in regression analysis that uses the Ordinary Least Squared (OLS) approach in the estimation technique. In panel data regression models based on Ordinary Least Squared (OLS) are the Common Effect Model (CEM) and Fixed Effect Model (FEM), thus it is necessary to test classical assumptions if the regression model used is in the form of a Common Effect Model (CEM) or Fixed Effect Model (FEM). The classical assumption test consists of linearity, autocorrelation, multicollinearity and normality tests. However, not all tests are carried out in panel data regression - only multicollinearity and heterodasticity tests are needed.

a. Multicollinearity Test
The multicollinearity test needs to be carried out on regressions that use more than one independent variable, this is to find out whether

there is an interplay between the independent variables being studied.

b. Heteroscedasticity Test

The heteroscedasticity test needs to be carried out to determine whether or not there is inequality in the variance of the regression model residuals
panel data. This test can be seen in the Probability value Breush-Pangan LM with the following hypothesis
HO: If the value of Prob. Breusch-Pagan LM>a 0.05.
Ha: If the value of Prob. Breusch-Pagan LM<a 0.05

4. *Hypothesis testing*

a. F Test The results of Uii F explain whether all the independent variables are
entered into the model together have an influence on the dependent variable, or in other words whether the model is modeled or not. If the F test has no effect then the research is not suitable to continue (Eksandy & Hariyanto: 2017).
The hypothesis in the F Test is as follows:

1) Based on a comparison of F-statistics with F Table
HO: If the F-Statistics value < F Table
Ha: If the F-Statistics value > F Table
If the F-statistic < F Table, then HO is accepted, which means that the independent variables (X) together have no effect on the dependent variable (Y). However, on the contrary, if F-statistics > F Table then Ha is accepted, meaning that the independent variables (X) together have an effect on dependent variable(Y).

2) Based on probability
HO: If the Prob (F-statistic) value is >a 0.05
Ha: If the Prob value (F-statistic) < a 0.05
If Prob (F-statistic) > a 0.05, then HO is accepted
meaning that the independent variables (X) together have no effect on the dependent variable (Y). However
conversely, if Prob (F-Statistics) < a 0.05, then Ha is accepted means independent variable
(X) together
effect on the dependent variable (Y)

b. Adjusted R-Squared Test (Coefficient of Determination)

The results of the coefficient of determination explain how far the ability to explain variations in the independent variable influences the dependent variable. The Adjusted R-squared value will show how much X will influence the movement of Y. The greater the Adjusted R-squared result, the better the independent variable will

be in explaining the dependent variable (Eksandy & Heriyanto: 2015).
The Adjusted R-squared value is between O and 1
explanation as follows:
1) The Adjusted R-squared value must range from 0 to l
2) If the Adjusted R-squared value is equal to 1, it means that the increase or decrease in the dependent variable (Y) is 100% influenced by the independent variable (X)
3) If the Adjusted R-squared value is equal to O, it means that there is no relationship at all between the independent variable and the dependent variable.

c. t test

The results of the t test explain the significance of the influence of the independent variable partially on the dependent variable. The hypothesis in the t test is as follows:
1) Based on a comparison of t-statistics with t table:
HO: If the t-statistic value < t table
Ha: If the t-statistic value > t table
If the t-statistic value < t table, then HO is accepted, which means the independent variable
(X) partially has no effect on the variable
dependent (Y). However
conversely, if the t-statistic value > t table, then Ha is accepted
meaning that the independent variable (X) is partially influential
to the dependent variable (Y).
2) Based on Probability:
HO: If the Prob value > a 0.05
Ha: If the Prob value < a 0.05
If the Prob value > a 0.05, then HO is accepted, which means
the independent variable (X) partially has no effect
to the dependent variable (Y). But on the contrary, if the value
Prob < a 0.05, then Ha is accepted, which means it is variable
independent (X) partially influences the variable
dependent (Y).

5. Panel Data Regression Analysis

Panel data analysis is a combination of cross section and data time series data, where the same cross section units are measured in time different. So in other words, panel data is data from several individuals (samples) observed over several periods of time certain (Eksandy & Heriyanto: 2015).

Y,=- a + B, X1; + B2 X2;+ B3 X3; tei
Information:
Li
= Sustainability Report
= Constant
X1; = Company Size
X2: = Company Activities
X3; = Leverage

RESEARCH RESULTS AND DISCUSSION

The objects of this research are all manufacturing companies listed on the Indonesian Stock Exchange during the 2016-2021 year. Based on data obtained from annual financial reports obtained from each company's website or the Indonesian Stock Exchange website. The sampling method used in this research was a non-probability sampling method with the sampling technique chosen being purposive sampling. A manufacturing company is a business entity that operates machines, equipment and labor in a process medium to convert raw materials into finished goods that have selling value. There were 8 manufacturing companies that met the criteria as research samples during the 4 years of research, so the amount of data used in this research was 32 observation data. Data is an activity in preparing reports on the results of research that has been carried out so that it can be analyzed according to the desired objectives. The following is a presentation of data from 8 companies used for research during the 4 year period 2016-2019, the next stage is to calculate the variables contained in the research according to the research method used. From the sample companies used for research during the 4 year period 2016-2019. The next stage is calculating the variables contained in the research according to the research method used.

1. Panel Data Regression Test

Selecting the appropriate panel data regression model to be used in panel data regression analysis, we can carry out the following tests:

a) Test Chow
The Chow test is used to choose whether the model used is the Common Effect Model (CEM).
or Fixed Effect Model (FEM). This test can be seen in the probability value (Prob) (Eksandy, 2018). Cross-section chi-square with the following hypothesis:
HO: following model
Common Effect Model (CEM) if cross-section probability F and cross-section chi-square > α (0.05)
Ha: the model follows the Fixed Effect Model (FEM) if the Cross-section chi-square probability < α (0.05)

b) Hausman test
The Hausman test is used to choose whether the model used is the Random Effect Model (REM) or the Fixed Effect Model (FEM). This test can be seen in the probability value (prob) (Eksandy, 2018). Random cross-section with the following hypothesis:
HO: the model follows the Random Effect Model (REM) if the random Cross-section probability value (prob) > α (0.05)
Ha: the model follows the Fixed Effect Model (FEM) if the random cross-section probability value < α (0.05)

c) Lagrange Multiplier Test
The Lagrange Multiplier test is used to choose whether the model used should use Random Effect
Model (REM) or Common Effect Model (CEM) (Eksandy, 2018).
This test can be seen in the Breush-pagan probability value with the following hypothesis:
HO: The model follows the Common Effect Model (CEM) iika value
Breush-pagan Cross-section probability > α(0.05)
Ha: The model follows the Random Effect Model (REM) if the Breush-pagan Cross-section probability < α (0.05)

2. Classic assumption test

The Classical Assumption Test is a statistical requirement that must be met in Regression analysis that uses the approach

Ordinary Least Squared (OLS) in its estimation technique. Thus, whether or not classical assumption testing is necessary depends on the results of selecting the regression model estimation. In panel data regression models based on Ordinary Least Squared (OLS) are the Common Effect Model (CEM) and Fixed Effect Model (FEM) based on the results of the tests that have been carried out, it can be concluded that the model that will be used in Hypothesis Testing and Data Regression equations The panel is a Fixed Effect Mode/(FEM) model, thus it is necessary to carry out the Classic Assumption test which consists of Multicollinearity and Heteroscedasticity Tests.

CONCLUSION

Based on the results of the analysis carried out in this research, the aim is to find out whether the research independent variables Company Size, Company Activities, and Leverage have an effect on Sustainability Report (SR) Disclosures disclosed in annual reports and Sustainability Reports of Manufacturing Sector Companies listed on the Indonesia Stock Exchange (BEI) for the 2016-2019 period, the following conclusions can be expressed:

The Company Size (SIZE) t-statistic value is -2.111956, while the t-table with a level of 5%, df (nk)=28 is 2.04841. Thus the t-statistic value of Company Size (2.518480) > t-table value (2.04841) and the prob value is 0.0200 < 0.05 then It can be concluded that the company size variable in this study has an influence on the disclosure of the Sustainability Report.

The t-statistic value for Company Activities is -0.073586, while the t-table with a level of 5%, df (nk)=28 is 2.04841. Thus, the t-statistic value of company activity (-0.073586) < +-table value (2.04841) and the prob value is 0.9420 > 0.05, so it can be concluded that the Company Activity variable in this research has no influence on the disclosure of the Sustainability Report.

The Leverage t-statistic value is -0.425259, while the t-table is with levels 5%, df (nk)-28 is 2.04841. Thus the Leverage t-statistic value (-0.425259) < t-table value (2.04841) and the probability value is 0.6750 > 0.05, it can be concluded that the Leverage variable in this study does not have influence on disclosure of the Sustainability Report.

Profitability has no effect on sustainability report disclosure. This shows that the high level of net profit generated in a company at an acceptable level of profit cannot influence companies going public to disclose more social information by disclosing sustainability reports.

Managerial ownership has a significant positive effect as a moderation between profitability and sustainability report disclosure, meaning that managerial ownership can strengthen the relationship between profitability variables and sustainability report disclosure. This shows that the greater the level of managerial ownership, the more managers will automatically try as much as possible to improve and demonstrate their performance and responsibilities, including in terms of social responsibility (sustainability report).

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