THE EFFECT OF PROFITABILITY, COMPANY SIZE, BOARD OF COMMISSIONERS, AND AUDIT COMMITTEE ON SUSTAINABILITY REPORT DISCLOSURE

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ABSTRACT

This study aims to examine the effect of profitability measures, company size, the board of commissioners, and the audit committee on the disclosure of the Sustainability Report. The population is all manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) from 2017 – 2020. The sample was selected using a purposive sampling technique, resulting in 9 samples of manufacturing sector companies so the amount of data used was 36 data. This type of research method uses descriptive and verification methods, with a quantitative approach. The data used are secondary data obtained from www.idx.co.id, samahok.net, invesnesia.net, invesnesia.com, etc. along with literature books and economic journals. The result shows that Profitability, Company Size, Board of Commissioners, and Audit Committee simultaneously affect the Sustainability Report on Manufacturing Sector Companies listed on the Indonesia Stock Exchange (IDX).

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INTRODUCTION

Basically, the purpose of establishing a company is to seek the maximum profit or profit, as well as to fulfill the wishes of stakeholders in developing the company's activities for the better. Companies can be distinguished by sector. There are 9 (nine) corporate sectors listed on the Indonesia Stock Exchange (IDX), one of which is the manufacturing sector (Tobing et al., 2019).

Sustainability reports have recently become the main issue of the company so the company's current goal is not only to seek profit. A sustainability report is an accountability report used to disclose the economic, social, and environmental impacts of a company.

In Indonesia, the company has not published a sustainability report so everything is done voluntarily by the company (Aniktia & Khafid, 2015). Currently, the awareness of companies to report incidents that occur is very low. The latest data from GRI and IDX shows that of a total of...
629 companies listed in 2019, only one hundred and ten or 17.4% of reports have been released. While in the manufacturing sector only 11 companies have released and reported reports until 2018, while the rest are not related to the reported reports. (Kencana, 2019) IDX Encourages Listed Companies to Implement Sustainable Development. [Halaman web]. Diakses dari https://www.liputan6.com/bisnis/read/3950084/bei-dorong-perusahaan-tercatat-terapkan-pembangunan-berkelanjutan.

Sustainability reporting in Indonesia is still voluntary reporting. Companies listed on the stock exchange have an obligation to make reports and disclosures that are open to the public (investors or potential investors). However, in practice, only a few companies listed on the Indonesia Stock Exchange publish Sustainability Reports, and only 52 issuers have published Sustainability Reports (Habib, 2017). The Financial Services Authority has released POJK rules No. 51/POJK.03/2017, which encourages financial service institutions, issuers, and public companies to develop and publish sustainability reports.

The disclosure of sustainability reports needs to be supported by the company's performance, one of which is profitability. Profitability is a measure of the company's ability to create profits that can be taken into consideration by the company in designing social and environmental programs which will later be disclosed in the company's sustainability report. As a form of the company's role in helping to improve social conditions and help preserve the environment around the operational area, the profitability of the company is a factor that makes management easier and more flexible to disclose social responsibility to shareholders and the community (Mujiani & Jayanti, 2021).

The sustainability report also depends on the size of the company. Company size is a measure of the extent of disclosure that can be made by the company, this is because the size of a company shows the number of company assets involved in the company's operating activities where the company's operating activities are closely related to environmental, social and economic conditions of the community. The larger a company, the more likely it is to disclose wider information by making a sustainability report (Riza, 2017).

The practice and disclosure of the sustainability report is the implementation of the concept and mechanism of good corporate governance. The implementation of good corporate governance must be supported by a corporate governance structure consisting of the main organs, namely the GMS, the Board of Directors, the Board of Commissioners, and the Audit Committee.

The independent board of commissioners plays an important role in the disclosure of company information because it has general or specific duties to oversee the board of directors and as a mediator so that there is no conflict of interest with shareholders. According to Effendi (2016), the proportion of independent commissioners must be at least 30%. A large number of commissioners is thought to be able to increase objectivity and put pressure on companies to disclose information as widely as possible through the disclosure of sustainability reports (Pujiastuti, 2015).

The audit committee functions to support the board of commissioners in supervising the board of directors through auditing financial statements, implementing risk management, and realizing GCG (IKAI in Effendi, 2016). Frequent audit committee meetings will increase the effectiveness of internal control and oversight of the board of directors in disclosing information in the form of sustainability reports (Raharjo in Sofa & Respati, 2020).

Based on the above phenomena, there are several contributions to the research in this article. First, it can be used by companies in making decisions regarding the importance of sustainability reports in the company's strategy so that the company's sustainability can be guaranteed and can increase stakeholder trust. Second, as a material for consideration and reference so that in investing, investors can choose companies that are transparent in disclosing information and have good economic, social, and environmental performance and can be accounted for. Third, as a study in determining regulations and policies on sustainability reports in Indonesia. Where Indonesia does not yet have regulations and policies regarding the practice of disclosing sustainability reports. The existence of this study aims to determine how much
THERE are several factors that influence.

The existence of this study is to determine the profitability, size of the company, the board of commissioners, and the audit committee in manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period, and to determine the effect of the sustainability report on these four things.

THEORY BASIS AND HYPOTHESES DEVELOPMENT

Profitability

A profitability ratio is a ratio to assess the company's ability to seek profit. This ratio also provides a measure of the level of effectiveness of a company. This is indicated by the profit generated from sales and investment income. This ratio shows the efficiency of a company. (Kasmir, 2017). Meanwhile, Hery (2017) defines profitability as a ratio that describes the company's ability to generate profits through all of its capabilities and resources originating from sales activities, use of assets, and use of capital.

Profitability theory can also be interpreted as the income or operating success of a company for a given period of time. Income, or the lack of it, affects the company’s ability for obtaining debt and equity financing. It also affects the company’s liquidity position and the company’s ability to grow. As a consequence, both creditors and investors are interested in evaluating power profitability. Analysts frequently use profitability as the ultimate test of management’s operating and comparative data.

This profitability has a goal for both internal and external parties of the company, according to Kasmir (2017), one of which is to measure or calculate the profit earned by the company in a certain period, as well as to assess the company's profit position in the previous year with current knowledge. The benefits that can be obtained are such as knowing the level of profit earned by the company in one period and knowing the position of the company's profit in the previous year with the current year.

Based on the theory above, it can be interpreted that profitability can provide an overview of the profits that will be obtained by the company in a certain period and the development of profits obtained from time to time which is needed by the company itself and outside parties who need this information.

Based on the theory above, the author can interpret that profitability is a ratio to measure how much the company's ability to generate the expected profit. The method used by the authors for measuring profitability is using the ratio of Return on Assets (ROA). Return on Assets (ROA) is one of the variables that show the efficiency of asset management, which means management efficiency. ROA shows the company's ability to generate profit after tax by using the total assets owned by the company. (Hanafi, 2012).

Company Size

Company size in general can be interpreted as a comparison of the size of an object. Basically, the size of the company is only divided into four categories, namely large companies (large firms), medium companies (medium firms), small companies (small firms), and micro companies. Hery (2017) reveals the definition of company size is a scale that shows the size of a company. Meanwhile, Anggraeni (2015) suggests that company size can be expressed in total assets, sales, and market capitalization. The greater the total assets, sales, and market capitalization, the larger the size of the company.

The author can interpret that the size of the company is a reflection of how big the company is. Company size can be seen based on total assets, total equity, and total sales. There are three categories of company size, namely (1) Small Companies, with assets of Rp. 50,000,000-Rp. 500,000,000; (2) Medium Enterprises, with assets of Rp. 500,000,000-Rp. 10,000,000,000; (3) Large Companies, with assets of more than Rp. 10,000,000,000. This is seen from how big the net worth of a company. (Hery, 2017).

Abdillah et al., (2015) state that the measurement of company size is measured by the natural logarithm (Ln) of the average total company assets.
Harahap (2011) explains that the use of the natural logarithm of the average total assets is based on the consideration that total assets reflect the size of the company and are thought to affect timeliness. Total assets are resources controlled by the entity as a result of past events that are expected to provide future economic benefits to the company. The higher the total assets reflect the larger the size of the company.

**Board of Commissioners**

According to Undang-Undang No.40 Tahun 2007 Tentang Perseroan Terbatas Perubahan Atas Undang-Undang No.1 Tahun 1995 Tentang Perseroan Terbatas. Lembar Negara No.160 Tahun 2007. Tambahan Lembar Negara No.4756, 2007), the board of commissioners is defined as a legal entity that is responsible for general and/or special supervision in accordance with the articles of association of the organization and providing advice to the board of directors. The important role of implementing good corporate governance lies with the board of directors, the board of commissioners acts as a supervisor of activities and performance and serves as an advisor to the board of directors to ensure that the company has good corporate governance. ((KNKG), 2006). Meanwhile, according to FCGI in Aziz (2014), the Board of Commissioners is a mechanism to supervise and provide guidance and direction to company managers or management. In this case, the management is responsible for improving the efficiency and competitiveness of the company, while the Board of Commissioners is responsible for supervising the management.

The measurement of the board of commissioners can be formulated as:

\[
\text{Size of the Board of Commissioners} = \frac{\text{Number of Members of the Board of Commissioners}}{\text{Company Size}} = \text{Ln Total Assets}
\]

This formula serves to determine the number of company employees. Based on Financial Services Authority Regulation 33 / POJK.04 / 2014, the members of the Board of Commissioners consist of at least 2 (two) members of the Supervisory Board.

**Audit Committee**

The Indonesian Audit Committee Association (IKAI) in Effendi (2016) explains that the audit committee is a committee consisting of committees that work professionally and independently. Its task is to assist and strengthen the function of the committee (or supervisory board) in carrying out the supervisory function of financial reporting process, risk management, audit implementation and implementation, corporate governance in the company.

Meanwhile, Khafid (2012) explained that the audit committee is a committee appointed by the company to act as a liaison between the directors and external auditors, internal auditors, and independent members. His responsibility is to provide auditor oversight and ensure that management takes appropriate corrective action against laws and regulations.

The audit committee is measured by the number of audit committee members in the company.

\[
\text{Audit Committee} = \text{Number of Audit Committee Members in the Company}
\]

**Sustainability Report**

Chen and Bouvain in Khafid (2012) reveal that a sustainability report is a general term that is considered synonymous with other terms to describe reports on economic, environmental, and social impacts, such as triple bottom line and, corporate responsibility reports, and so on. There is another definition of a sustainability report as a public report in which the company provides
an overview of the company's position and activities on the economic, environmental, and social aspects to internal and external stakeholders. World Business Council for Sustainable Development (Aziz, 2014).

The sustainability report is useful as (1) Provide information to stakeholders (shareholders, local community members, government) and improve company prospects, and help achieve transparency; (2) Help build a reputation as a tool that contributes to increasing brand value, market share, and long-term consumer loyalty; (3) To be a reflection of how the company manages its risks. World Business Council for Sustainable Development. (W. A. S. and A. Wijayanti, 2017).

Sustainability report disclosures are prepared in accordance with the principles set by GRI. The use of these principles can result in the information contained in the sustainability report being of higher quality and sufficient to assist stakeholders in assessing the company.

One of the formats in the sustainability report is the GRI standard. The higher the suitability of the sustainability report with GRI standards, the higher the disclosure made by the company.

Hypothesis

Profitability is the level of profit earned in the company. The higher the level of profitability, the better the company's ability to create profits. One measure of profitability is Return On Assets (ROA) which focuses on the company's ability to earn earnings in the company's operations by utilizing its assets to generate profits. According to Raharjo in Sofa and Respati (2020), the increase in profitability allegedly increases the information disclosed by the company in the sustainability report.

Aniktia and Khafid (2015) also said that companies with high profit-generating capabilities will have strong financial performance so that they have more ability to carry out social and environmental responsibility programs and their disclosures in sustainability reports.

H1: There is an effect of Profitability on the Disclosure of the Sustainability Report.

Company size describes the size of a company indicated by total assets. Total assets are all the resources owned by the business entity. The greater the total assets of the company, the company can be categorized as a large company. With large total assets, companies have greater power to carry out their social responsibilities and then disclose them through sustainability reports (Adhipradana and Daljono, 2014). Dewi and Pitriasari (2019) stated that large companies receive more attention from the public and are considered to have sufficient resources to carry out sustainability reports. Large companies will be under pressure from various stakeholders so it is considered that they will disclose more information.

Based on the linking theory, it is seen that company size is one of the determinants of companies disclosing sustainability reports. The bigger the company, the greater the company's ability to carry out social responsibility and disclose it.

H2: There is an effect of Company Size on the Disclosure of Sustainability Report.

The board of commissioners as the company's organ is collectively responsible for supervising and providing advice to the board of directors and ensuring that the company implements GCG. Adila and Sofyan in Sofa and Respati (2020) stated that the greater the proportion of independent commissioners, the more critical and effective the directors’ control is, which is then considered to increase demands regarding the disclosure of sustainability reports. Mega in Setyawan (2018) said that companies with larger boards of commissioners have greater potential to disclose sustainability reports.

Based on the liaison theory above, it can be seen that the existence of a board of commissioners in an organization makes companies required to disclose social responsibility to the community through the disclosure of sustainability reports.

H3: There is an influence of the Board of Commissioners on the Disclosure of Sustainability Report.
The audit committee is a committee formed by the board of commissioners to supervise the financial statements as well as auditor supervision. With the supervision carried out by the audit committee, it can be effective in achieving profits which will support the company to carry out sustainable development and will be able to disclose the sustainability report.

Tobing et al., (2019) stated that the greater the number of audit committee members, the better the coordination of the audit committee so that it can carry out supervision of management more effectively and is expected to support the increase in the publication of social and environmental information carried out by the company. This is because one of the things that support good corporate governance is to publish a sustainability report. Meanwhile, Anikcia and Khafid (2015) state that the more often the audit committee holds meetings, the more often the members of the audit committee will exchange ideas and knowledge about decisions that must be taken in the interest of all stakeholders, one of which is decisions regarding corporate social disclosure.

Based on the theory above, it is concluded that the more the number of audit committees, the higher the disclosure of the sustainability report by the company.

**H4: There is an influence of the Audit Committee on the Disclosure of the Sustainability Report**

**RESEARCH METHODOLOGY**

**Research Methods**

By comparing the numbers in the Company's financial statements and the sustainability report, the methods used in this study are descriptive and verification data analysis methods and quantitative approaches.

**Research Unit**

The research unit in this study is the financial report and sustainability report of Manufacturing Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period.

**Variable Operations**

Operationalization of variables is needed to determine the types and indicators of variables involved in this research. In addition, the operation of the variables aims to determine the measurement range of each variable so that the tool can be used to test hypotheses properly.

**Population and Sampling Techniques and Research Samples**

The population in this study is the Manufacturing Sector Companies from 2017 to 2020 there are as many as 193 companies. Not all of these populations are the object of research, so further samples are needed. The sampling technique used by the author is nonprobability sampling using the purposive sampling method.

The results that have been determined by researchers for this sample collection are:

**Table 1. The Results of Purposive Sampling**

<table>
<thead>
<tr>
<th>Sample Criteria</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing sector companies listed on the Indonesia Stock Exchange for the 2017-2020 period</td>
<td>193</td>
</tr>
<tr>
<td><strong>Sample Reduction Criteria:</strong></td>
<td></td>
</tr>
<tr>
<td>Manufacturing sector companies listed on the Indonesia Stock Exchange that do not have complete data related to the variables used in the study consecutively during the 2017-2020 period</td>
<td>(184)</td>
</tr>
<tr>
<td>The number of companies that can be selected as samples according to the criteria:</td>
<td>9</td>
</tr>
<tr>
<td>Total Observations (9 x 4 years)</td>
<td>36</td>
</tr>
</tbody>
</table>
Research Sample

Based on the population and the sampling technique used by the author, the research sample is as follows:

Table 2.
Sample List of Manufacturing Sector Companies Listed on the IDX for the 2017-2020 period

<table>
<thead>
<tr>
<th>NO</th>
<th>CODE</th>
<th>COMPANY NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ASII</td>
<td>Astra International Tbk</td>
</tr>
<tr>
<td>2</td>
<td>UNVR</td>
<td>Unilever Indonesia Tbk</td>
</tr>
<tr>
<td>3</td>
<td>INKP</td>
<td>Indah Kiat Pulp dan Paper Tbk</td>
</tr>
<tr>
<td>4</td>
<td>WTON</td>
<td>Wijaya Karya Beton Tbk</td>
</tr>
<tr>
<td>5</td>
<td>INTP</td>
<td>Indocement Tunggal Prakasa Tbk</td>
</tr>
<tr>
<td>6</td>
<td>TKIM</td>
<td>Pabrik Kertas Tjiwi Kimia Tbk</td>
</tr>
<tr>
<td>7</td>
<td>SMGR</td>
<td>Semen Indonesia (Persero) Tbk</td>
</tr>
<tr>
<td>8</td>
<td>SMCB</td>
<td>Solusi Bangun Indonesia Tbk</td>
</tr>
<tr>
<td>9</td>
<td>MLBI</td>
<td>Multi Bintang Indonesia Tbk</td>
</tr>
</tbody>
</table>

Data Source

The data source uses secondary data. Data collection is done by obtaining data from www.idx.co.id, Sahamok.net, invesnesia.com, and other websites regarding stocks. Meanwhile, the annual reports and sustainability reports of each company for the 2017-2020 period were obtained from the websites of each company that were published in the 2017-2020 period as well as literature books and economic journals related to the topics studied.

Data Collection Technique

Data collection techniques used to support this research are Library Research and Internet Research.

Data Analysis

The data analysis used by the author is descriptive and verification analysis. Sugiyono (2019) explains descriptive analysis is data analysis by describing or describing the data collected as they are, without intending to make broad conclusions or generalizations.

While the verification analysis is basically to test the validity of the hypothesis which is carried out through data collection. The verification analysis aims to answer questions related to the effect of profitability, company size, the board of commissioners, and the audit committee on the disclosure of the sustainability report.

RESULTS AND DISCUSSION

Hypothesis Analysis t-Test (Partial)

The t-test (t-test) tests the regression coefficient partially, this test is carried out to determine the partial significance of the role of the independent variable on the dependent variable by assuming that other independent variables are considered constant. (Sugiyono, 2015)

The t-statistic test is also called the individual significant test. This test shows how far the influence of the independent variable partially on the dependent variable. In the end, a conclusion will be drawn whether Ho is rejected or Ha is accepted from the hypothesis that has been formulated as follows:

\[ t = \frac{r \sqrt{n} - 2}{\sqrt{1 - r^2}} \]

Information:
- \( t \) = distribution t
- \( n \) = number of data
- \( r \) = partial correlation coefficient
- \( r^2 \) = coefficient of determination
In this study, profitability is measured through return on assets, namely the ratio of net income to total assets. During the period 2017-2020 as many as 6 companies had an average return on assets included in the very low category. Then as many as one company has an average return on assets included in the low category. And 2 companies have an average return on assets included in the high category. This data shows that most of the manufacturing companies listed on the Indonesia Stock Exchange which is the sample of the study still have an average return on assets which is included in the very low category. The following is a recapitulation of the average profitability of the company:

### Picture 1.
#### Average Profitability Recapitulation

<table>
<thead>
<tr>
<th>Return On Asset</th>
<th>ASII</th>
<th>UNVR</th>
<th>INKP</th>
<th>WTON</th>
<th>INTP</th>
<th>TKOM</th>
<th>SMCB</th>
<th>SMGR</th>
<th>MEBI</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.2%</td>
<td>38.6%</td>
<td>4.7%</td>
<td>4.1%</td>
<td>5.9%</td>
<td>4.9%</td>
<td>3.9%</td>
<td>-0.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The size of the company reflects the size of the wealth owned by the company. In research, company size is measured by total assets, which describes the total wealth owned by the company. During the period 2017-2020, all companies have total assets included in the large business category. All companies have total assets of more than 50 billion rupiahs, so they are classified as large businesses. However, there is a very large size gap between companies, where there are companies that have total assets of up to tens of trillions of rupiah.

The following is a recapitulation of company size data obtained based on the total assets or assets owned by the company:

### Picture 2.
#### Recapitulation of Average Company Size

The Board of Commissioners is assigned as supervisor and adviser to the company's directors. In this study, the board of commissioners was measured by the number of the board of commissioners themselves. During the 2017-2020 period, all companies had a very good number of commissioners. All companies have a board of commissioners of more than 2 people so they are classified as very good. The following is the recapitulation of the average number of members of the board of commissioners:
The Audit Committee is assigned as a supervisor and adviser to the company's directors. In this study, the Audit Committee is measured by the number of the Audit Committee itself. During the 2017-2020 period, there were 7 companies that had a sufficient number of audit committees. Meanwhile, the other 2 companies are in the very good category. The following is a recapitulation of the average number of audit committee members,

**Picture 4. Recapitulation of Average Number of Audit Committees**

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of Audit Committee Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASI</td>
<td>4</td>
</tr>
<tr>
<td>UNVR</td>
<td>3</td>
</tr>
<tr>
<td>INKP</td>
<td>3</td>
</tr>
<tr>
<td>WTON</td>
<td>3</td>
</tr>
<tr>
<td>INTP</td>
<td>3</td>
</tr>
<tr>
<td>TKM</td>
<td>3</td>
</tr>
<tr>
<td>SMGR</td>
<td>4</td>
</tr>
<tr>
<td>SMCB</td>
<td>3</td>
</tr>
<tr>
<td>MLBI</td>
<td>3</td>
</tr>
</tbody>
</table>

The sustainability report is calculated by dividing the number of items disclosed by the company by the number of items expected (113 items). During the 2017-2020 period, there were 3 companies that had a number of Sustainability Report Disclosures with fairly complete criteria. Meanwhile, 1 other company is in the very complete category and the other company is in the less complete category. The following is the recapitulation of the average Sustainability Report Disclosure Index (SRDI)

**Picture 5. Sustainability Report Disclosure Index (SRDI) Average Recapitulation**

<table>
<thead>
<tr>
<th>Company</th>
<th>Sustainability Report Disclosure Index (SRDI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASI</td>
<td>69</td>
</tr>
<tr>
<td>UNVR</td>
<td>90.4</td>
</tr>
<tr>
<td>INKP</td>
<td>55.5</td>
</tr>
<tr>
<td>WTON</td>
<td>74.8</td>
</tr>
<tr>
<td>INTP</td>
<td>52.4</td>
</tr>
<tr>
<td>TKM</td>
<td>37.8</td>
</tr>
<tr>
<td>SMGR</td>
<td>70.8</td>
</tr>
<tr>
<td>SMCB</td>
<td>60.6</td>
</tr>
<tr>
<td>MLBI</td>
<td>76.7</td>
</tr>
</tbody>
</table>
This discussion section will explain the results of calculations through partial hypothesis testing which has been discussed in the section on research results, as well as describe descriptively the results of these calculations on the variables that exist in this study.

For profitability, the value of count (3.817) falls in the rejection area of Ho, so it is concluded that profitability affects the sustainability report of manufacturing companies listed on the Indonesia Stock Exchange. The results of this study provide empirical evidence that companies with higher profitability tend to have higher sustainability report disclosure values because, with the high profits earned by the company, the company can design and implement social and environmental conservation programs which will be disclosed through sustainability reports. This is in accordance with research conducted by Promudhowardhani (2019) which shows that profitability affects the disclosure of sustainability reports.

On the size of the company, it can be seen that the value of count (2,612) falls in the rejection area of Ho, so it can be concluded that company size affects the sustainability report of manufacturing companies listed on the Indonesia Stock Exchange. The results of this study provide empirical evidence that companies with higher company sizes tend to have higher sustainability report disclosure values. The social activities carried out by the company depend on the size of the company, the size of the company shows the number of company assets that can be used in the company's operational activities related to the environmental, social, and economic conditions of the community. This is in accordance with research conducted by Sari (2013) which shows that company size affects the disclosure of sustainability reports.

For the board of commissioners, it can be seen that the value of count (2.227) falls in the rejection area of Ho, so it is concluded that the Board of Commissioners has an effect on the sustainability report of manufacturing companies listed on the Indonesia Stock Exchange. The results of this study provide empirical evidence that companies with higher boards of commissioners tend to have higher sustainability report disclosure values as well. The board of commissioners is able to increase objectivity and put pressure on companies to disclose information as widely as possible through the disclosure of sustainability reports. This is in accordance with research conducted by Sari (2013) which shows that the board of commissioners has an effect on the disclosure of the sustainability report.

Finally, for the audit committee, it can be seen that the count (3.420) falls in the rejection area of Ho, so it can be concluded that the audit committee has an effect on the sustainability report of manufacturing companies listed on the Indonesia Stock Exchange. The results of this study provide empirical evidence that companies with higher audit committees tend to have higher sustainability report disclosure values. The audit committee functions in supervising financial reports, implementing risk management, and realizing GCG. Frequent audit committee meetings can increase the effectiveness of internal control and oversight of the board of directors in disclosing the company's sustainability report. This is in accordance with research conducted by (Rimah Afsari, I Gusti Ayu Purnamawati, 2017) which shows that the audit committee has an effect on the disclosure of sustainability reports.

CONCLUSION

The results of this study are based on the hypotheses and analyzes that have been discussed previously, it can be concluded that the four variables where Profitability, Company Size, Board of Commissioners, and Audit Committee simultaneously and empirically affect the Manufacturing Sector Sustainability Report of companies listed on the Indonesia Stock Exchange (IDX) for the period 2017-2020 and is included in the complete category. All listed manufacturing companies have a good level of responsibility in disclosing the sustainability report.

The researcher also wants to give advice that can be given regarding the profitability of manufacturing sector companies listed on the Indonesia Stock Exchange for the 2017-2020 period which is included in the low category so that management is expected to be more optimal in managing the company so that the profits obtained by the company are increasing and the company can carry out its obligations well to the company. The public, as well as shareholders
and companies, can disclose sustainability reports with extensive and complete information. For further research, it is necessary to add other variables that can explain the effect on disclosure of report accountability. Among them are using additional variables such as leverage, and good corporate governance. Of course, in further research, it is recommended to add objects in other sectors in the hope of getting more accurate results.

REFERENCES


