DISCLOSURE OF SUSTAINABILITY REPORTS ON ENERGY AND MINING COMPANIES: DOES OWNERSHIP STRUCTURE MATTER?

Rifa Husniyyah[1]
Department of Accounting, Faculty of Business and Economics, Universitas Islam Indonesia
rifahusniyyah8@gmail.com

Muamar Nur Kholid[2*]
Department of Accounting, Faculty of Business and Economics, Universitas Islam Indonesia
muamar.nk@uii.ac.id
(*Corresponding Author)

Received on 18 November 2024
Accepted on 31 December 2024

Abstract— Companies operating in the energy and mining sectors significantly impact the communities and environment in their vicinity. Companies need to mitigate these adverse effects, and one way they can do this is by disclosing a sustainability report. Organizations use sustainability reports to communicate their commitment to sustainable business practices. This study examines the factors influencing sustainability report disclosure in companies within the energy and mining sectors between 2018 and 2021. This study implemented the multiplier linear regression data analysis procedure. The findings show that gender diversity in the board of directors, leverage, liquidity, and profitability do not significantly affect sustainability report disclosure. However, disclosure of sustainability reports is significantly impaired by the ownership structure.

Keywords*: *Sustainability Report; Ownership Structure; Gender Diversity.

1. INTRODUCTION

1.1 Research Background

In an age marked by increasing globalization, businesses encounter pressures not solely centered on economic objectives but also on addressing environmental and societal repercussions. Prioritizing sustainable methods has emerged as the primary operational concern for numerous companies, as showcased by the sustainability reports issued. These reports serve as a means of transparently showcasing and holding themselves accountable for their social, economic, and environmental performance. Esteemed international entities such as the Global Reporting Initiative, the European Financial Reporting Advisory Group, and the Sustainability Accounting Standards Board actively acknowledge and commend these endeavors (Moodaley & Telukdarie, 2023).

Indonesian Financial Services Authority (2017) defines a sustainability report as a communication document of organizational performance in social, governance, and environmental, aspects for stakeholders. In line with the triple bottom line concept, companies that implement a sustainability report disclosure emphasize their commitment to sustainability, not only in achieving financial benefits (profit) but also in paying attention to environmental aspects (planet) and human welfare (people) (Krisyadi & Elleen, 2020).

In Indonesia, preparing sustainability reports remains a voluntary practice, as there is currently no mandatory standard compelling companies to produce such reports. Among the

630 companies registered on the stock exchange in Indonesia, only a mere 10% have opted to create a sustainability report (Suarjana et al., 2021). Companies' decisions to refrain from disclosing these reports stem from various factors. These include concerns about inadequate business transparency, reluctance toward embracing excellent governance practices, apprehensions about perceived extra expenses linked to sustainability reports, and the lack of regulatory mandates compelling the publication of such reports.

Typical factors that impact a company's choice to release sustainability report encompass financial performance indicators like company size, profitability, leverage, and liquidity. Profitability reflects the organization's capacity to generate profits, and the capacity to fullfil short-term obligations is measured by liquidity (Nuraini & Ratnasari, 2022). The degree to which assets are financed by debnt known as leverage and company size reflects the company's scale (Mandagie et al. 2022). Within the legitimacy theory and stakeholder theory framework, large companies tend to provide more comprehensive information because they are under pressure form stakeholders (Setiadi, 2022).

In additon to examining financial performance variables, this study also exmaines the role of board directors gender diversity and ownership structure on sustainability report disclosure. Furthermore,compant age and company size are also investigated as a control variable in this study. The analysis was done on the companies who are included in the mining and energy sector on the stock exchange in indonesia in 2018 – 2021. Given to enermous contribution that the industry can make to climate change, pollution and environmental degradation. The research aims to better understand which factors affects sustainability report disclosure (e.g ownership structure, liquidity, profitability, leverage, gender diversity on the board of directors, company size, and the company age) in the context of Indonesian mining and energy sector.

1.2 Defining the Problems

Based in the research background, the research questions are formulated as follows:

1. Does liquidity influence the disclosure of sustainability reports?
2. Does profitability influence the disclosure of sustainability reports?
3. Does leverage influence the dislcosure of sustainability reports?
4. Does owner structure influence the disclosure of sustainabilty reports?
5. Does gender diversity in the board of directors influence the disclosure of sustainability reports?

1.3 Literature Review and Hypothesis

1.3.1 Underpinning theory

This study is based on three theories: agency, stakeholder, and legitimacy. Agency theory offers a theoritical foundation with which to describe the princial & agent relationship interplay in an organization (Meckling & Jensen, 1976). This theory focuses on organizations as conjoining points for any number of stakeholders, with the principal holding final authority and agent given control over how the firm's resources get managed and conflicts of interest among agents and principals in agency theory dynamics are interpreted as a significant risk (Kholmi, 2011). The principas hires the agent to serve exclusively in the company's interest and facilitate its stated goals, whereas the agent may also have an alternative agenda of interest. The solution to these conflicts lies in the use of control mechanisms put in place such as fair eomployment contracts to incentivize the alignment of the agent's actions with the principal's interests (Kholmi, 2011).

Legoitimacy theory describes how organizations should act in accordance with the values of society where they operate (Dowling & Pfeffer, 1975). Legitimacy is treated as an important feature for the continuity of an organizatinon's operational activities in this theory. It is the rationale for what company actions will not harm the society and the environment. According to legitimacy theory, organizations have a social contract to provide information regarding their business operations in the public space. This requirement is usually met with particular means like the creation of sustainability report. This report provides specific disclosure regarding the social and environmental aspects of the organization intended to enhance corporate transparency (Lestari & Andayani, 2018).

Freeman's (1984) stakeholder theory influences research on the corporations and their social performance. According to Freeman (1984), stakeholders are direct or indirect entities who can affect the company or are affected by it, and they are the most significant factor in a company's failure or success (Raihan, 2023). The current business scenario marks a paradigm shift in the form of embracing social issues and society as stakeholders, owing to the triple bottom line design. This model highlights that the firm concentrates on the economic profit the firm that takes into account its impact on society and nature (Tista & Putri, 2020). Companies are required to deal with publics scepticism towards the adverse effects of corporate activities on the environment and raise public demands based on the financial reprorts of economic, environmental, and social indicators.

1.3.2 Sustainability Report

According to Mandagie et al. (2022), a sustainability report is a report to communicates social and environmental performance, and also transperent corporate governance to stakeholders. This report analyzes the positive and negative impacts of the company on the environment, society, and economy. Financial, accounting, social, and environmental data must be integrated according to the sustainability report (Tres et al., 2023). Such a comprehensive approach will assist in helping them become more transparent as an organization and most notably when it comes to ascertain the best investment decisions. The Sustainability Report serves as a tool to fulfill the company's responsibility towards social and environmental aspects. The sustainability report expresses the company's dedication to society and the environment (Indriyani & Yuliandhari, 2020). This report is expected to thoroughly review the organization's sustainable operational performance in facing economic change dynamics and setting appropriate targets (Raihan, 2023).

The Sustainability Report, as explained by the Global Reporting Initiatives (2020), is a document that details the economic, environmental, and social impacts arising from a company's daily operations. This report reflects the values and patterns of corporate governance and the relationship between the organization's strategy and its commitment to global economic sustainability. The sustainability report serves as one of the bases for decision-making. The Sustainability Report disclosure process follows the Global Reporting Initiative (GRI) standards. GRI is a global organization that guides businesses, governments, and related entities in understanding and managing sustainability impacts. There are four series to the GRI standards, namely GRI 103 (Management Approach), GRI 102 (General Disclosures), and GRI 101 (Foundation). The 400, 200, and 300 series explore specific social, economic, and environmental topics and guide companies to prepare relevant, credible, standardized Sustainability Reports.

1.3.3 Hypothesis Development

Liquidity measures a company's financial situation and indicates its ability to immediately satisfy short-term debt (Nuraini & Ratnasari, 2022). A high degree of liquidity reflects the company's success in paying debts on time, where good liquidity will provide a positive image of the company's credibility (Krisyadi & Elleen, 2020). This concept is in line with stakeholder theory, where solid liquidity is a determining factor in meeting the expectations of various stakeholders and forming a reliable company image.

The current ratio is the primary indicator in evaluating a company's liquidity, reflecting the company's capacity to satisfy immediate debt using current assets (Raihan, 2023). This condition encourages companies to increase information transparency to convince interested parties of a healthy financial condition (Sari et al., 2023). Research on the relationship between liquidity and Sustainability Report disclosure has produced mixed findings. Although Widodo (2019) stated that there was no significant impact, Krisyadi and Elleen (2020) identified a negative influence, while Harefa (2024) highlighted the positive and significant effect of liquidity on sustainability report disclosure. Drawing on the above-discussed explanation, the first hypothesis

H1: The disclosure of sustainability reports is positively influenced by liquidity.

Profitability ratios indicate a business entity's capability to generate profits, encompassing its effectiveness in earning profits from sales, assets, and equity (Raihan, 2023). Elevated profitability aligns with the growing transparency in company information disclosure, following the principles of agency theory that underscore the owner's role in monitoring and evaluating management performance toward profit objectives. Augmented profitability signifies heightened efficiency in utilizing company resources (Fahmi & Purmawan, 2017).

Companies exhibiting high profitability often function at elevated levels of environmental risk. Robust profitability ratios signify efficient performance, motivating companies to adopt a more proactive stance in information disclosure (Raihan, 2023). Furthermore, management endeavors to persuade investors of the competence and profitability of their executives, leading to an increased inclination to publish sustainability reports as an additional information source.

Some studies, such as Tobing et al. (2019) and Widodo (2019), confirmed the impact of profitability on sustainability report disclosure. Drawing on the above-discussed explanation, the second hypothesis:

H2: The disclosure of sustainability reports is positively influenced by profitability

Leverage shows how much an organization depends on debt to support its assets by comparing its overall debt to the average shareholders' equity (Suarjana et al., 2021). It reflects the financial structure of the company, and based on agency theory, companies with high leverage may curb their social responsibility disclosures to avoid attention, especially from debt holders who oversee the company's activities (Suarjana et al., 2021).

Leverage is also considered a financial parameter that assesses the organization's capacity to fulfill its long-term debt (Krisyadi & Elleen, 2020). A high level of leverage indicates a greater reliance on long-term debt than capital, reflecting financial instability. Companies in these conditions tend to refrain from disclosing social information to reduce costs, considering that the decision to disclose such information may result in increased expenditures, potentially reducing revenue (Suarjana et al., 2021). Mandagie et al. (2022) stated that leverage positively affects sustainability report disclosure. Drawing on the above-discussed explanation, the third hypothesis:

H3: Leverage has a positive effect on sustainability reports disclosure

Ownership structure refers to distributing shares among managers, institutions, and foreign entities (Huafang & Jianguo, 2007). This factor is essential in influencing the company's survival and can provide favorable results. This study's independent variable of ownership structure focuses on managerial ownership. Share ownership by management can be attractive to investors, institutional ownership helps monitor potential corporate fraud through Sustainability Report disclosure, and foreign ownership can increase overall company value (Susadi & Kholmi, 2021).

Under agency theory, wherein directors serve as agents entrusted by shareholders, higher share ownership typically leads to an uptick in public disclosure. Companies are inclined to provide more information, notably through the Sustainability Report, due to increased share ownership, as posited by Susadi & Kholmi (2021). In contrast, stakeholder theory asserts that agents are consistently motivated to address their needs alongside the principals and may not place significant importance on Sustainability Report disclosure.

Research by Qa'dan and Suwaidan (2019) shows that ownership structure significantly negatively affects the level of social responsibility disclosure. Similar findings were also presented by Susadi and Kholmi's (2021) research, which identified a negative influence of ownership structure on Sustainability Report disclosure. Drawing on the above-discussed explanation, the fourth hypothesis:

H4: Ownership structure has a negative effect on sustainability report disclosure

Gender diversity shows the extent to which male and female workers are represented in an organization, specifically focusing on the representation of women in leadership positins like biard of commissioner and directors (Ummah & Setiawan, 2021). It is often said that women are careful decision-makes, analyzing problems form multiple angles to generate inclusive solutions (Suwasono & Anggraini, 2021).

The role of gender diversity in performance and agency problems mitigation matters a lot for companies. This variety in viewpoints works as an effective control mechanism that includes many face and opinions (Thoomaszen & Hidayat, 2020). Female directors have played a significant part in overcoming corporate challenges, encouraging diversity in the decision-making process, encouraging careful evaluation of alternatives, and more thoughtful consideration of consequences (Farida, 2019). However, this theory contradicts the conditions of energy and mining companies, which male directors still dominate. Suwasono and Anggraini's (2021) research presents a significant positive correlation between gender diversity and the Sustainability Report. Drawing on the above-discussed explanation, the fifth hypothesis

H5: Gender Diversity in the board of directors has a positive impact on sustainability reports disclosure

1.3.4 Control variable

Company size is a parameter for classifying businesses and can affect the information disclosure level. Companies with a larger scale generally experience tremendous pressure from key stakeholders (Setiadi, 2022). Large-scale companies tend to present information comprehensively and in detail compared to small-scale companies (Mandagie et al., 2022). This tendency is caused by larger companies having higher assets and sales values, a wider variety of products, and more sophisticated information systems, thus requiring a broader level of information disclosure (Raihan, 2023).

Company size is measured by total assets (Raihan, 2023). Assets represent economic resources that are expected to give benefits to the business in the future. Company size can be measured through total asset value, rank index, sales volume, and number of employees (Bimaswara et al., 2018). Large companies emphasize public recognition and acceptance, highlighting their tendency to publish Sustainability Reports.

The age of a company reflects its resilience in carrying out business operations and signifies its durability (Utami & Prastiti, 2011). More than just survival, it demonstrates a company's capacity to remain relevant, compete effectively, and capitalize on emerging opportunities. The duration of a company's existence also reflects its ability to maintain a competitive advantage (Wijayana & Kurniawati, 2018). Company age is measured using a ratio by calculating when the company has been registered on the Indonesia Stock Exchange (IDX) until a specific year (Suwasono & Anggraini, 2021). A company's extensive operational history generally correlates with a more thorough disclosure of financial information than newly established companies (Himawan & Widiastuti, 2021). Legitimacy is seen as a form of community ownership rights, which indicates that it contributes to the company's survival and brings potential benefits (Wijayana & Kurniawati, 2018).

2.5 Research Framework

Figure 1 shows a research framework that describes the relationship among variables.

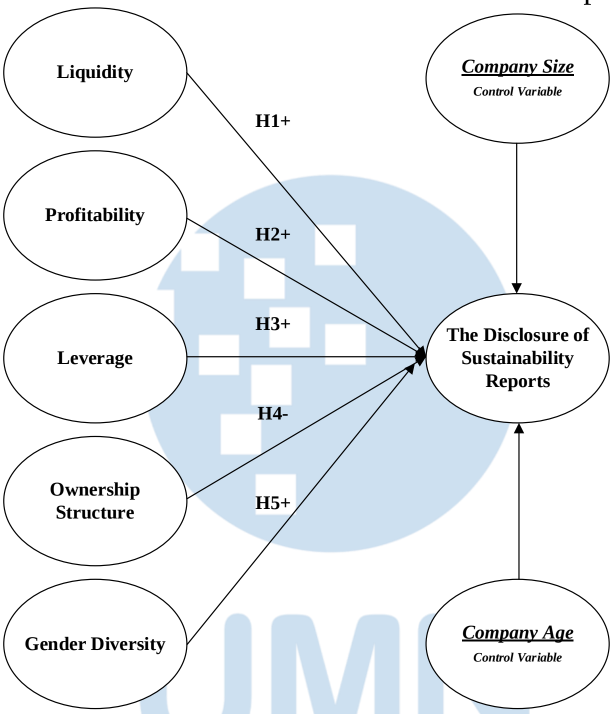

Figure 1. Research Framework

2. RESEARCH METHODOLOGY

2.1 Population and Sample

This study concentrates on companies in the energy and mining field registered on the Indonesia Stock Exchange (IDX) from 2018 to 2021. While the total population comprises 97 companies, not all will be part of the study. The study uses a non-probability sampling method, more especially, purposive sampling, with the following criteria to select the objects of study: (1) The company was registered on the Indonesia Stock Exchange (IDX) in 2018-2021; (2) The organizations release a Sustainability Report for 2018-2021 with the 2016 GRI Standard criteria; (3) The company publishes annual reports from the 2018-2021 period.

This study relies on secondary data sources encompassing annual and sustainability reports obtained from companies in the energy and mining sector registered on the Indonesia Stock Exchange (IDX) between 2018 and 2021. The data collection technique involved indirect observation, wherein the author gathered data from the selected companies' annual reports and Sustainability Reports. This approach allowed the author to comprehend the general profile of each company. The data was sourced directly from the IDX official websites and the respective companies' websites.

2.2 Variable Measurement

Table 1 contains information regarding the measurement of the variables in this study. All variable measurements were adopted from previous research studies.

Table 1. Variable Measurement

Variable	Measurement
Liquidity	Current Ratio = Current Asset / Current Liabilities
Profitability	Net Profit Margin = (Net Profit After Tax / Total Revenue) x 100
Leverage	Debt to Equity Ratio = Total Debt / Total Equity
Gender Diversity	Gender Diversity Index = Num. of Female Directors / Total Directors
Owner Structure	Managerial Ownership = (Num. of Managerial Shares / Num. of Shares Outstanding) x 100
Company Size	SIZE = Log Natural x Total Aset
Company Age	AGE = Year of Research - Year of Company Establishment
Disclosure of Sustainability Report	If an item exists, it is given a value of 1. If it does not exist, it is given a value of 0. $SRDI = n/k$ Description: SRDI = Sustainability Report Disclosure Index n = Items disclosed k = Items that should be disclosed

2.3 Data Analysis

Descriptive statistical analysis involves the examination and presentation of data, accompanied by calculations that elucidate the conditions and characteristics of the existing dataset. The fundamental measurements encompass the number of samples, maximum and minimum values, average (mean), and standard deviation (Std) (Ghozali, 2013). The classical assumption test, conducted through regression analysis, aims to establish the relationships between the variables under scrutiny. This examination occurs before hypothesis testing and verifies if the data conforms to a normal distribution. The test encompasses evaluations for Normality, Multicollinearity, Heteroscedasticity, and Autocorrelation to ensure the validity of the analysis. The equation of multiple regression analysis in this study is:

$$\mathbf{SR = \alpha + \beta 1LQ + \beta 2PR + \beta 3LV + \beta 4OW + \beta 5GD + \beta 6SZ + \beta 7AG + e}$$

Note:

SR	= Disclosure of sustainability reports
α	= Regression Constant
$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$	= Regression Coefficient
LQ	= Liquidity
LV	= Leverage
GD	= Gender Diversity
OW	= Owner Structure
SZ	= company size
AG	= Company Age
e	= *Error*

In research, the coefficient of determination (R^2) test determines the impact of independent variables contributing to fluctuations in the dependent variable (Ghozali, 2013). The guideline states that the coefficient of determination falls within the 0 to 1 range. Consequently, this range implies that the independent variables' data can impact or forecast changes in the dependent variable. The t-test serves the purpose of testing hypotheses to demonstrate the individual impact of the independent variable on the dependent variable. It is instrumental in gauging the extent of influence exerted by the independent variable on the dependent variable. (Ghozali, 2013).

3. RESULTS AND DISCUSSION

3.1 Results of Data Analysis

This study employs a purposive sampling method, where the researcher establishes specific sample selection criteria. Among these criteria are the company listed on the IDX from 2018 to 2021, publishing a Sustainability Report with the GRI standard in 2016, and consistently releasing annual reports throughout the research period. Moreover, the selected companies must provide information or data relevant to the research focus. The total sample size for this study comprises 42 companies. Table 2 displays the results of data processing from a descriptive statistics perspective.

Table 2. Results of Descriptive Statistical Analysis

	N	Min.	Max.	Mean	Std. Deviation
LQ	42	.27	2.97	1.4509	.66601
PR	42	-.43	6.60	.2162	1.02113
LV	42	.11	24.85	1.6412	3.86447
OW	42	.00	.45	.0551	.12333
GD	42	.00	.43	.0974	.13533
SZ	42	28.32	32.32	30.4744	1.12657
AG	42	16	104	46.71	21.270
SR	42	.28	.85	.5529	.16262

Note: LQ: Liquiduty; PR:Profitability; LV:Leverage; GD: Gender Diversity in the Board of Directors; SZ: Company Size; AG: Company Age; OW: Ownership Structure; SR: Sustainability Report Disclosure

The data analysis results indicate that all classical assumption tests have been satisfied, including heteroscedasticity, autocorrelation, normality, and multicollinearity. Meanwhile, the Multiple Regression analysis outcomes are presented in Tables 2 and 3.

Table 3. Results of R^2

Model	R	R Square	Adj. R Square	Std. Error
1	.812[a]	.659	.589	.10425

Table 3 displays the outcomes of the determination coefficient test. The table reveals that the Adjusted R^2 value is 0.589. It is indicated that the combined influence of independent variables, encompassing liquidity, gender diversity in the board of directors, profitability, leverage, and ownership structure, along with control variables such as company size and age, can explain 58.9% of the variability in the disclosure of the Sustainability Report. The remaining 41.1% is attributed to other factors not addressed in this research.

Table 4 Multiple Regression Analysis Results

Model	Unst. Coefficients B	Unst. Coefficients Std. Err.	T	Sig.
1 (Constant)	-2.369	.533	-4.449	<.001
LQ	-.034	.034	-.997	.326
PR	.014	.019	.746	.461
LV	-.004	.005	-.890	.380
OW	-.508	.135	-3.768	<.001
GD	.112	.130	.860	.396
SZ	.097	.018	5.284	<.001
AG	.001	.001	.926	.361

Based on Table 4, the regression equation model in this study, as shown below:

$$SR = -0.034LQ + 0.014PR - 0.004LV - 0.508OW + 0.112GD + 0.097SZ + 0.001AG - 2.369$$

Data analysis revealed that it was evident that liquidity (β-0.034; Sig. .326), profitability (β 0.014; Sig. .461), and leverage (β-0.004; Sig. .380) did not impact the sustainability disclosure. It shows that H1, H2, and H3 are rejected. Data analysis also shows that ownership structure significantly negatively affects disclosure of the Sustainability Report (β-0.508; Sig. .001). This result indicates that H4 can be accepted. Data analysis found that H5 was rejected, which means that 5. Board gender diversity does not impact the disclosure of the Sustainability Report (β 0.112; Sig. .396).

3.3 Discussion

The analysis results indicate that liquidity has no significant impact on sustainability disclosure. The finding aligns with previous studies by Sinaga and Teddyani (2020), Suarjana, Putra, & Sunarwijaya (2021), and Widodo (2019), which also conclude that liquidity does not impact sustainability disclosure. Pursuing a robust financial condition, reflected in the ability to meet current liabilities promptly, may not necessarily prompt companies to enhance their disclosure practices. The study suggests that companies might prioritize shaping a sound financial foundation rather than emphasizing social and environmental aspects. Management could prioritize measurable financial gains to fulfill stakeholder and self-interests over sustainability considerations. The study implies that companies prioritize presenting financial statements satisfying creditors over disclosing Sustainability Reports, potentially safeguarding the value of company assets.

Profitability has no significant impact on sustainability disclosure according to the analysis. It suggests that a company with high profit does not necessarily engage in more extensive sustainability disclosure. This result is consistent with the research of Raihan (2023), and Mandagie et al., (2022) which opined that profitability did not have an influence on sustainability disclosure. Companies might be focusing on profits from operations and investing, at the expense of emphasizing the social. As a result, companies may resist the pressure to spend additional time and effort on sustainability reports. In addition, financial objectives and desired performance over a shorter period may take higher precedence over sustainable goal objectives. If sustainability is seen as an added item that incurs additional costs rather than necessarily improving profitability in return, then this preference may be more entrenched. However, the high costs and less visible benefits of the sustainability report in terms of a company's business ethics might discourage companies in adopting this practice. Because of this, companies may try to cut costs and are more likely to be in operations or investments than leaders in disclosure effort.

The results of this study show that leverage has no effect on sustainability report disclosure. High level of leverage does not mean that the company will conduct a more extensive disclore od the sustainability report. This outcome corroborates the findings of previous studies by Widodo (2019) and Suarjana, Putra & Sunarwijaya (2021), which likewise showed that leverage did not affect sustainability report disclosure. High leverage firms may choose to prioritize financial obligations, financial growth, and operational efficiency over sustainability. High leverage means the company is more dependent on long-term debt than on capital which can be a sign of instability. In these scenarios, firms might avoid revealing social information to contain expenses, as decisions surrounding disclosure can incur costs which, in turn, could result in diminishing revenues.

The study reveals that ownership structure, mainly focusing on managerial ownership, significantly negatively impacts sustainability disclosure. This finding is consistent with the research conducted by Abu Qa'dan and Suwaidan (2019), concluding that ownership structure significantly negatively affects sustainability report disclosure. The interpretation suggests that a company with high managerial ownership structure may not feel compelled to engage in more extensive sustainability report disclosures. It is attributed to owners, particularly managers, potentially prioritizing short-term financial interests over long-term social and environmental responsibilities. Moreover, since the management is intimately involved in running the company, they may perceive that they already possess sufficient knowledge about its performance without relying extensively on the information presented in the sustainability report.

The study concludes that board gender diversity does not significantly impact sustainability disclosure. It implies that the presence of female directors does not influence the extent of disclosure made by the company. The results fit the studies done by Bananuka and Nkundabanyanga (2022). The interpretation suggests that in the context of energy and mining sector companies, male directors have a predominant presence, potentially contributing to the limited impact of gender diversity on sustainability report disclosure. The underrepresentation of female directors in these companies may contribute to the observed result.

4. CONCLUSION AND SUGGESTION

4.1 Conclusion

This study attempts to find empirical data on the effect of liquidity, gender diversity in the board of directors, profitability, leverage, ownership structure, company size, and company age on energy and mining sector companies registered on the IDX in 2018-2021. This study found that liquidity, gender diversity in the board of directors, profitability, and leverage do not significantly affect sustainability report disclosure. However, it is known that ownership structure has a significant impact on sustainability disclosure.

4.2 Limitation

Although this study successfully examines the factors influencing sustainability report disclosure, it has some limitations: (1) The number of samples in this study is limited because although the sample is from the energy and mining industry, many organizations have not published sustainability reports. Some other companies did not consistently release sustainability reports during the study period. (2) This study's R^2 is 58.9%. It means that the variation of independent variables, including liquidity, profitability, gender diversity in the board, leverage, corporate structure, and company size and age, affect 41.1% of the disclosure of the sustainability report. Thus, the variables in this study have not entirely influenced the disclosure of the sustainability report. As much as 41.1% is explained by variables not disclosed in this study.

4.3 Suggestion

Based on some of these limitations, future research should increase the sample count, focusing on a broader research object, especially companies that routinely publish annual sustainability report reports. In addition, future research is expected to use more independent variables that have not been widely studied. Thus, it will get new and better findings. In addition, it is recommended that the government enforce regulations that can discipline companies, including sanctions, that refuse to disclose the Sustainability Report. In addition, the government is expected to immediately issue rules regarding the obligation of companies to disclose Sustainability Reports. It encourages transparency and accountability of companies toward social and environmental responsibility.

6. REFERENCE

Bananuka, J., Nkundabanyanga, S. K., Kaawaase, T. K., Mindra, R. K., & Kayongo, I. N. (2022). Sustainability performance disclosures: the impact of gender diversity and intellectual capital on GRI standards compliance in Uganda. *Journal of Accounting in Emerging Economies*, *12*(5), 840-881. https://doi.org/10.1108/JAEE-09-2021-0301

Bimaswara, B., Suzan, L., & Mahardika, D. P. K. (2018). Pengaruh Ukuran Perusahaan, Likuiditas, Leverage, dan Profitabilitas Terhadap Pengungkapan CSR (Studi Pada Perusahaan Tekstil Dan Garmen Yang Terdaftar di BEI Tahun 2013-2016). *E-Proceedings of Management*, *5*(2).

Dowling, J., & Pfeffer, J. (1975). Organizational legitimacy: Social values and organizational behavior. *Pacific sociological review*, *18*(1), 122-136. https://doi.org/10.2307/1388226

Fahmi, M., & Purmawan, H. (2017). Pengaruh Pengungkapan Corporate Social Responsibility terhadap Harga Saham Perusahaan Pertambangan yang Terdaftar di BEI. *Balance: Jurnal Akuntansi Dan Bisnis*, *2*(2), 295–301. https://doi.org/10.32502/jab.v2i2.2016

Farida, D. N. (2019). Pengaruh diversitas gender terhadap pengungkapan sustainability development goals. *Jurnal Akuntansi Indonesia*, *8*(2), 89–107.

Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman Publishing Inc.

Ghozali, I. (2013). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 21 Update PLS Regresi*. Semarang: Badan Penerbit Universitas Diponegoro.

Harefa, R. T., Sebayang, M. M., & Siregar, R. (2024). The Influence Of Profitability, Liquidity, And Company Size The Disclosure Of Sustainability Reports. *Prosiding Simposium Ilmiah Akuntansi*, 874-886.

Himawan, F. A., & Widiastuti, A. (2021). Pengaruh Ukuran Perusahaan, Profitabilitas, Leverage, Dan Umur Perusahaan Terhadap Pengungkapan Intellectual Capital. *Jurnal Manajemen. Bisnis*, *24*(2), 164–180.

Huafang, X., & Jianguo, Y. (2007). Ownership structure, board composition and corporate voluntary disclosure: Evidence from listed companies in China. *Managerial auditing journal*, *22*(6), 604-619.

Indonesian Financial Services Authority. (2017). *Penerapan Keuangan Berkelanjutan bagi Lembaga Jasa Keuangan, Emiten, dan Perusahaan Publik*. Indonesian Government.

Indriyani, A. D., & Yuliandhari, W. S. (2020). Pengaruh Profitabilitas, Ukuran Perusahaan, Dan Umur Perusahaan Terhadap Pengungkapan Corporate Social Responsibility: Pengaruh Profitabilitas, Ukuran Perusahaan, Dan Umur Perusahaan Terhadap Pengungkapan Corporate Social Responsibility. *Jurnal Akuntansi Bisnis Dan Ekonomi (JABE)*, *6*(1), 1559–1568.

Kholmi, M. (2011). Akuntabilitas dalam Perspektif Teori Agensi. *Journal of Innovation in Business and Economics*, *2*(02), 357-369. https://doi.org/10.22219/jibe.v2i02.4694

Krisyadi, R., & Elleen, E. (2020). Analisis Pengaruh Karakteristik Perusahaan dan Tata Kelola Perusahaan Terhadap Pengungkapan Sustainability Report. *Global Financial Accounting Journal*, *4*(1), 16–28.

Lestari, I. D., & Andayani, A. (2018). Pengaruh Kinerja Keuangan Dan Corporate Governance Terhadap Pengungkapan Sustainability Report. *Jurnal Ilmu Dan Riset Akuntansi (JIRA)*, *7*(3), 1-22.

Mandagie, Y., Fujianti, L., & Afifah, N. (2022). Pengaruh Profitabilitas, Leverage, dan Ukuran Perusahaan Terhadap Pengungkapan Sustainable Reporting (Studi Empiris Pada Perusahaan Peraih Indonesia Sustainability Reporting Award Yang Terdaftar di BEI Pada Tahun 2015-2019). *JIAP: Jurnal Ilmiah Akuntansi Pancasila*, *2*(1), 19–34. https://doi.org/10.35814/jiap.v2i1.3032

Meckling, W. H., & Jensen, M. C. (1976). Theory of the Firm. *Managerial Behavior, Agency Costs, and Ownership Structure*.

Moodaley, W., & Telukdarie, A. (2023). Greenwashing, Sustainability Reporting, and Artificial Intelligence: A Systematic Literature Review. *Sustainability*, *15*(2), 1-25. https://doi.org/10.3390/su15021481

Nuraini, N., & Ratnasari, I. (2022). Pengaruh Profitabilitas dan Likuiditas Terhadap Pengungkapan Corporate Social Responsibility (Pada perusahaan Pertambangan yang terdaftar pada Bursa Efek Indonesia Periode 2016-2020). *Ekonis: Jurnal Ekonomi Dan Bisnis*, *24*(2).

Raihan, M. (2023). Pengaruh Profitabilitas, Likuiditas, Dan Ukuran Perusahaan Terhadap Pengungkapan Sustainability Reporting Perusahaan Manufaktur Pertambangan (Undergraduate Thesis, Universitas Islam Indonesia). Universitas Islam Indonesia. https://dspace.uii.ac.id/handle/123456789/44467.

Sari, S. W. H. P., Layli, M., Marsuking, M., Wibisono, D., Wibowo, A., Maula, D. I., Harahap, R. S., Firmansyah, F., & Nafi'Hasbi, M. Z. (2023). Pengaruh Profitabilitas, Likuiditas, Leverage, Kebijakan Dividen dan Ukuran Perusahaan terhadap nilai perusahaan pada perusahaan terdaftar di Jakarta Islamic Index (JII) periode 2019-2021. *JESI (Jurnal Ekonomi Syariah Indonesia)*, *12*(2), 123–130. http://dx.doi.org/10.21927/10.21927/jesi.2022.12(2).142-149

Setiadi, I. (2022). Pengaruh Karakteristik Perusahaan Terhadap Pengungkapan Sustainability Reporting Perusahaan Manufaktur Di Indonesia. *Jurnal Digital Akuntansi*, *2*(2), 49–58.

Sinaga, I., & Teddyani, S. (2020). Faktor-Faktor Pengungkapan Sustainability Report. *eCo-Fin*, *2*(2), 38-49. https://doi.org/10.32877/ef.v2i2.313

Suarjana, I. K., Putra, I. G. C., & Sunarwijaya, I. K. (2021). Faktor-Faktor yang Berpengaruh Terhadap Pengungkapan Sustainability Report Pada Perusahaan High Profile. *KARMA (Karya Riset Mahasiswa Akuntansi)*, *1*(4), 1195–1203.

Susadi, M. N. Z., & Kholmi, M. (2021). Pengaruh Mekanisme Good Corporate Governance Dan Ownership Structure Terhadap Pengungkapan Sustainability Report. *Jurnal Akuntansi Dan Ekonomika*, *11*(1), 129–138.

Suwasono, H., & Anggraini, A. (2021). Pengaruh Financial Distress, Leverage, Umur Perusahaan, Tipe Industri dan Gender Diversity Terhadap Sustainability Report. *Prosiding Seminar Nasional & Call for Paper STIE AAS*, *4*(1), 34–43.

Thoomaszen, S. P., & Hidayat, W. (2020). Keberagaman Gender Dewan Komisaris dan Direksi terhadap Kinerja Perusahaan. *E-Jurnal Akuntansi*, *30*(8), 2040.

Tista, K. R. R., & Putri, A. D. (2020). Faktor-Faktor yang Mempengaruhi Luas Pengungkapan Corporate Social Responsibility. *E-Jurnal Akuntansi*, *30*(11), 2737.

Tobing, R. A., Zuhrotun, Z., & Rusherlistyani, R. (2019). Pengaruh kinerja keuangan, ukuran perusahaan, dan good corporate governance terhadap pengungkapan sustainability report pada perusahaan manufaktur yang terdaftar dalam Bursa Efek Indonesia. *Reviu Akuntansi Dan Bisnis Indonesia*, *3*(1), 102–123. https://doi.org/10.18196/rab.030139

Três, P., Di Domenico, D., & Três, N. (2023). Level of disclosure in sustainability reports in accordance with the Global Reporting Initiative (GRI). *Revista Ambiente Contábil-Universidade Federal Do Rio Grande Do Norte*, *15*(2), 1-18. https://doi.org/10.21680/2176-9036.2023v15n2ID33068

Ummah, Y. R., & Setiawan, D. (2021). Do Board of commissioners characteristic and international environmental certification affect carbon disclosure? Evidence from Indonesia. *Jurnal Dinamika Akuntansi Dan Bisnis*, *8*(2), 215-228.

Utami, S., & Prastiti, S. D. (2011). Pengaruh Karakteristik Perusahaan terhadap Social Disclosure. *Jurnal Ekonomi Bisnis*, *16*(1), 63–69.

Widodo, O. A. (2019). Praktek Pengungkapan Sustainability Report Dan Faktor-Faktor Yang Mempengaruhinya. *Journal Competency of Business*, *3*(1), 51–64. https://doi.org/10.47200/jcob.v3i1.669

Wijayana, E., & Kurniawati, K. (2018). Pengaruh Corporate Governance, Return On Asset Dan Umur Perusahaan Terhadap Luas Pengungkapan Sustainability Report. *Jurnal Akuntansi Bisnis*, *11*(2), 157-171. http://dx.doi.org/10.30813/jab.v11i2.1388