THE EFFECT OF BOARD GENDER DIVERSITY AND COMPANY CHARACTERISTICS ON SUSTAINABILITY REPORT DISCLOSURE
(Empirical Study of Companies Listed on the Indonesia Stock Exchange 2016-2018)

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Abstract: This study examines the effect of board gender diversity and company characteristics on sustainability report disclosure. The sustainability reporting disclosure is a process to disclose information made by entities related to environmental and social preservation and an effort to become an accountable entity for all stakeholders. This research is a quantitative study that uses multiple linear regression analysis. The data obtained from the companies annual reports on the Indonesia Stock Exchange official website and Sustainability Reports on the company's website in 2016-2018. The sampling method was purposive sampling and obtained 154 samples. The results showed that the board gender diversity, profitability, leverage, firm size, and the type of company has a positive and significant effect on sustainability report disclosure. This study is expected to contribute to the literature for further research development.

Keywords: Board Gender Diversity, Company Characteristics, Sustainability Report Disclosure

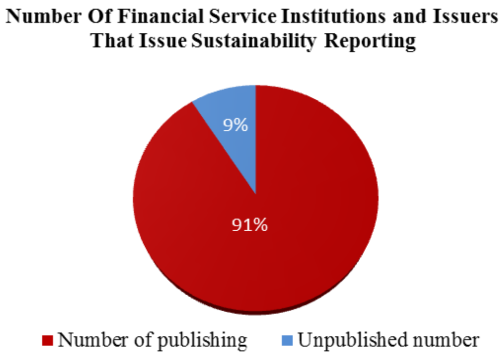
1. INTRODUCTION

The main purpose of establishing a company is to gain profits. However, to achieve this goal, the company is expected to not only prioritize the interests of seeking economic benefits but also have to be more aware of the environmental and social conditions as an impact that may arise from the business activities (Lyndia, 2017). During its development, Corporate Social Responsibility (CSR) is the idea that makes companies not only have responsibility in the economy, but also have responsibility for social and environmental problems (Friedman, 1982).

A result from the 2015 Global Investor Survey conducted by Ernst & Young (EY) Indonesia stated that investors claim to receive minimal information about non-financial information from companies. In 2017, the Financial Services Authority (OJK) issued the Regulation of Financial Service Authority (OJK Regulation) concerning the implementation of sustainable finance No. 51 / POJK03/2017, which requires the going public companies to publish sustainability reports. In other words, the disclosure of sustainability reports has become a responsibility for public companies. However, the disclosure of sustainability reports in Indonesia is based on the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

An example of a company that lacks awareness of the environmental and social issues is one that occurred at PT South Pacific Viscose in Cicadas village, Babakan Cikao sub-district, which was accused of their poor waste management of the factory that polluting nearby waters and air, particularly the Citarum river (http://kompas.com/23/01/2018). Another case was found at the Kallista Alam plantation company in Aceh which was charged for illegally burning over 1,000 hectares of swathes to open oil palm plantations (http: // Voa Indonesia / 10/01/2014).

According to the observations made by the Financial Services Authority (OJK), the level of sustainability report disclosure in Indonesia in 2016 can be seen from the percentage of the disclosure displayed in the figures below:



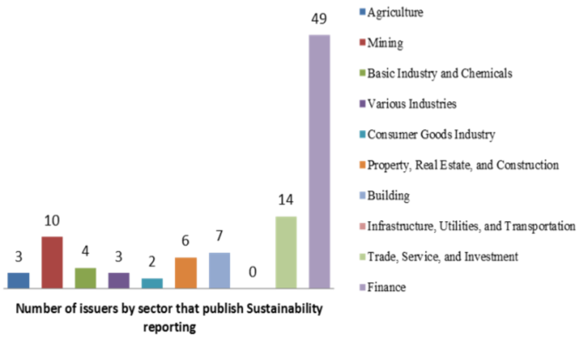


Figure 1 Graph of Disclosure of SR 2016 **Figure 2 Graph of SR Issuers in 2016**

Source: Financial Services Authority (OJK)

The picture above shows that in 2016 the number of companies that disclosed sustainability reports in Indonesia only 9%, which accounted for 49 companies. Meanwhile, other companies did not disclose sustainability reports. The table also presents that in 2016, the number of companies that published sustainability reports was mostly in the financial and mining sectors that accounted for 14 and 10 companies respectively.

The table below depicts the percentage of the most prevailing companies that disclosed sustainability reports were mining sector companies that accounted for 23.26%. From 43 mining companies listed on the Indonesia Stock Exchange, 10 companies had disclosed sustainability reports.

Table 1 The Percentage of Issuers Publishing Sustainability Report 2016

Industrial Sector	Number of Issuers	Issuer Issuing SR	Percentage
Agriculture	20	3	15.00
Mining	43	10	23.26
Basic Industry and Chemicals	65	4	6.15
Various Industries	42	3	7.14
Consumer Goods Industry	38	2	5.26
Property, Real Estate, and Construction Building	62	6	9.68
Infrastructure, Utilities, and Transportation	56	7	12.50
Trade, Service, and Investment	123	0	-
Finance	90	14	15.56
Total	**539**	**49**	

Source: Data Processing, 2019

Upper-echelons theory as originally introduced by Hambrick and Mason (1984) assumes that what happens to a company can be analyzed from the top executives' team because the executives are the strategic decision-makers in an organization. Diversity in management will create more consideration of heterogeneous information in decision making (Carter et al., 2003). Therefore, gender diversity on boards influences sustainability report disclosure. The effect of gender diversity on boards that influences sustainability report disclosure has been proven by research conducted by Rizka and Romi (2018). The research reveals that the gender of the board of directors has a positive and significant effect on CSR disclosure.

Profitability is an indicator to assess the company's financial performance. Companies with good financial performance will disclose more sustainability reports (Lyndia, 2017). Research conducted by Lela (2018) found that the higher the return on total asset ratio (ROA), the wider the disclosure will be. Thus, it can be concluded that the higher the profitability of the company, the more sustainability reports the company hasto disclose.

Leverage is an indicator to assess the company's ability to fulfill all of its obligations. The leverage ratio is used to provide an overview of the company's capital structure so that the company can evaluate the risk of uncollectible debts. Companies that have high leverage tend to provide broader disclosures to provide confidence to the creditors. Research conducted by Esti (2016) proves that the leverage variable has a positive and significant effect on corporate social responsibility disclosure. The higher the leverage, the bigger the disclosure of corporate social responsibility.

Large companies have greater and more complex activities, many shareholders, and tend to gain more public attention. Therefore, large companies tend to disclose more information on their social responsibilities. The greater assets owned by the company, the larger social responsibilities disclosures need to be conducted by the company. A study by Esti (2016) states that company size has a positive and significant effect on corporate social responsibility disclosure.

This study classifies the types of companies into two, namely high profile and low profile industries. A high profile industry is a company that has a high level of environmental sensitivity, a high level of political risk, or a strong level of competition. Companies that are categorized into the high-profile category are generally companies that gain more public spotlight. The level of disclosures varies according to the type of industry (Yu, 2010). High-profile industry is companies have a massive impact on the environment as a result of the company's operation. Moreover, high-profile industry companies tend to have greater environmental and social responsibility disclosure than low-profile industry (Lyndia, 2017).

2. LITERATURE REVIEW

2.1 Stakeholder Theory

R. Edward Freeman (1984: 46) stated that a stakeholder is an organization, group, or individual that can be influenced and influence the goals of the organization. According to stakeholder theory, a company is not only an entity that only operates for the benefit of the company as well as for-profit, but also must be able to provide benefits for stakeholders, which consists of shareholders, creditors, employees, consumers, suppliers, government, and society. Disclosure of social and environmental information is one of the strategies that companies use to maintain relationships with their stakeholders (Lela, 2018). Thus, the support provided by the stakeholders will considerably affect the company's existence and sustainability. (Ghozali and Chariri 2007).

By performing the disclosure, the company is expected to fulfill the needs of information required by the stakeholders. Moreover, it is also crucial for the company to manage the stakeholders so that the company can obtain more support from the stakeholders for long-term company survival. Financial, social, and environmental information disclosure performed by a company is a form of communication conducted by the company and stakeholders to provide information about company activities that can alter the perceptions and expectations of the stakeholders. The better the disclosure of a company, the more support provided by stakeholders to the company for all company activities (Lindawati and Marsella, 2015).

2.2 Legitimacy Theory

Legitimacy theory is one of the theories that underlie the disclosure of sustainability reports. This theory is considered essential for the company because the community's legitimacy to the company is a strategic factor for the company's future development. According to Dowling and Pfeffer (1975), legitimacy is essential for the organizations, the boundaries are emphasized by social norms and values, and the reaction to these limits encourages the importance of analyzing organizational behavior by considering the environmental effects. The legitimacy theory is underlain by social contracts between the company and the community where the company operates and uses economic resources (Ghozali and Chariri, 2007). The social contract is a method to explain a large number of public expectations about how an organization should conduct its operations. Legitimacy theory emphasizes that companies will always strive to ensure that the company operates according to the norms that exist in the society, and tries to ensure that the company's activities are accepted by outsiders as legitimate (Deegan, 2004). Gray et al. (1996) argue that legitimacy is a company management system that focused on the community (society), government, individuals, and community groups. For this reason, as a system that prioritizes public interests, the company's operations have to fulfill public expectations.

2.3 Upper-echelons Theory

Hambrick and Mason (1984) introduced a theory, namely the upper-echelons theory. The upper-echelons theory assumes that what happens to a company can be analyzed from the top executives' team because the executives are the strategic decision-makers in an organization. Thus, the strategic decisions made by the leaders have a direct impact on organizational outcomes. The upper-echelons theory argues that the outcome of an entity, such as the chosen strategy and performance level, is influenced by the characteristics of the leader.

The process of a company or organizational strategy cannot be separated from the involvement of individuals in the organization. The values and cognitive influence of the top management in the organization have a significant role in determining organizational outcomes. The main premises of upper-echelons theory are executives' experiences, values, and personalities, which greatly influence their interpretation of the situation at hand and affect their choices (Hambrick and Mason, 1984).

2.4 Sustainability Report

Social responsibility disclosure is a report on social responsibility activities that have been conducted by companies, both related to social impact and environmental issues (Hadi, 2011). The social responsibility report can be presented in an integrated annual report or separately published in sustainability reporting. Sustainability Reporting is the reporting carried out by an entity to measure, disclose all activities conducted by the entity to preserve the social environment, and the entity's efforts to be the more accountable entity for all stakeholders to achieve sustainable development. (IAI Corporate Reporting).

Global Reporting Initiative (GRI) states that a Sustainability Report is a practice of measuring, disclosing, and accountability efforts of organizational performance in achieving sustainable development goals for both internal and external stakeholders. Sustainability Report is organized based on disclosure guidelines by the Global Reporting Initiative (GRI). In Indonesia, regulations on social and environmental responsibility disclosure can be found in the regulations issued by the government in Law number 40 of 2007 concerning Limited Liability Companies and the Financial Services Authority (OJK) regulations regarding the implementation of sustainable finance No. 51 / POJK03 / 2017, which requires *go public* companies to disclose the sustainability reports.

2.5 Board Gender Diversity

The upper-echelons theory as introduced by Hambrick and Mason (1984) assumes that what happens to a company can be analyzed from the top executives' team because the executives are the strategic decision-makers in an organization. Diversity in management will create more consideration of heterogeneous information in decision making (Carter et al., 2003). Women have different characteristics and consider to have more leadership styles. This fact can lead to enhanced board effectiveness as a result of improved quality board judgment and better oversight of corporate disclosure (Gul et al. 2011).

Robbins and Judge (2008) state that women generally are more detail-oriented thinking related to decision making analysis. They tend to analyze the problems before making a decision and process the decisions they made. Thus it can produce more accurate alternative solutions to overcome the problems. Ben Amar et al. (2017) and Muhammad Jizi (2017) prove that the percentage of women on the board of directors affects the disclosure of corporate social responsibility.

2.6 Profitability

Syafri (2008) defines profitability as the company's ability to generate profits through all the capabilities and resources the company has. However, according to Brigham and Houston (2009), profitability is the final result of several policies and decisions made by companies. The profitability ratio is a ratio that aims to determine the company's ability to generate profits during a certain period and also provides an overview of the level of management effectiveness in conducting the operational activities (Kasmir, 2012). Furthermore, profitability is an essential consideration for investors in their investment decisions. The higher the profitability ratio of the company, the better the condition of a company (Kasmir, 2012).

The company's profitability reflects a well-managed company so that the management will tend to unveil more information when the company's profitability increases. Lela (2018) found in her research that the higher the ROA, the wider the disclosure. Moreover, it also indicates that the higher company's profitability, the wider the company will disclose the sustainability report.

2.7 Leverage

A company unquestionably needs funds to conduct its operational activities, the source of these funds can be in the form of loans from creditors or market the shares to the public. The source of funds in form of loans from creditors creates a responsibility for the company to pay off loans and interest to creditors. According to Brigham and Houston (2009: 101), leverage is how far a company uses funding through debt. A leverage ratio is used to measures the extent to which the company's assets are financed with debt (Kasmir, 2012). Leverage is an indicator to assess the company's ability to fulfill all of its obligations.

Companies that have a high leverage ratio will unveil more extensive information (Esti, 2016). Moreover, companies with a high level of leverage will also disclose to reduce information asymmetry that may result in increased pressure from the creditors and investors (Rafika and Yulius, 2014).

2.8 Company Size

Company size can be defined as the size of the company that can be seen from the equity value, company value, or the resulting asset value of a company. According to Capital Market and Financial Institutions Supervisory Board (Bapepam) No. 9 of 1995 based on size, companies can be classified as follows (Lindya, 2017): (a) Small companies are legal entities established in Indonesia which: (1) have total assets no more than IDR 20 billion; (2) not affiliated and controlled by a company that is not a medium / small company; (3) is not a mutual fund, (b) Medium / large company is an economic activity that has net assets or annual sales proceeds. These businesses include national businesses (state-owned or private) and foreign businesses that conduct all the activities in Indonesia. Large companies tend to have bigger and more complex activities, have many shareholders, and have greater resources so that they can finance the provision of information to external parties through sustainability reports. In general, large companies will disclose more information than small companies because large companies have bigger social resources and responsibility to society (Lyndia, 2017).

2.9. Company Types

This study uses the types of companies according to research conducted by Lyndia (2017). The companies were classified into two industrial groups, namely high-profile and low-profile industries. High-profile industry is companies have a massive impact on the environment as a result of the company's operation. The high-profile industry includes are agriculture; mining; basic and chemical industries; various industries; property, real estate, and construction building; infrastructure, utilities, and transportation. The low-profile industry includes are trade, service, and investment, and finance.

3. RESEARCH METHODS

This research is a quantitative study that uses multiple linear regression analysis. The data obtained from the companies annual reports on the Indonesia Stock Exchange official website and Sustainability Reports on the company's website in 2016-2018. There were 539 companies as the population for 2016, while 576 companies in 2017, and 2018 there were 630 companies. This research used purposive sampling that obtained 154 companies that will involve as the sample data in this study for the 3-years of the research period.The company involved in 2016 were 46 companies, in 2017 were 54 companies, and in 2018 were 54 companies. The variables used are as follows:

3.1 Sustainability Report Disclosures

Sustainability Reporting is the reporting conducted by an entity to measure, disclose all activities carried out by the entity as an effort to conserve the social environment and also an effort to be an accountable entity for all stakeholders to achieve sustainable development. The measurements are conducted by giving the number one (1) to the disclosed item according to the guidelines in the GRI Standards and giving the number zero (0) if it is not disclosed.

Source: GRI Standards and sustainability report

3.2 Board Gender Diversity

Board gender diversityrepresents the gender diversity of the board. The indicator in this study used to measure the board gender diversity is using the percentage of women in the directors and commissioners board that divided by the total number of directors and commissioners.

Source: Rizka and Romi, 2018

3.3 Profitability

Profitability ratio is measured using return on assets (ROA), by the following formula:

$$\text{Return On Asset (ROA)} = \frac{\text{Net Income}}{\text{Total Asset}} \times 100\%$$

Source: Kasmir, 2012

3.4 Leverage

The leverage ratio is measured using the debt to equity ratio (DER), by using the formula as follows:

$$\text{Debt to Equity Ratio (DER)} = \frac{\text{Total Debt}}{\text{Equity}} \times 100\%$$

Source: Kasmir, 2012

3.5 Company Size

The indicator used in measuring the size of the company, namely using the company's total assets, which are formulated as follows:

SIZE= Log of Total Company Assets

Source: Lela, 2018

3.6 Types of Company

The types of companies are classified into two industry categories, namely high-profile and low-profile industries. High-profile companies will be assigned the number one (1) and companies categorized as low-profile will be assigned zero (0).

Source: Lyndia, 2017

The analytical method used in this research is multiple linear regression analysis methods. The stages of analysis in this research as follows:

1) Descriptive Statistical Analysis
2) Classical Assumption Test which include Normality Test, Multicolonierity Test, Autocorrelation Test, Heteroscedasticity Test
3) Hypothesis Test, namely Determinant Coefficient Test (R^2), F Statistical Test, Individual Parameter Statistical Test (t Statistical Test)

4. RESULTS AND DISCUSSION

4.1 Descriptive Statistical Analysis

Based on the descriptive statistical analysis that has been conducted, the descriptive statistical value of each of these research variables is obtained as follows:

Table 2 Descriptive Statistics Test

Variable	N	Minimun	Maximum	Mean	Std. Deviation
Gender Diversity Board	154	, 00	, 50	, 0975	, 10626
Profitability	154	-0.55	, 53	, 0444	, 11278
Leverage	154	-2.10	14.75	2,6003	2,74224
Company Size	154	11.94	15.11	13,5702	, 65439
Sustainability Report Disclosure	154	, 31	1.00	, 4532	, 13546
Valid N (listwise)	154				

Source: SPSS Output Results

The board gender diversity variable has a minimum of 0.00 or 0%, which indicates that some samples of the companies do not have female directors and commissioners on the company boards. Moreover, the maximum value is 0.50, or 50%. The mean value shows 0.0975 or 9.75%, which reveals that the percentage of the female presence directors and commissioners on the board of the companies in all samples used is an average of 9.75%. The standard deviation value of 0.10626 shows that the data has varied because the standard deviation value is greater than the mean.

The profitability variable shows a minimum value of -0.55 or -55% which reveals that the lowest percentage of profitability owned by the company is -55% and a maximum value is 0.53 or 53%. The mean value is 0.0444 or 4.44% and the percentage of profitability owned by the company in all samples used is an average of 4.44%. Furthermore, the standard deviation of 0.11278 indicates that the data has varied because the standard deviation value is greater than the mean.

The leverage variable depicts a minimum value of -2.10 or -21% which shows that the lowest percentage of the company's leverage is -21%, and the maximum value is 14.75 or 1.475%. The mean value is 2,6003 or 260.03%, the percentage of leverage owned by the company in all samplesused is an average of 260.03%. The standard deviation value of 2.74224 shows that the data has varied because the standard deviation value is greater than the mean.

The firm's size variable has a minimum value of 11.94 that depicts that the smallest company size has been calculated using the total asset log is 11.94, and the maximum value is 15.11. The mean value of the ratio is 13.5702 that reveals that the size of the company owned by the company in all samples used is the average of

13.5702. Moreover, the standard deviation ratio value of 0.65439 indicates that the data is less diverse because the standard deviation value is less than the mean.

Variable disclosure of sustainability report has the lowest value of 0.31 or 31%, and the highest value is 1.00 or 100%. However, the average value is 0.65439 or 65.439%, while the standard deviation accounted for 0.13546 or 13.546%.

Meanwhile, the table below presents the descriptive statistical test results for the variable types of companies.

Table 3 Descriptive Statistics Test -Company Type

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0.00	39	25.3	25.3	25.3
	1.00	115	74.7	74.7	100.0
	Total	154	100.0	100.0	

Source: SPSS Output Results

The table above depicts that most of the companies that disclosed sustainability reports from 2016 to 2018 were high-profile industries for 115 companies with a percentage of 74.7%. While the remaining 39 companies with a percentage of 25.3% are the low-profile industries.

4.2 Classic assumption test

Normality test

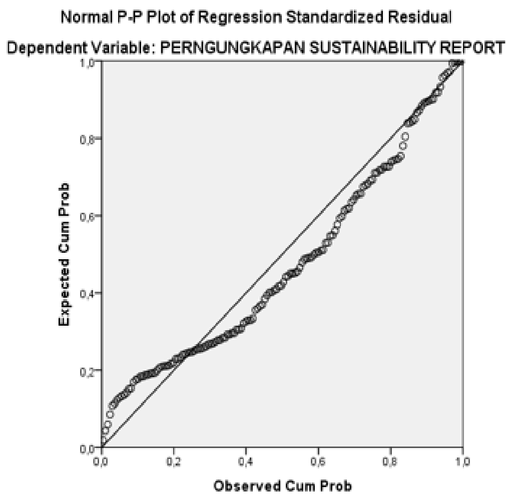


Figure 3 Normal Probability Plot

Table 4 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		154
Normal Parametersa, b	Mean	0E-7
	Std. Deviation	, 11679235
Most Extreme Differences	Absolute	, 106
	Positive	, 106
	Negative	-, 081
Kolmogorov-Smirnov Z		1,310
Asymp. Sig. (2-tailed)		, 065

a. Test distribution is Normal.
b. Calculated from data.

The normal probability plot test image shows that the dots spread out around the diagonal line, and the distribution follows the direction of the diagonal line. To validate that the residuals are normally distributed, a statistical test is carried out by the One-Sample Kolmogorov Smirnov test. The test results reveal that the independent variables that consist of board gender diversity, profitability, leverage, company size, and company type have normally distributed data. The Asymp value. Sig. (2-tailed) shows a significance value of 0.065, higher than the significance level of 5% or 0.05. This result indicates that the residuals are distributed normally. Thus the assumption of normality has been fulfilled. In conclusion, Ho was accepted.

Multicolonierity Test

Table 5 Multicolonierity Test

Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Gender Diversity Board	, 842	1,188
	Profitability	, 909	1,100
	Leverage	, 374	2,672
	Company Size	, 748	1,338
	Company Type	, 399	2,504

The test results show that the tolerance value of the regression model reveals that there are no independent variables that have a tolerance value less than 0.1 (10%) and a variance inflation factor (VIF) value that is more than 10. This data indicates that there is no multi collinearity between the independent variables.

Autocorrelation Test

Table 6 Autocorrelation Test

Model Summary b

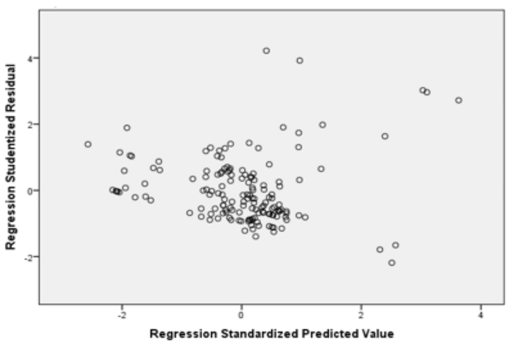
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	, 507a	, 257	, 232	, 11875	1,860

a. Predictors: (Constant), Company Type, Progitability, Board Gender Diversity, Company Size, Leverage

b. Dependent Variable: Disclosure of Sustainability Report

Based on the auto coloration test results, it is known that the Durbin-Watson test value is 1,860 and the result of the Durbin-Watson test value of 1,860 is in the dU - (4-dU) criterion. Thus the residuals generated from the estimated regression equations stated that there is no autocorrelation. Therefore, the autocorrelation assumption is fulfilled.

Heteroscedasticity Test



Dependent Variable: Disclosureof Sustainability Report

Figure 4 Scatterplot

The scatterplot image shows that the points spread above and below the number 0 on the Y-axis. These points do not form a certain regular pattern (wavy, widened, then narrowed). Therefore, it can be concluded that the regression model does not occur heteroscedasticity.

4.3 Test Hypothesis

Determinant Coefficient Test (R2)

Table 7 Determinant Coefficient Test (R2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,507[a]	,257	,232	,11875

a. Predictors: (Constant), Company Type, Profitability, Board Gender Diversity, Company Size, Leverage
b. Dependent Variable: Disclosureof Sustainability Report

The adjusted R2 value as presented in table 4.7 is 0.232 which means 23.2%. The value indicates that the variation in the dependent variable that can be explained by the independent variable is 23.2%, while the remaining 76.8% is explained by other variables.

Statistical Test F

Table 8 Statistical Test F

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	, 720	5	, 144	10,218	, 000b
1	Residual	2,087	148	, 014		
	Total	2,807	153			

a. Dependent Variable: Disclosure of Sustainability Report

b. Predictors: (Constant), Company Type, Profitability, Board Gender Diversity, Company Size, Leverage

The results of the F statistical test obtained a significance value of the F-test value of 0.000, in which the significance value is less than 0.05 or 5%. This result shows that the independent variable is accurate in explaining the dependent variable.

Individual Parameter Statistical Test (t Statistical Test)

Table 9 Individual Parameter Statistical Test (t Statistical Test)

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	-, 309	, 234		-1,325	, 187
1	Gender Diversity Board	, 206	, 098	, 162	2,096	, 038
	Profitability	, 308	, 089	, 256	3,447	, 001

Leverage	, 011	, 006	, 230	1,985	, 049
Company Size	, 044	, 017	, 212	2,582	, 011
Company Type	, 140	, 035	, 452	4,027	, 000

a. Dependent Variable: Disclosure of Sustainability Report

The gender diversity board significantly affects the disclosure of the sustainability report which equal to 0.206 with a significance level of 0.038. or less than 0.05. In other words, the test accepts H1.

Profitability has a positive and significant effect on the sustainability report disclosures, which accounted for 0.308 with a significance level of 0.001 or less than 0.05. It shows that H2 is accepted.

Leverage has a positive and significant impact on the disclosure of the sustainability report that accounted for 0.011 with a significance level of 0.049 or less than 0.05. it shows that H3 is accepted

Company size also shows a positive and significant influence on the disclosure of the sustainability report. Accounted for 0.044 with a significance level of 0.011 or less than 0.05, it concludes that the test accepts H4.

However, the types of companies have a negative and significant effect on the sustainability report disclosures. The results show 0.140 with a significance level of 0.000 or greater than 0.05. It indicates that the test accepts H5.

5. DISCUSSION OF RESEARCH RESULTS

The effect of the board gender diversity on sustainability report disclosures

After analyzing the data obtained in this research, the results reveal that the gender diversity board has positively affected the sustainability reports disclosures. The result also shows that the higher the gender diversity board, the higher the sustainability report disclosure. It indicates that the more diverse the gender in the directors and commissioners board, the greater the sustainability report disclosure. Thus, the presence of women on the board of directors and commissioners can influence the increase of sustainability report disclosures.

This result is in line with the upper-echelons theory by Hambrick and Mason (1984) that what happens to a company can be analyzed from the top management team because top management is the strategic decision-maker in an organization. There are some differences between female directors and male directors in terms of personality, communication style, educational background, and career experience (Liao et al, 2015). With these different characteristics, the women's presence on the board can provide additional different views that can increase the board's effectiveness as a result of improved quality of board consideration and better oversight of corporate disclosure. The results of this study are also in line with prior research conducted by Muhammad Jizi (2017), Isa and Muhammad (2015), Rizka and Romi (2018), Ben Amar et al. (2017), and Al Shaer and Zaman (2016) which conclude that gender diversity in the board of directors has a positive and significant influence on the disclosure of sustainability report.

The effect of profitability on sustainability report disclosures

The result of this study shows that profitability has a positive and significant impact on sustainability report disclosures. It indicates that the higher the company's profitability, the wider the company need to unveil the sustainability report.

According to Kasmir (2012), the higher a company's profitability ratio, the better the condition of a company. As the company's profitability reflects good corporate management, thus the management requires disclosing more information if there is an increasing number in company profitability.

The result is relevant to the stakeholder theory that a company is not only an entity that only operates for the benefit of the company and its profit, but also has to provide benefits for the stakeholders. The disclosure of social and environmental information is one of the strategies that companies use to maintain relationships with their stakeholders (Lela, 2018). Therefore, the support that is given by the stakeholders will greatly influence the existence and sustainability of a company (Ghozali and Chariri 2007). Moreover, the result of this study is also in line with previous research conducted by Azwir et al, (2014) and Lela (2018) that concluded that profitability has a positive and significant effect on the disclosure of sustainability reports. Research conducted by Setiany (2020) and Nurlaela&Mulya (2019) that profitability has a positive and significant effect on the environmental disclosure.

The effect of leverage on sustainability report disclosures

After analyzing the data to discover the effect of leverage on sustainability report disclosures, the results reveal that the leverage has positively influenced the disclosure of the sustainability report. This result indicates that the higher the profitability of the company, the wider the company has to disclose the sustainability report. Companies with a high level of leverage strive to reduce the spotlight from the creditors so that the companies will be required to be active in disclosing their social responsibilities (Esti, 2016). Therefore, companies with a high degree of leverage tend to provide broader disclosures to convince the creditors. The result of this study is in line with stakeholder theory. The theory mentioned that companies will disclose social and environmental information as one of the strategies they use to maintain relationships with their stakeholders (Lela, 2018). Moreover, the support from the stakeholders will immensely influence the existence and sustainability of a company (Ghozali and Chariri 2007). Thus, companies with high leverage are required to provide more comprehensive information about the condition of the company and disclose larger sustainability reports. Furthermore, it can also reduce agency costs and assure the creditors that the company can fulfill its obligations. The results of this research are in line with the prior research conducted by Esti (2016).

The effect of company size on sustainability report disclosures

The tests analysis in this study depicts that company size has a positive and significant effect on sustainability report disclosures, which implies that the larger the company size, the wider the company will disclose the sustainability report. Large companies have extra and more complex activities, have a large number of shareholders, and tend to receive more recognition from the public. Large companies tend to disclose more information than small companies because large companies have a greater social responsibility to society and have greater resources, hence they can finance the provision of information to external parties through sustainability reports. This result is in line with the theory of legitimacy in which stated that large companies tend to gain more public attention so they tend to disclose more comprehensive information as an effort to maintain legitimacy through the disclosure of sustainability reports. Moreover, the results of this study are also supported by the previous research conducted by Esti (2016), Aparna and Siya (2017), and Lela (2018) that company size is proxied by size (log total assets) and has a positive and significant impact on sustainability report disclosures. Research conducted by Setiany (2020) that company size has a positive and significant effect on the environmental disclosure.

The effect of company type on sustainability report disclosures

In analyzing the effect of company types on sustainability report disclosures, the results show that the types of companies have positively and significantly affected the disclosure of sustainability reports. This result indicates that the higher the sensitivity of the high-profile companies, the wider the company has to disclose its sustainability reports. The company operations that have a potential impact on the environment tend to disclose more information about the company's social contribution to keeping and maintaining their good reputation to the public (Aparna and Siya, 2017). The results of this study are in line with the legitimacy theory. High-profile companies will provide more comprehensive information on disclosing sustainability reports. It is because the high-profile company that has impactful operations to the environment will unveil more detailed information related to the company's social contribution to show the company's concern about society and the environment. However, this is one of the methods of the company to keep and maintain their good reputation to the public to survive their business. The results of this study are in line with a previous study conducted by Lyndia (2017) and Aparna and Siya (2017) that company types have a positive effect on sustainability report disclosures which will ignite the company to disclose more comprehensive information related to the company's social contribution to show the company's concern about society and the environment. Furthermore, this is one of the methods of the company to keep and maintain their good reputation to the public to survive their company.

6. CONCLUSIONS AND SUGGESTIONS

Based on the formulation of the problem, hypothesis testing, and discussion that have been presented in the previous chapters, there are several points that can be concluded:

1. Board gender diversity has a positive and significant effect on sustainability report disclosure. Therefore, diversity in management will create more consideration for heterogeneous information in making decisions. Thus, the presence of women on the board of directors and commissioners can encourage companies to improve sustainability report disclosures appropriately.
2. Profitability significantly affects the sustainability report disclosures. The company's profitability reflects good management of the company so that the management will tend to disclose more information when there is an increasing profit in the company. In other words, companies that have high profitability will reveal more sustainability reports.
3. Leverage has a positive and significant effect on sustainability report disclosure. Companies that have high leverage will present more information about the condition of the company and tend to disclose more sustainability reports. To reduce the agency costs, the company convinces the creditors that they can fulfill its obligations.
4. Company size has a significant influence on sustainability report disclosure. Big companies tend to gain more public attention that requires them to disclose more information to maintain company legitimacy in the sustainability reports disclosures.
5. Company type significantly influences the sustainability report disclosure. The high profile company type is categorized as a company that has impactful operations for the environment so that they have to disclose more information related to the company's social contribution to show the company's concern for the social and environmental aspects as one of the methods for companies to keep and maintain the company's reputation to the public and to ensure the company survival.

Based on the results of the discussion and conclusions above, the researcher would like to provide some suggestions as follows:

1. The value of the Adjusted R Square in this study is still low. For future researchers, it is advised to add more variables related to sustainability report disclosure and conduct more comprehensive research on the impact of sustainability report disclosure on firm value. Further researchers also suggested to use other measurements than those used in this study and to extend the observation period.
2. Further researchers are advised to research the effect of gender on the disclosure of sustainability reports to obtain more in-depth results about gender.
3. Companies whose operations have a direct impact on the environment, such as agriculture and basic and chemical industries, are expected to be more pro-active in disclosing sustainability reports in the future.

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