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The Influence of Leverage, Firm Size, Institutional Ownership, and Company Growth on Sustainability Report with the Board of Directors as a Moderating Variable in Mining Companies Listed on the Indonesia Stock Exchange 2014-2021

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ABSTRACT

Since the development of issues regarding CSR, company activities have been not only based on economic aspects but also social and environmental aspects. These three aspects can be realized by disclosing social and environmental responsibility through a sustainability report presented separately from the annual report. This research examines the influence of leverage, Firm size, institutional ownership, and company growth on sustainability reports with the board of directors as a moderating variable in mining companies listed on the Indonesia Stock Exchange in 2014-2021. The population used in this research was 52 mining companies listed on the Indonesia Stock Exchange. The sampling method is to use purposive sampling. Based on the criteria created, there are 10 sample companies, so 80 research observations were obtained. Data processing is carried out using the EViews statistical testing tool. The results of this research show that (1) leverage has a positive and significant effect on the sustainability report, (2) Firm size has a positive and insignificant effect on the sustainability report, (3) institutional ownership has a positive and significant effect on the sustainability report, (4) company growth has a negative and insignificant effect on the sustainability report, (5) the board of directors is unable to strengthen the influence of leverage and Firm size on the sustainability report, (6) the board of directors can strengthen the influence of institutional ownership and company growth on the sustainability report.

Keywords: *leverage, firm size, institutional ownership, company growth, board of directors, sustainability report*.

INTRODUCTION

In recent years, business activities carried out by companies have been deemed to require accountability as proof of an entity's concern for the environment and society. This is felt by developing countries in Asia, including Indonesia. Demands from stakeholders regarding environmental and social issues have made companies start to pay attention to long-term development. In the book Cannibal with Forks by John Elkington (1998), it is argued that as time progressed, maximizing profits began to shift and change into the Triple Bottom Line concept, which focuses on the 3Ps, namely Profit, People, and Planet. This concept holds that companies should not only focus on profits but also play a role and participate in the welfare of the surrounding community (people) and actively contribute to preserving the environment (planet). This information is then presented as a report separate from the company's financial reports, namely the sustainability report.

Mining sector companies receive more attention from the public because they are companies engaged in natural exploration and are therefore required to carry out their social responsibility functions regarding the impact of the exploration activities. Environmental tragedies in Indonesia due to mining activities include the case of PT. Aneka Tambang Tbk, pollutes five large rivers in Jambi (merdeka.com, 2016). The use of chemicals impacts downstream rivers, affects various types of fish, and causes various kinds of diseases suffered by people, the case at PT. Vale Tbk's activities in South Sulawesi disturbed the ecosystem in Lake Mahalona. They led to protests by environmental agencies against the company (walhisulsel.or.id, 2018), cases of heavy metal B3 waste pollution in Bekasi by PT. Nirmala Tipar Sesama (tribunnews.com, 2021), environmental pollution case by PT. Indominco Mandiri, a subsidiary of PT Indo Tambangraya Megah (ITMG) in East Kalimantan (betahita. id, 2021), as well as the case of river pollution on Bunyu Island, North Kalimantan by PT. Lamindo Multikom (Mongabay.co, 2022). Some of these cases occurred due to the company's lack of environmental concern and failure to implement good corporate governance.

Disruption of aspects of people's lives, if seen from the perspective of Human Rights (HAM), as regulated in Law Number 39 of 1999 concerning Human Rights, especially those related to economic, social, and cultural rights, is, of course, very intersecting with the impact of mining because human rights include aspects of the right to live and live a good, safe, and healthy life which is the right to a good and healthy living environment.

Judging from the cases above, many companies still do not align with the triple P concept. These cases are proof that the environmental damage that occurs is caused by companies' lack of social and environmental responsibility. This raises a question mark for the community about the company's role in protecting the surrounding environment. Seeing public concerns, the government issued Law No. 40 of 2007 Article 24 concerning Limited Liability Companies, explaining that every company must carry out social and environmental responsibility activities. With this regulation, the community hopes that the company's contribution can improve the community's quality of life and the surrounding environment.

After regulations requiring social responsibility, companies have implemented their social or corporate social responsibility. However, it is felt that CSR activities do not fully contribute to sustainable development, and many are more directed toward greenwashing or corporate image (Bernadus, 2013). There is a lack of analytical reports to analyze further the social and environmental impact and the company's commitment to the sustainability of the natural environment that is impacted by the company's activities. The company's CSR activities must be disclosed in a report so that stakeholders and the surrounding community know that the company has carried out its social responsibilities.

This phenomenon illustrates that implementing corporate social responsibility is still not optimal. As a result, public trust is decreasing, and companies receive less support from the surrounding community. Therefore, companies disclose sustainability reports as regulations that regulate detailed and measurable reports regarding corporate responsibilities from an economic, social, and environmental perspective so that companies can demonstrate their contribution and commitment to social and environmental responsibility.

The development of issues regarding sustainable reporting in Indonesia cannot be separated from the role of the National Center for Sustainability Reporting (NCSR), the first independent organization to develop sustainable reporting in Indonesia. In 2005-2007, NCSR was active in introducing and disseminating sustainability reports to companies in Indonesia, and since 2005,

NCSR began holding Sustainability Reporting Awards (SRA), which are held once a year. However, starting in 2018, the SRA changed to the Asia Sustainability Reporting Rating (ASRR), which domestic and foreign companies can attend. However, its development shows a positive trend from year to year, although it is still relatively low compared to the total companies listed on the IDX.

In various developed countries in the European region, sustainability reports are reports that companies must make, be they private companies or state-owned companies. Based on the 2018 Environmental Performance Index (EPI), these countries even have high scores and rankings. Meanwhile, Indonesia is still ranked 133rd out of 180 EPI member countries, which shows that Indonesia cannot yet be categorized as an environmentally friendly country. Then, data published by the Financial Services Authority in 2017 in Figure 1 also shows that the publication of sustainability reports in Indonesia is still relatively low.

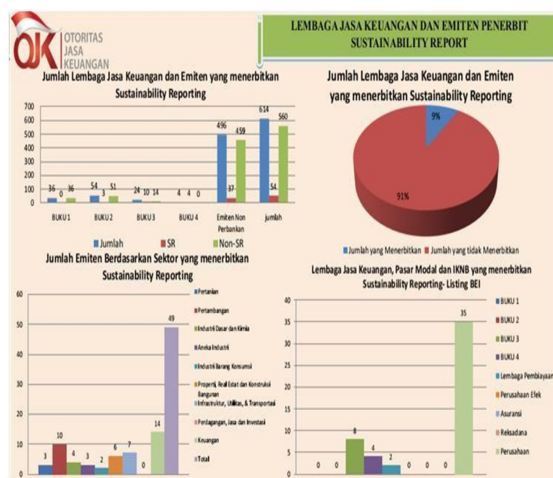

Figure 1. Financial Services Institutions and Issuers that Issue Sustainability Reports

Source: Financial Services Authority, 2017

Figure 1 shows that at the end of 2016, only 9% of the companies listed on the IDX published sustainability reports separate from the annual report. The sector publishing the highest sustainability reports is the financial sector, with 14 companies, followed by the mining sector, with 10 companies, and then the transportation sector, with seven companies. The lack of awareness among companies in Indonesia to contribute to sustainable development is the main factor causing the low number of companies publishing sustainability reports.

Disclosure of the sustainability report is expected to provide information to the public that the company not only operates for its interests but also remains responsible for the welfare of the community and the environmental impact that occurs as a result of the company's activities for long-term sustainable development (Madona, 2019). Apart from that, a sustainability report can also build trust and strengthen relationships and communication with stakeholders, protect the company's good name (reputation), provide investment analysis for investors, and produce high competitiveness in obtaining capital/loans, human resources, and suppliers (Barung et al., 2018).

The factors influencing companies in disclosing sustainability reports are internal and external (Rokhimah, 2018). Internal factors include firm size, industry type, ownership structure, corporate governance, financial performance, activity ratio, and company growth. In contrast, external factors can include government regulations, national economic conditions, environmental problems, and infrastructure conditions. Some previous studies showed positive effects, and some showed negative results. This research gap allows the author to research leverage, firm size, managerial ownership, and company growth and their influence on sustainability report disclosures again.

LITERATURE REVIEW

Sustainability Report

Sustainability reporting measures and discloses company activities to internal and external stakeholders as a responsibility regarding organizational performance in realizing sustainability development goals (Diono & Prabowo,

2017).

A sustainability report will encourage companies to be more transparent about the risks and opportunities they face. This increased transparency will lead to better decision-making and build stakeholder trust. The Global Reporting Initiative (GRI) explains that sustainability reports are the leading platform for communicating sustainable performance and impacts, both positive and negative.

Implementing sustainable development from a business perspective is called corporate sustainability or corporate social responsibility (Maharani, 2014). Corporate social responsibility (CSR) is an activity carried out by a company as a form of responsibility to stakeholders. The company's CSR activities must be disclosed in a report so that stakeholders and the surrounding community know that the company has carried out its social responsibilities. Disclosure of this report can be called disclosure of a sustainability report or sustainability report. Continuous reporting will provide benefits for several parties.

Companies in Indonesia have started using GRI G4 as a guide for preparing sustainability reports since 2013. In 2017, companies began switching to GRI Standards to replace GRI G4. In essence, GRI G4 and GRI Standards are not much different. Both emphasize the issue of gender equality and value chain involvement in every aspect, differing only in terms of language and document structure (Majalahcsr. id, 2017).

Sustainability reports can be measured by giving a value of 1 to companies that make disclosures and giving a value of 0 to companies that do not disclose sustainability reports. Several studies that use this measurement are research conducted by Aniktia and Khafid (2015), Pratama and Yulianto (2015), and Suryono and Prastiwi (2011). This measurement is carried out by giving a value of 1 if the company discloses the item per GRI guidelines and 0 if the company does not disclose the item. Next, each item revealed is added and divided by the number of items expected to be revealed.

$$\text{SRDI} = \frac{\text{Number of items disclosed}}{\text{The expected number of items disclosed}}$$

The more items a company discloses, the more value the company has. Companies with a high score indicate that they carry out more extensive disclosure practices than others (Tyas & Khafid, 2019).

Leverage

Leverage, or solvency, is a ratio that measures how far a company fulfills its data sources through debt. When a company's leverage ratio is high, it depends on debt to other parties in carrying out its operational activities. The higher the level of leverage, the greater the ratio the company faces so that its financial condition is considered less healthy.

Companies with a high leverage ratio tend to get a bad image from stakeholders. Therefore, to improve the company's image in front of lenders, the company will disclose more information, especially regarding social and environmental responsibility. This is done to show creditors that apart from focusing on business activities, the company also cares about life around it. Besides that, creditors can also see the use of the funds they lend so that the company's lousy image can be repaired.

Leverage is an indicator of financial performance that can influence the level of disclosure of a company's sustainability report. The higher the ratio, the more information conveyed will be. Kinantika (2013) in Handoyo and Jakasurya (2017) stated that companies with high leverage levels tend to disclose information about their social responsibility as a form of diverting issues regarding their high debt. By publishing a quality sustainability

report, the information received by investors and creditors will be balanced to avoid information asymmetries between managers and agents.

Research by Munsaidah et al. (2016) shows that leverage positively affects CSR. Meanwhile, research by Lucia and Panggabean (2018) states that leverage does not affect sustainability report disclosure.

This research uses the debt-to-equity ratio proxy because it reflects the proportion of total long-term debt to own capital.

$$\text{DER} = \frac{Total\ Debt}{Total\ Equity}$$

Firm Size

Firm size reflects the size or size of a company, which stakeholders will see in decision-making (Tyas & Khafid, 2019). Firm size describes the company's ability and experience in managing investments provided by shareholders to increase the company's prosperity and how the company manages company risks. The relationship between firm size and sustainability report disclosure is explained in legitimacy theory. This theory ensures that the company has carried out its activities according to the norms in the society and environment where the company is located so that its activities can be accepted by the community as legitimate (Anggiyani & Yanto, 2016).

Companies need legitimacy in society to access the resources needed for their business needs. This explains that companies must operate according to applicable norms and regulations. Companies strive to harmonize applicable regulations and carry out social, economic, and environmental responsibilities to gain recognition or legitimacy from society. Company legitimacy can be realized by disclosing sustainability reports (Sari & Marsono, 2013). The sustainability report will reveal the company's responsibility for the activities that have been carried out. The larger the firm size, the greater the costs the company will incur to disclose a sustainability report.

As a large company, its resources are higher than those of small companies. Hence, the costs for disclosure related to economic, social, and environmental responsibility reports are not a problem for large companies (Ho & Taylor, 2013).

Sembiring's (2005) research results reveal that firm size positively affects sustainability report disclosure. Meanwhile, Diono and Prabowo revealed that firm size has a negative effect on sustainability report disclosure.

Firm size as measured by total assets will be transformed into logarithmic form, with the following formula:

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

Institutional Ownership

Institutional ownership can generally act as a party that monitors the company. Companies with sizeable institutional ownership indicate their ability to monitor management. The greater the institutional ownership, the more efficient the use of company assets.

Coffey and Fryxell (1991) stated that if the company's level of CSR disclosure is high, it will be an added value for investors, especially institutional investors because institutional investors consider the long-term benefits the company will obtain by carrying out CSR. Institutional investors are considered necessary by companies because institutional investors have quite large sources of funds (Daniri and Simatupang. 2011). So, generally, they are shareholders in a large proportion. If linked to agency theory, a large proportion of institutional share ownership will increase monitoring efforts by institutional investors as principals. So, it can hinder managers' opportunistic behavior. This causes the level of control over management actions to be very high. This motivates companies to disclose

information as completely as possible.

Rawi's (2010) and Zhulaika's (2012) research found a positive influence between institutional ownership and CSR disclosure. However, in contrast to the results of research conducted by Mulyadi (2011) and Eriandani (2013), their research did not find a significant influence between institutional ownership and CSR disclosure.

The formula for calculating managerial ownership is:

$$IO = \frac{\text{Total Institutional Shares}}{\text{Stock Outstanding}} \text{ x } 100\%$$

Company Growth

High-growth companies tend to report more performance information or other information in the form of sustainability reports. This differs from relatively slow company growth, where information disclosure regarding company performance tends to be less, and resolving complex business problems is much more complicated than high-growth companies.

Suppose a company wants to rely on a high growth rate. In that case, it also needs funding from external parties, not just internal ones. Increasing total assets can affect company funding. The growth provides a positive sign of significant development for the company, so the higher its growth, the more it can influence the assets used in the operational activity process. According to stakeholder theory, information related to company growth is contained in financial and annual reports for the benefit of stakeholders (investors). This disclosure is also included in the sustainability report.

Research by Munsaidah et al. (2016) shows that company growth positively affects CSR. Meanwhile, Khafid et al.'s (2018) research states that company growth does not affect corporate social responsibility (CSR) disclosure.

Changes in total assets measure company growth. Mathematically, company growth can be formulated as follows according to research conducted by (Dhani and Utama, 2017):

$$\text{Growth} = \frac{\text{Total Assets t} - \text{Total Assets t} - 1}{\text{Total Assets t} - 1}$$

Board of Directors

The board of directors/board of directors is someone appointed to lead a Limited Liability Company (PT). It can come from someone who owns the company or a professional person appointed by the business owner. The board of directors acts as an aspect of the control system in a company, having a dual role, namely as monitoring and decision-making (Dilling. 2010). In its application, the implementation of GCG depends on the functions of the board of directors, a party trusted to manage the company. As a company organ, the Board of Directors manages the company. The higher frequency of meetings between members of the board of directors indicates more frequent communication and coordination between members, making it easier to realize good corporate governance (Suryono and Prastiwi, 2011).

Article 1 Paragraph 5 of the Limited Liability Company Law no. 40 of 2007 states that the Board of Directors is a company organ that is authorized and responsible for managing the company for the interests of the company, following the company's aims and objectives and representing the company both inside and outside the court per the provisions of the articles of association.

Research by Lucia and Panggabean (2018) shows that the board of directors positively influences sustainability report disclosure. This result does not align with Ningsyh et al. (2014), who state that the board of directors negatively influences sustainability report disclosure.

Board of Directors = Σ Member of the Board of Directors Meeting

Framework

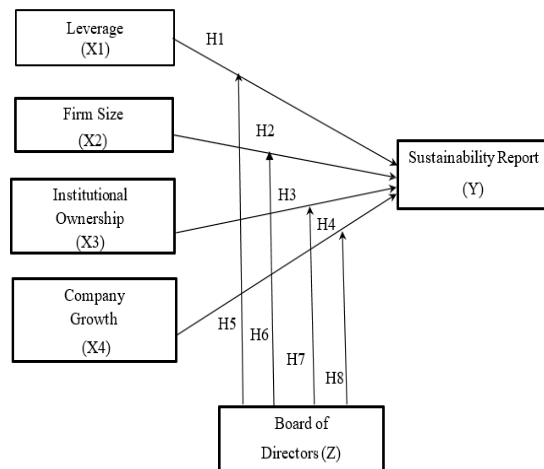

Figure 2. Framework

H1: Leverage has a positive effect on sustainability reports
H2: Firm size has a positive effect on sustainability report disclosure
H3: Institutional ownership of the company has a positive effect on sustainability report disclosure
H4: Company growth has a positive effect on sustainability report disclosure
H5: The Board of Directors can moderate the influence of leverage on sustainability report disclosure
H6: The Board of Directors can moderate the influence of firm size on sustainability report disclosure
H7: The Board of Directors can moderate the influence of institutional ownership on sustainability report disclosure
H8: The Board of Directors can moderate the influence of company growth on sustainability report disclosure

MATERIALS & METHODS

This research is causal associative research. According to Sugiyono (2016), causal associative research is a type of research that aims to determine the causal relationship between 2 or more variables. The data used in this research is quantitative research using a ratio scale. This type of research is used to empirically test or analyze the influence of the independent variables (leverage, Firm size, institutional ownership, and company growth) on the dependent variable (sustainability report), with the moderator being the board of directors of mining sector companies listed on the BEI in 2014-2021.

The population in this research is all mining companies listed on the Indonesia Stock Exchange 2014-2021. The total number of mining companies in the population until 2021 is 52 companies.

The sampling technique in this research uses a non-probability sampling technique, using a purposive sampling method, namely sampling selection based on considerations. The criteria used in this research are:

1. Mining companies listed on the Indonesian Stock Exchange during the research period, namely 2014-2021.
2. Mining companies that publish annual and sustainability reports consecutively during the research period, namely 2014-2021.
3. Companies that display data that can be used to analyze the influence of leverage, firm size, institutional ownership, and company growth on sustainability reports.

Based on the above criteria, 42 mining companies did not meet the sample selection criteria from 52 listed on the Indonesian Stock Exchange. So, the number of companies that can be sampled is ten mining companies. The research period of 8 years means that this research has 80 observation objects.

This research uses a quantitative analysis method using Microsoft Excel software and EViews 12 software to test the data.

RESULT

A. Selection Of Estimation Models

Three models use panel data regression, namely: Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (FEM) by carrying out three models of reform in realizing the regression model, namely Chow Test, Hausman Test, and Lagrange Multiplier.

Chow Test
Chow's Test was used to determine whether the Common Effect Model or Fixed Effect Model is the most appropriate for the regression model. There are hypotheses in carrying out this test, namely:
H0 = Probability > 0.05, then CEM is used
H1 = Probability < 0.05, then FEM is used.

Table 1. Chow Test Result

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.148730	(9,65)	0.0375
Cross-section Chi-square	20.836161	9	0.0134

Source: Data Processed with EView, 2023

Based on the results of the Chow test above show that the cross-section probability value F is 0.0375 < 0.05, meaning that H0 is rejected. Thus, the most appropriate model for estimating the regression equation is the Fixed Effect Model (FEM).

Hausman Test
The Hausman Test was used to determine whether the Fixed Efficiency Model (FEM) or Random Effect Model (REM) is the most appropriate in determining the regression model. There are hypotheses in interpreting the test, namely:
H0 = Probability > 0.05, then use REM,
H1 = Probability < 0.05, then FEM is used

Table 2. Hausman Test Result

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	7.806474	5	0.1672

Source: Data Processed with EViews, 2023

The results of the Hausman test above show that the random cross-section probability value is 0.1672 > 0.05, meaning that H0 is accepted. Thus, the most appropriate model for estimating the regression equation is the Fixed Effect Model (FEM).
According to Basuki and Prawoto (2016), this is because of the several estimation models to overcome one or more problems. Two models stand out the most, namely the Fixed Effect Model (FEM) and the Random Effect Model (REM), and seen from the highest Adjusted R2 value (close to 1). So, it can be concluded that the best model approach used to determine the influence of leverage, firm size, institutional ownership, and company growth on sustainability reports for companies listed on the Indonesia Stock Exchange in 2014-2021 is the Fixed Effect Model (FEM).

Lagrange Multiplier (LM) Test
Multiplier Lagrange test as a test to find out which method is more appropriate to use between the Common Effect Model and the Random Effect Model with the following criteria:

1. If the p-value value ≥ 0.05, then H0 is accepted, which is the most appropriate Common Effect Model.
2. If the p-value value is ≤ 0.05, then H0 is rejected, so the Random Effect Model is said to be used as the most appropriate model.

The hypothesis used as follows:
H0: Common Effect Model (CEM)
H1: Random Effect Model (REM)

Table 4. Lagrange Multiplier Test Result

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.956918 (0.3280)	90.34342 (0.0000)	91.30034 (0.0000)
Honda	0.978222 (0.1640)	9.504916 (0.0000)	7.412698 (0.0000)
King-Wu	0.978222 (0.1640)	9.504916 (0.0000)	7.775720 (0.0000)
Standardized Honda	1.819476 (0.0344)	10.43375 (0.0000)	5.640857 (0.0000)
Standardized King-Wu	1.819476 (0.0344)	10.43375 (0.0000)	6.030979 (0.0000)
Gourieroux, et al.	--	--	91.30034 (0.0000)

Source: Data Processed with EViews, 2023

The results of the Lagrange multiplier test show that the Breusch-Pagan cross-section value is 0.3280 > 0.05. This means that H0 is accepted. Thus, the most appropriate model for estimating the regression equation is the Common Effect Model (CEM).

B. Research Hypothesis Test

1. Regression Analysis with Panel Data

Based on the panel data regression model approach with EViews 12 between the Chow test and the Hausman test, this test shows that the more appropriate regression model to use in this research is the Fixed Effect Model.

Table 5. Fixed Effect Model Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.070296	1.903508	-1.087622	0.2808
X1	0.065125	0.019147	3.401280	0.0012
X2	0.056420	0.068216	0.827082	0.4112
X3	1.011207	0.372405	2.715339	0.0085
X4	-0.007886	0.021142	-0.373025	0.7103
Z	0.498485	0.304014	1.639675	0.1059

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.412420	R-squared	0.379858
Mean dependent var	0.910081	Adjusted R-squared	0.246289
S.D. dependent var	0.527018	S.E. of regression	0.457539
Akaike info criterion	1.441450	Sum squared resid	13.60721
Schwarz criterion	1.888080	Log likelihood	-42.65800
Hannan-Quinn criter.	1.620517	F-statistic	2.843903
Durbin-Watson stat	0.737907	Prob(F-statistic)	0.002238

Source: Data Processed with EViews, 2023

Based on Table 5 above, the multiple linear regression equation with the panel data in this study is as follows:

SR = -2,070 + 0,065 X1 + 0,056 X2 + 1,011 X3 - 0,007 X4 + e

From this equation, it can be explained that:

1. Constant

The multiple linear regression analysis above produces a regression equation with a constant value of -2.070. Based on this constant value, it can be interpreted that if leverage, firm size, institutional ownership, and company growth have a value of 0, then the sustainability report will experience a decrease of 2.070.

2. Leverage the Sustainability Report

The multiple linear regression analysis above produces a regression equation with a leverage coefficient value of 0.065. Based on the coefficient value, it can be interpreted that if leverage increases by 1 unit, assuming other independent variables remain constant, the sustainability report will decrease by 0.065.

3. Firm size on Sustainability Report

The multiple linear regression analysis above produces a regression equation with a firm size coefficient of 0.056. Based on the coefficient value, it can be interpreted that if the firm's size increases by 1 unit, assuming other independent variables remain constant, then the sustainability report will increase by 0.056.

4. Institutional Ownership of the Sustainability Report

The multiple linear regression analysis above produces a regression equation with an institutional ownership coefficient of 1.011. Based on the coefficient value, it can be interpreted that if institutional ownership increases by 1 unit, assuming other independent variables remain constant, the sustainability report will increase by 1.011.

5. Company Growth in Sustainability Report

The multiple linear regression analysis above produces a regression equation with a company growth coefficient of -0.007. Based on the coefficient value, it can be interpreted that if the company's growth increases by 1 unit, assuming other independent variables remain constant, then the sustainability report will increase by 0.007.

2. F (Simultaneous) Statistical Test

The F test determines whether all independent variables together (simultaneously) influence the dependent variable. The F test is used with a significance level of 0.05. according to Ghozali (2012:98), the basis for decision-making is as follows:

1. If the probability value is <0.05, the independent variables together

(simultaneously) influence the dependent variable together.

2. If the probability value is > 0.05, the independent variables together (simultaneously) do not affect the dependent variable.

The results obtained from the F test show in Table 5 that the F value is 2.843903, and the probability value is 0.002238, which is significantly less than 0.05 (0.002238 < 0.05). This means that at the α level of 0.05, leverage, firm size, institutional ownership, and company growth together (simultaneously) influence sustainability report disclosure, which means that the independent variables jointly influence the dependent variable where the sustainability disclosure report is very dependent on leverage variables, firm size, institutional ownership, and company growth.

3. T (Partial) Statistical Test

The T statistical test shows how far the influence of one independent variable is in explaining the dependent variable. The hypothesis is formulated as follows:

1. H0: XI = 0, meaning that the independent variable has no significant effect on the dependent variable.
2. H1: xi ≠ 0, meaning that the independent variable significantly affects the dependent variable.

Reception or rejection of hypotheses in a study can be done with the following criteria:

1. If the significance value of the statistic T> 0.05, then H0 is received. This means that an independent variable individually does not influence the dependent variable.
2. If the statistical t's significance value <0.05, then H0 is rejected. This means that an independent variable individually affects the dependent variable.

Table 5 above shows that leverage and institutional ownership positively and significantly affect partial sustainability report disclosure. Firm size has a positive and insignificant effect on sustainability report disclosure. Meanwhile, company growth has a negative and insignificant effect on sustainability report disclosure.

4. Determination Coefficient Test

The coefficient of determination (R2) measures how far the model's ability explains the dependent variable. The range of value is 0 to 1. If the value of R2 is small, the ability of independent variables to explain the variation of the dependent variable is minimal. Conversely, if R2 is large (close to the value 1), it means the ability of independent variables to explain the variety of large dependent variables.

Based on Table 5, the Adjusted R-square is 0.246289 or 24.62%. This means that variations in sustainability report disclosures can be explained by leverage, firm size, institutional ownership, and company growth. Meanwhile, the remaining 75.38% is explained by other variables not included in this research model.

5. Moderating Test

There is a possibility that the relationship between the independent variable and the dependent variable may be influenced by other variables that are not included in the statistical model, which are called moderator or moderating variables. A moderating variable is an independent variable that can strengthen or weaken the relationship between the independent and dependent variables.

Table 6. Regression Results with Moderating Variables

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.686291	4.917094	-0.749689	0.4563
X1	0.106523	0.105161	1.012952	0.3151
X2	0.201004	0.169885	1.183181	0.2413
X3	-2.242809	1.228366	-1.825848	0.0728
X4	1.044094	0.449833	2.321069	0.0236
Z	-0.272070	2.903636	-0.093700	0.9257
X1Z	-0.061684	0.122421	-0.503866	0.6162
X2Z	-0.046101	0.092148	-0.500295	0.6187
X3Z	2.892521	1.144400	2.527545	0.0141
X4Z	-0.721080	0.308478	-2.337542	0.0227

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	0.363297	R-squared	0.518789
Mean dependent var	0.910081	Adjusted R-squared	0.376792
S.D. dependent var	0.527018	S.E. of regression	0.416046
Akaike info criterion	1.287807	Sum squared resid	10.55877
Schwarz criterion	1.853538	Log likelihood	-32.51228
Hannan-Quinn criter.	1.514625	F-statistic	3.653526
Durbin-Watson stat	1.005537	Prob(F-statistic)	0.000076

Source: Data Processed with EViews, 2023

Table 6 above shows that the board of directors cannot partially moderate the influence of leverage and firm size on the sustainability report. Meanwhile, the board of directors can partially moderate the influence of institutional ownership and company growth on the sustainability report.

CONCLUSION

Based on the discussion in the previous chapters and answered problem formulation, research objectives, and referring to the process and results of data analysis in this study, several conclusions can be drawn as follows:

1. Leverage is stated to have a positive and significant effect on sustainability reports in mining companies listed on the Indonesia Stock Exchange in 2014-2021, so it can be concluded that H1 is accepted.
2. Firm size is stated to have a positive and insignificant effect on sustainability reports for mining companies listed on the Indonesia Stock Exchange in 2014-2021, so it can be concluded that H2 is rejected.
3. Institutional ownership has a positive and significant effect on sustainability reports in mining companies listed on the Indonesia Stock Exchange in 2014-2021, so it can be concluded that H3 is accepted.
4. Company growth has a negative and insignificant effect on the sustainability reports of mining companies listed on the Indonesia Stock Exchange in 2014-2021, so it can be concluded that H4 is rejected.
5. The board of directors is declared unable to moderate the influence of leverage on sustainability reports in mining companies listed on the Indonesia Stock Exchange in 2014-2021, so it can be concluded that H5 is rejected.
6. The board of directors has been declared unable to moderate the influence of firm size on sustainability reports in mining companies listed on the Indonesia Stock Exchange in 2014-2021, so it can be concluded that H6 is rejected.
7. The board of directors is declared capable of moderating the influence of institutional ownership on sustainability reports in mining companies listed on the Indonesia Stock Exchange in 2014-2021, so it can be concluded that H7 is accepted.
8. The board of directors is declared capable of moderating the influence of company growth on sustainability reports for mining companies listed on the Indonesia Stock Exchange in 2014-2021, so it can be concluded that H8 is accepted.

SUGGESTIONS

Based on the results of this research, several suggestions that can be given to future researchers are as follows:

1. For investors from the results of this research, it is hoped that investors will increase their attention to reporting company sustainability reports so that companies can increase their awareness of the social, economic, and environmental aspects so that they can create a harmonious relationship between the company and its stakeholders.
2. For companies, based on the results of this research, it is hoped that company management can implement sustainable sustainability disclosure practices and implement Good Corporate Governance (GCG) well to gain public trust and attract investors to achieve common goals.
3. Future researchers hope to add to the theory using other research objects besides the mining sector, a more comprehensive research sample, and a research observation period to obtain maximum results. Future researchers can also use other variables as moderating variables that can strengthen the influence of the

independent variable on the dependent variable.

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