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The Influence of Good Corporate Governance Mechanism, Profitability, and Liquidity on Sustainability Disclosure

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A B S T R A C T

This research aims to empirically test the influence of mechanisms Good Corporate Governance, profitability and liquidity on Sustainability Report disclosure. This research uses a quantitative approach with sampling used using a purposive sampling method, the analysis used in this research is multiple linear regression analysis managed via SPSS. The sample in this study consisted of 11 mining companies out of 75 mining companies reported to the IDX from 2019-2023. Corporate responsibilities that only prioritize economic interests must slowly begin to change. There are new concepts in sustainability, namely economics, environmental protection and social justice, all of which are expressed in Sustainability Reports. Therefore, this research aims to find things that can influence the disclosure of Sustainability Reports. The results of this research show that the independent board of commissioners has no influence on Sustainability Report disclosure, while the audit committee, profitability and liquidity influence Sustainability Report disclosure. For further research, it is hoped that other variables related to Sustainability Report disclosure can be added so that it can provide a broader picture.

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A B S T R A K

Penelitian ini bertujuan untuk menguji secara empiris pengaruh mekanisme *Good Corporate Governance*, profitabilitas dan likuiditas terhadap pengungkapan *Sustainability Report*. Penelitian ini menggunakan pendekatan kuantitatif dengan pengambilan sampel menggunakan metode *purposive sampling*, analisis yang digunakan dalam penelitian ini adalah analisis regresi linier berganda yang dikelola melalui SPSS. Sampel dalam penelitian ini terdiri dari 11 perusahaan pertambangan dari 75 perusahaan pertambangan yang dilaporkan ke BEI dari tahun 2019-2023. Tanggung jawab perusahaan yang hanya mengutamakan kepentingan ekonomi harus perlahan mulai berubah. Ada konsep baru dalam keberlanjutan yaitu ekonomi, perlindungan lingkungan dan keadilan sosial yang semuanya diungkapkan dalam *Sustainability Report*. Oleh karena itu, penelitian ini bertujuan untuk menemukan hal-hal yang dapat mempengaruhi pengungkapan *Sustainability Report*. Hasil penelitian ini menunjukkan bahwa dewan komisaris independen tidak memiliki pengaruh terhadap pengungkapan Sustainability Report, sedangkan komite audit, profitabilitas dan likuiditas mempengaruhi pengungkapan *Sustainability Report*. Untuk penelitian selanjutnya diharapkan dapat menambahkan variabel lain yang terkait dengan pengungkapan *Sustainability Report* sehingga dapat memberikan gambaran yang lebih luas.

Kata Kunci:
Laporan Keberlanjutan, Tata Kelola Perusahaan yang Baik, Profitabilitas, dan Likuiditas.

INTRODUCTION

Competition between companies is getting tighter from time to time. Companies have to constantly make changes to their businesses to develop better in various conditions and problems that will come. However, the company's focus on maximum profit has caused the company to aggressively exploit natural and human resources, resulting in damage to nature and human life. According to records from the Indonesian Environmental Forum (WALHI) in 2021, of the 58 criminalization cases, 52% were related to the mining sector. At least 21 residents were criminalized and mining investments have plundered more than 11 million hectares of living space and community management areas. The community of Kuari Hamlet, Asuli Village, Towut District, South Sulawesi suffered significant social and environmental impacts from PT Vale's nickel mining operations. The community demanded that PT. Vale stop its nickel mining activities because of the three serious environmental and social impacts caused by PT. Vale Indonesia as a result of its nickel mining operations. The impacts of landslides, pollution, and loss of agricultural livelihoods and sources of income were in first, second, and third place respectively. PT Vale Indonesia's nickel mining operations have resulted in the pollution of the community's raw water sources by mud (Amien, 2023).

The case example above has become evidence of the lack of corporate awareness of environmental sustainability. Based on sustainable development, corporate responsibility that only prioritizes the single bottom line (SBL) which is only reflected in economic conditions, must slowly change. An innovative idea by John Elkington in "Cannibals with Forks: The Triple Bottom Line of 21st Century Business" highlights three important elements of sustainable development: social justice, environmental preservation, and economic prosperity. This idea was narrowed down to three in subsequent developments: profit, planet, and people (Bintara et al., 2023). orporations can publish information on environmental, social, and governance performance through the Sustainability Report or GRI to all stakeholders. The GRI disclosure guidelines are now the main basis for releasing Sustainability Reports in Indonesia. Businesses are under pressure from society to benefit society and the environment, which motivates them to provide transparent and responsible information and to improve corporate governance (Pamesti & Pitriasari, 2019).

There is a lot of research on Sustainability Report disclosure. One of the things tested is the impact of Good Corporate Governance (GCG). Good Corporate Governance includes various aspects, such as an independent board of commissioners and an audit committee. Stakeholder theory links the formation of an independent board of commissioners with a sense of security for stakeholders and the disclosure of the Sustainability Report (Yunan et al., 2021). Research by Yunan et al. (2021) and Pamesti & Pitriasari (2019) states that the transparency of the Sustainability Report is positively influenced by an independent board of commissioners. In contrast, Wahyudi’s research (2021) shows that the disclosure of the Sustainability Report is not influenced by an independent board of commissioners. Because a good audit committee will have a deeper understanding of the information disclosure strategy, the audit committee has the power to decide whether to publish a Sustainability Report or not (Krisyadi & Elleen, 2020). Mujiani & Rohmawati (2022), Pamesti & Pitriasari (2019), and Safitri & Saifudin (2019) stated that the audit committee has a significant positive effect on the disclosure of the Sustainability Report. Mujiani & Sri Rohmawati (2022), Dewi Pamesti & Pitriasari (2019), and Safitri & Saifudin (2019) said that the disclosure of the Sustainability Report was much better by the audit committee. However, according to research by Krisyadi & Elleen (2020), the audit committee had no impact on the disclosure of the Sustainability Report. Increasing the profitability of a company can increase the allocation of funds for carrying out social activities, thereby increasing the amount of information disclosed in the Sustainability Report (Rahmat, 2022). In line with research by Yunan et al. (2021), Karlina et al. (2019), and Sonia & Khafid (2020) stated that the disclosure of the Sustainability Report is positively influenced by profitability. Meanwhile, research by Safitri & Saifudin (2019) revealed that profitability has no impact on the distribution of Sustainability Reports. The liquidity ratio of a company or business entity can be used to assess how well its financial performance is, companies with high liquidity values have strong financial conditions, and vice versa. Companies and business entities with high liquidity usually release more information, one of which is through the Sustainability Report (Krisyadi & Elleen, 2020). The results of research by Rahmat (2022) and Sonia & Khafid (2020) show how disclosure in the Sustainability Report is positively influenced by liquidity. However, the results of research by Yunan et al. (2021) show no correlation between liquidity and disclosure in the Sustainability Report.

The phenomenon that still occurs a lot is related to companies that do not care about the negative impacts of their business activities that can pollute the environment and harm future generations, research results that are still inconsistent among several researchers, and disclosure of Sustainability Reports that are still rarely carried out in Indonesia. The author examines the impact of profitability, corporate governance, and liquidity mechanisms on the disclosure of Sustainability Reports in mining companies listed on the IDX in 2019-2023.

LITERATURE REVIEW

Stakeholders Theory

In essence, stakeholders have the authority to control and direct how a business uses its financial resources. A company's financial performance can be influenced by its strategy. A company's commitment to sustainability can be demonstrated to stakeholders by disclosing a Sustainability Report that takes into account stakeholders' interests (Yunan et al., 2021). To build good relationships with stakeholders and enable the company to achieve sustainability in the future, it is believed that disclosing a Sustainability Report will meet their needs (Pamesti & Pitriasari, 2019).

Legitimacy Theory

The legitimacy theory put forward by Dowling & Pfeffer (1975) shows that a company does not stand alone, where the scope of an entity is limited or surrounded by external parties who have no interests. Therefore, one form of the company's commitment to the community is shown by the openness of information that illustrates its responsibility to the environment and the community itself. This is important so that the company can be accepted in the community. It will be easier for a business to achieve its goals successfully and efficiently if the community accepts it. Thus, this ensures the sustainability of the company.

Sustainability Report

Global Reporting Initiative (2016) explains the purpose of the Sustainability Report to assess and report to internal and external stakeholders on the achievement of sustainable development goals by the organization. One of the media that describes news about social, environmental, and economic impacts is the Sustainability Report. As a complement to financial reports, the Sustainability Report must have principles in its disclosure to achieve a high-quality Sustainability Report. Therefore, GRI in the GRI-Standards explains several principles, namely balance, comparability, accuracy, timeliness, clarity, and verifiability. Specific standards in the Sustainability Report related to the economic, environmental, and social aspects of the Global Reporting Initiative (GRI) 2016 include 13 economic indicator components, 30 environmental standard indicator components, and 34 social standard indicator components.

Good Corporate Governance Mechanism

Fairness, transparency/disclosure, accountability, and responsibility are basic terms related to Good Corporate Governance which are important components of a company's internal procedures and structures that reflect the company's behavior and culture. Board size, audit committee, management ownership, institutional ownership, and independent board of commissioners are 5 elements that form a good corporate governance process (Febriana et al., 2019). Independent board of commissioners and independent audit committee are used in this study as independent variables because, by definition, they have no relationship with the majority shareholder and are expected to encourage accurate information disclosure.

Independent board of commissioners and Sustainability Report

In POJK No. 57/PJOK.04/2017, an Independent Commissioner is a commissioner who does not have an official position, does not run a company, or has a direct or indirect relationship with the majority shareholder who manages the company. The presence of an impartial board of commissioners as a component of Good Corporate Governance is expected to encourage businesses to provide additional information to their stakeholders, including the Sustainability Report. The results of research by Yunan et al. (2021) show that the disclosure of the Sustainability Report is positively influenced by the Independent Board of Commissioners. This shows that companies are trying harder to release the Sustainability Report if there are more independent members on the board of commissioners.

H_1 : The Independent Board of Commissioners has a positive effect on the disclosure of the Sustainability Report

Audit Committee and Sustainability Report

The formation of the Audit Committee is one of the main pillars in implementing the principles of Good Corporate Governance (GCG) in the Company and assists the Board of Commissioners in carrying out its supervisory function, as stated in the audit committee work guidelines released by the Indonesia Stock Exchange BEI. The research results of Wahyudi (2021), Safitri & Saifudin (2019), and Sonia & Khafid (2020) show that the audit committee has a positive impact on the disclosure of the Sustainability Report and is tasked with managing, and monitoring the company, and ensuring the accuracy of financial reports. From a business perspective, the audit committee must ensure that all relevant rules and regulations have been implemented by the organization and are complied with.

H_2 : The Audit Committee has a positive impact on the disclosure of the Sustainability Report

Profitability and Sustainability Report

The profitability ratio evaluates a company's capacity to generate profits and shows how well the company is managed based on profit from sales or investment income (Kasmir, 2019). Research by Krisyadi & Elleen (2020), Karlina et al. (2019), and Yohana & Suhendah (2023) shows that Sustainability Report disclosure is positively influenced by profitability. This finding clarifies that the company's SR transparency efforts can produce real results that show that the company prioritizes issues other than profit during the production process such as social and environmental issues. Thus, the company can increase the trust of stakeholders which will have a good impact on the company, thereby increasing investment and increasing company profits.

H_3 : Profitability has a positive effect on Sustainability Report disclosure

Liquidity and Sustainability Report

The ratio called liquidity ratio can be used to assess how well a business manages its cash flow to pay its short-term debts. A corporation with a high liquidity value is an indication of its ability to successfully manage its finances to meet its short-term obligations on schedule. The accuracy of the company in fulfilling these obligations will provide good value so that the company gets the label as a credible company (Rahmat, 2022). The results of research by Rahmat (2022) and Sonia & Khafid (2020) found that disclosure in the Sustainability Report was positively influenced by liquidity. This finding explains why more Sustainability Report disclosures will be made by businesses with significant liquidity. Businesses will make concerted efforts to strengthen their positive reputation and offer clear information about their financial performance.

H4 : Liquidity affects Sustainability Report disclosure

RESEARCH METHODOLOGY

To test the hypothesis regarding the influence of one or more variables (independent variables) on other variables (dependent variables), this research uses quantitative causality research. This research examines the impact of the Independent Board of Commissioners, Audit Committee, Profitability, and Company Liquidity on the disclosure of the Sustainability Report.

According to Sugiyono (2019) the operational definition of research variables refers to the attributes, properties, or values of objects chosen by researchers to be studied. Variables are divided into two types: dependent variables that are influenced by independent variables (Sugiyono, 2019). In this study, the dependent variable is the Sustainability Report Disclosure, while the independent variables that influence the dependent variable consist of profitability, liquidity, audit committee, and independent board of commissioners (Sugiyono, 2019).

Table 1: Operational Variable

No	Variable	Indicator	Scale
1	Disclosure of Sustainability Report (Y)	$SRD = \frac{\text{Number of items fulfilled}}{\text{Maximum GRI Amount}}$ (Source: Yunan et al., 2021)	Ratio
2	Independent Board of Commissioners (X1)	$DK = \frac{\text{Number of independent board of commissioners}}{\text{number of members of the board of commissioners}}$ (Source: Wahyudi, 2021)	Ratio
3	Audit Committee (X2)	Audit Committee = Number of Audit Committee Meetings (Source: Sonia & Khafid, 2020)	Ratio
4	Profitability (X3)	$ROA = \frac{\text{Net profit}}{\text{Total Assets}}$ (Source: Kasmir 2019)	Ratio

5	Liquidity (X4)	Current ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ (Source: Kasmir, 2019)	Ratio

Sugiyono (2019) defines population as a generalization area consisting of items selected for research based on certain qualities and properties, from which researchers conclude. Sugiyono (2019) defines a sample as an evaluation technique that involves selecting a portion of each group for research. The research population is mining companies listed on the IDX in 2019-2023. This study uses purposive sampling. The purposive sampling technique is a method of selecting several samples that are suitable for research by considering various specific aspects according to the criteria known as intended purposive sampling (Sugiyono, 2019). The criteria are:

1. Mining companies listed on the Indonesia Stock Exchange and not delisted in 2019-2023
2. Companies submit annual financial reports and sustainability reports regularly in 2019-2023.
3. Mining companies that make a profit in 2019-2023.
4. The company presents data according to the variables used in 2019-2023.
5. Of the companies that meet these requirements, 11 companies became research samples. As a result, 55 data points can be used in the analysis.

From the results of eliminating the criteria above, the companies that meet these criteria are:

Table 2: List of Company

No	Company Code	Company Name
1	ANTM	Aneka Tambang Tbk
2	ADRO	Adaro Energy Tbk
3	BUMI	Bumi Resource Tbk
4	ELSA	Elnusa Tbk
5	INDY	Indika Energy Tbk
6	ITMG	Indo Tambangraya Megah Tbk
7	MEDC	Medco Energi Internasional Tbk
8	MYOH	Samindo Resources Tbk
9	PTBA	Bukit Asam Tbk
10	PTRO	Petrosea Tbk
11	TOBA	TBS Energi Utama Tbk

To analyze the collected data, this study employs the Multiple Linear Regression method using IBM SPSS Version 25. The data analysis techniques applied include descriptive statistical analysis, which presents the data as observed without generalization (Sugiyono, 2019), and hypothesis testing using multiple linear regression analysis. This technique determines the effect of multiple independent variables on a single dependent variable and explains the strength and nature of their relationships (Ghozali, 2018).

RESULT AND DISCUSSION

Descriptive Statistical Analysis

Descriptive statistical analysis is used to find out the description or image of data by utilizing the quantity, minimum, maximum, average (mean), and standard deviation of each variable (Ghozali, 2018). The independent factors included in this study are the audit committee, profitability, liquidity, and independent board of commissioners. The Sustainability Report functions as the dependent variable of this research. Here are the findings:

Table 3: Descriptive Statistical Test Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
DKI	55	0,3333	0,6667	0,43649	0,0894423
KA	55	4	43	12,87273	9,1874603
ROA	55	0,0014	0,4543	0,09237	0,0876987
CR	55	0,2696	7,8756	2,03363	1,4097417
SR	55	0,0649	0,8831	0,49351	0,2319555

Source: Data processed using SPSS version 25

The following information is collected based on the results of descriptive statistical tests in Table 3, which uses a sample size of 55 and covers 11 companies over 5 years:

Independent Board of Commissioners. An Independent Board of Commissioners is a commissioner who is not a member of management, a majority shareholder, an officer, or in any other way directly or indirectly related to the majority shareholder of a company who oversees the management of the company. The minimum value of the Independent Board of Commissioners is 0.3333 and the maximum is 0.6667 while the average value of the Independent Board of Commissioners is 0.436494 and the standard deviation value is 0.0894423. The lowest value is owned by PT Samindo Resources Tbk which has the same value every year starting from 2019, 2020, 2021, 2022, and 2023. And the highest is PT TBS Energi Utama Tbk in 2019 and 2020. This shows that the minimum and mean number of independent boards of commissioners in the companies that are the samples in this study are under POJK regulation No. 57 / PJOK.04 / 2017 which states that the independent board of commissioners must have at least two people and the percentage of the number of independent commissioners must be at least 30% of the total number of members of the board of commissioners.

The Audit Committee is a committee in the implementation of the principles of Good Corporate Governance (GCG) which consists of independent and qualified people. Its main task is to carry out the supervisory function related to financial reports. The number of Audit Committee meetings that have been held during the research period has been carried out at least 4 and at most 43. The average score is 12.872727 with a standard deviation of 9.1874603. In 2022 and 2023, PT. Medco Energi Internasional Tbk has the lowest score. However, the highest score record was held by PT Aneka Tambang Tbk in 2019. Under POJK Regulation No. 55 / POJK.04 / 2015, it can be determined that companies that issue Sustainability Reports have held regular meetings at least once every 3 months.

Return On Asset (ROA) is a ratio used to measure how much a company can manage each asset value it owns to generate net profit after tax. The minimum ROA value is 0.0014 and the maximum is 0.4543, while the average ROA value is 0.092370 and the standard deviation value is 0.0876987. The lowest value was owned by PT. Indika Energy Tbk in 2019. The highest value was owned by PT Indo

Tambangraya Mega Tbk in 2022. The higher the profitability, the higher the investor's assessment of the company.

The company's ability to meet short-term commitments that mature within one year is measured by the Current Ratio (CR). The CR value ranges from 0.2696-7.8756, with an average of 2.033630 and a standard deviation of 1.4097417. PT Bumi Resources Tbk had the lowest value in 2021. However, in 2022, PT. Samindo Resources Tbk has the highest value. The company's ability to pay off its current debt commitments increases along with the ratio of current assets to current liabilities.

The company's participation in sustainable development is measured through the Sustainability Report (SR), which is a ratio based on how well the economic, environmental, and social aspects of sustainable development are met by the indicators outlined in the GRI Standard. The standard deviation value is 0.2319555, the average is 0.493506, and the minimum and highest SR values are 0.0649 and 0.8831, respectively. PT. Elnusa Tbk has the lowest value in 2019. However, PT. Bukit Asam Tbk has the highest value in 2022. From the descriptive data, it can be seen that from year to year, the value of SR disclosure has increased, which can be interpreted as the company starting to be more open to economic, environmental, and social conditions.

Coefficient of Determination Test (R^2)

The extent to which the model can explain the variation of the independent variable is determined by calculating the modified R-squared value. The modified R-Square value shows the coefficient of determination test (Ghozali, 2018). The following are the results of the coefficient of determination test:

Table 4: Coefficient of Determination Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,494[a]	0,244	0,183	0,2096069
a. Predictors: (Constant), CR, KA, ROA, DKI				

Source: Data processed using SPSS version 25

Table 4 above shows that the Independent Board of Commissioners (DKI), Audit Committee (KA), Profitability (ROA), and Liquidity (CR) can explain the Disclosure of Sustainability Report by 18.3% and other factors not included in this research influence the remaining 81.7%.

Simultaneous Regression Coefficient Test (F Statistical Test)

The purpose of the F statistical test is to determine whether two independent variables influence the dependent variable simultaneously (Ghozali, 2018). Below are the results of the F test:

Table 5: Results of the Determination Coefficient Test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0,709	4	0,177	4,032	,007[b]
	Residual	2,197	50	0,044		
	Total	2,905	54			
a. Dependent Variable: SR						

b. Predictors: (Constant), CR, KA, ROA, DKI

Source: Data processed using SPSS version 25

The simultaneous significance test (F test) produced a result of 4.032 with a significance level of 0.007, as shown in Table 4.7. Because the significance is less than 0.05, all independent variables, namely the audit committee (KA), profitability (ROA), liquidity (CR), and independent board of commissioners (DKI), simultaneously have an impact on the disclosure of the Sustainability Report (SR).

Significance Test of Individual Parameters (t Statistical Test)

The t-statistical test is used to determine whether each independent variable has an independent influence on the dependent variable (Ghozali, 2018). This study looks at profitability, liquidity, audit committee, and independent board of commissioners as independent variables. However, the disclosure of the Sustainability Report is the dependent variable of the study. The t-statistical test produces the following findings:

Table 6: Results of the T Statistical Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,533	0,179		2,974	0,005
	DKI	-0,269	0,355	-0,104	-0,758	0,452
	KA	0,007	0,003	0,296	2,34	0,023
	ROA	0,94	0,355	0,355	2,647	0,011
	CR	-0,052	0,023	-0,313	-2,203	0,032

a. Dependent Variable: SR

Source: Data processed using SPSS version 25

Table 5 presents the results of the t-statistical test for the independent and dependent variables. The results are concluded:

Hypothesis 1: Independent Board of Commissioners influences the disclosure of the Sustainability Report

With a significant value of 0.452 and a t-value of -0.758, the Independent Board of Commissioners (DKI) variable>0.05 or (0.452>0.05). This shows that the disclosure of the Sustainability Report is not influenced by the Independent Board of Commissioners variable, so H1 is rejected. This shows that the increase in transparency of the Sustainability Report is not determined by the increasing number of independent commissioners. The lack of a good supervisory function by some members of the Independent Board of Commissioners and the presence of a more dominant party can be the cause of the apparent influence of the number of independent commissioners on the disclosure of the Sustainability Report. In addition, the ability of the Independent Board of Commissioners to monitor the information disclosure process can also be limited, the Independent Board of Commissioners has not considered the need to disclose the Sustainability Report (Pamesti & Pitriasari, 2019). This research finding is reinforced by research by Wahyudi (2021) which found no relationship between the independent board of commissioners and the disclosure of the Sustainability Report. In addition, previous research conducted by Pamesti & Pitriasari (2019) and Yunan et al. (2021) found a relationship between the independent board of commissioners and the disclosure of the Sustainability Report.

Hypothesis 2: The Audit Committee influences the disclosure of the Sustainability Report

With a significance value of 0.023 and a t value of 2.340, the audit committee (AC) board variable has a value smaller than the probability of 0.05 or (0.023 <0.05). This shows that the Audit Committee variable influences the disclosure of the Sustainability Report, so H2 is accepted. A high level of supervision and assessment will be influenced by committee meetings, including the sharing of ideas and information among members regarding activities that need to be carried out to benefit stakeholders. With more meetings held, the audit committee has become more successful in pressuring management to release the Sustainability Report, which can serve as a communication channel between the business and stakeholders to build credibility through the implementation of Good Corporate Governance. Research by Safitri & Saifudin (2019) and Sonia & Khafid (2020) supports the findings of this study. which is different from the research by Krisyadi & Elleen (2020) although initially stated to have no effect, the audit committee affects the disclosure of the Sustainability Report.

Hypothesis 3: Profitability affects the disclosure of the Sustainability Report

With a significance value of 0.011 and a t value of 2.647, the profitability variable (ROA) has a probability of <0.05, or (0.011 <0.05). H3 is accepted because it shows how the Profitability variable affects the disclosure of the Sustainability Report. A profitable business shows that there is more money available for social and environmental initiatives. This can affect the increasing number of things disclosed in the Sustainability Report, to gain legitimacy from both the public and stakeholders. However, because there are still no official regulations from the government regarding the obligation to disclose the Sustainability Report, this is one of the causes that triggers companies with low profitability to not care too much about the Sustainability Report and focus more on increasing company profits compared to disclosing the Sustainability Report which is considered to further reduce the profits that can be obtained by the company (Rahmat, 2022). The results of this study are supported by research by riset Krisyadi & Elleen (2020) and Karlina et al. (2019). Which states that profitability has an effect on Sustainability Report disclosure and contradicts the research of Safitri & Saifudin (2019) which states that profitability does not affect Sustainability Report disclosure.

Hypothesis 4: Liquidity affects Sustainability Report disclosure

The Liquidity (CR) variable has a t value of -2.203 with a significance value of 0.032 which is a value smaller than the probability of 0.05 or (0.032 <0.05). This shows that the Liquidity variable has an impact on the Sustainability Report disclosure, so H4 is rejected. Companies with low liquidity indicate that the company is not good at managing its money, so to cover the shortcomings, a sustainability report is issued which is expected to be an added value to attract investors to invest and maintain the company's sustainability. Conversely, companies with high liquidity indicate that the company manages its money well, so disclosure of other information is only to increase the company's credibility (Krisyadi & Elleen, 2020). The results of this study are supported by Rahmat (2022), Sonia & Khafid (2020), and Krisyadi & Elleen (2020). Which states that profitability affects the disclosure of the Sustainability Report and contradicts the research conducted by Yunan et al. (2021) which states that liquidity does not affect the disclosure of the Sustainability Report.

CONCLUSION

This study aims to test the influence of independent variables, namely the independent board of commissioners, audit committee, profitability, and liquidity on the dependent variable, namely the disclosure of the Sustainability Report. The test results show that the disclosure of the Sustainability Report is not influenced by the independent board of commissioners. Disclosure of the Sustainability Report is positively influenced by the audit committee and profitability. Disclosure of the Sustainability Report is negatively influenced by liquidity. To find out how much impact the disclosure of the Sustainability Report has, it is hoped that further researchers can add other variables in other Good Corporate Governance, such as the board of commissioners and ownership from managerial and institutional sources, as well as other financial performance variables, such as leverage ratio, solvency ratio, and activity ratio. Further researchers are expected to use the latest GRI standards that will be used globally in determining what is disclosed in the Sustainability Report.

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