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THE EFFECT OF FIRM'S CHARACTERISTIC AND CORPORATE GOVERNANCE TO SUSTAINABILITY REPORT DISCLOSURE

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ABSTRACT - The purpose of this study was to analyze the effect of company's characteristic which are profitability (ROA), leverage (DER), liquidity (CR), company size (SIZE), and corporate governance proxied by board of directors and audit committee (KA) to disclosure of sustainability reports (SR). The study had 105 samples of manufacturing companies listed in Indonesia Stock Exchange and 262 manufacturing companies listed on Malaysia Exchange in year 2013-2015. Data analysis using regression logistic method with E-views version 9. Hypothesis testing results show that the partial results of hypothesis testing variable DER, CR, and Directors do not have significant effect on internet financial reporting, but ROA and SIZE have significant influence on sustainability report disclosure (SR) of manufacturing companies listed in IDX and Bursa Malaysia.

Keywords: *Disclosure, leverage, liquidity, profitability, sustainability report*

INTRODUCTION

As time goes by, the view that the company is only oriented to the profit maximization has been reduced. In the opinion of John Elkington in *Triple Bottom Line,* companies should not only report their condition in terms of income *(profit),* but rather to report corporate responsibility in terms of social *(people)* and the environment *(planet)*. Information on the social and environmental sustainability can be expressed through report. The disclosure of sustainability reports is increasingly gaining attention in global business practices and can also improve financial performance and build corporate legitimacy. It can be used by investors to consider whether it is appropriate to invest in assessing the performance of a company that is not only measured by the annual report, but also can be seen from company's sustainability report (Adhipradana, 2014).

Sustainability report (SR) disclosures in most countries, including Indonesia and Malaysia are still voluntary, meaning that the company voluntarily to publish and there is no rule requiring. In Indonesia, the company revealed Sustainability Report from year to year showed an increase (Natalia & Tarigan, 2014). The existence of strict rules requiring companies to undertake social and environmental responsibility, encourage managers to do the disclosure of sustainability Report (Sari & Marsono, 2013). The regulation is stipulated in Law No. 40 of 2007 which contains Article 74 paragraph 1 stating that "Limited Liability Company conducting its business activities in the field and / or related to natural resources is obliged to carry out social and environmental responsibility". But the existence of these reasons, do not make all the companies in Indonesia disclosure of sustainability report, no single definition of sustainability reporting that can be accepted globally, and how should the format of the sustainability report itself as the main reason not every company disclosure (Dilling, 2010).

Another reason is that corporate managers have different levels of initiative in terms of disclosure of sustainability reports, as well as their cost-inclusive arrangements. Like any other developing country, each country has its own mandatory and voluntary disclosure rules. Various regulations require companies to make environmental disclosures, but developing firms that still have a low commitment to social and environmental disclosure. Many companies fail to link their business strategies with financial and non-financial performance. This triggers the emergence of problems arising from the activities of the entity, in particular itimbulkan d impact on the environment. World leaders are increasingly aware that more comprehensive disclosure (not just financial reports) will support the company's strategy. It can also demonstrate their commitment to sustainable development.

Sustainable development is now not only developed in developed countries alone but has started to be known in developing countries such as Indonesia and Malaysia. Sustainable development is development that is done to meet the needs of the present without compromising the ability of future generations to meet their needs (Carolina & Martusa, 2009). The purpose of sustainable development is to balance between two interests at once, namely economic development and environmental conservation. Dilling said (2010) that the implementation of sustainability report disclosure depends on the characteristics of the company itself or the same as the disclosure of sustainability report influenced by the characteristics of the company itself. Each company has different characteristics so that the stronger characteristics of a company in generating social impact for the public will certainly be the stronger is the fulfillment of its social responsibility to the public (Maulana & Etna, 2014). The rapid development period requires companies to continue to innovate to retain the trust of stakeholders, one of which is to implement good corporate governance to meet the public demand for transparency and accountability.

According to FCGI (Forum of Corporate Governance Indonesia) corporate governance is a set of rules that govern the relationship between shareholders, management (manager) of the company, creditors, government, employees and holders of other internal and external interests related de ngan their rights and obligations. Good corporate governance will always consider the interests of stakeholders. The main objective of implementing good corporate governance is to create a corporate control system to prevent abuse so that company growth is achieved. Companies that have good governance not only put the interests of shareholders but also stakeholders, this implies that the disclosure of corporate governance and sustainability report has the same principle that is responsible for the stakeholders. One of the aims of Good Corporate Governance is to create awareness and corporate social responsibility towards society and the environment around the company so that it can maintain business continuity in the long term. Companies implement good CG disclose social and environmental information in sustainability report, because the company wants to show its performance to shareholders and stakeholders including the public

The problems of this study are as follows:

1. Does profitability, leverage, liquidity and size of companies partially affect the disclosure of sustainability report?
2. Does the board of directors and audit committee partially affect the disclosure of sustainability report?
3. Are there comparisons influence companies and corporate governance characteristics on the manufacturing companies in Indonesia and Malaysia?

According to the theory of the legitimacy of the higher profitability of the greater disclosure of corporate social responsibility that describe the performance of the company so that it can be accepted by society. Companies with high performance will enhance shareholder value in the process of image formation are very influential to earn the trust of stakeholders (Widianto, 2011). Research conducted by Nasir, Ilham, and Holland (2014), Ahmad (2014), Giannarakis (2014) and (Rohmah, 2015) states profitability variables have a positive influence on the disclosure of sustainability and corporate social responsibility report. Based on the above description, the hypothesis is proposed as follows:

H1Ind/Mly = Profitability has positive effect to sustainability report disclosure

The higher level of leverage, then there will be a trend of companies trying to report on its profitability to remain high. If associated with theories of legitimacy, companies that have a high debt has financial risks are high, thus resulting in decreased trust of the other party, then the company needs to disclose information about the social responsibility that the company continues to earn the trust and reactions Positive from the other side. According to research conducted by Nasir, Ilham, and North (2014) *leverage* variables have a significant effect on the disclosure of sustainability report. Research conducted by Ratnasari (2011) also shows the *leverage* variables have negative impact on the disclosure of sustainability report. Conversely, according to research conducted by Sari & Marsono (2013) obtained results that indicate the variable *leverage* does not significantly affect the sustainability disclosure report. Based on the above, the proposed hypothesis is as follows:

H2Ind/Mly = Leverage has negative effect to sustainability report disclosure.

Based on the theory of legitimacy, corporate strength can be known through high liquidity ratios and is associated with high levels of social responsibility disclosure. This is based on the higher level of liquidity of a company will lead the company tends to provide more extensive information than companies that have weak liquidity. In a previous study conducted by Putri & Christiawan (2014) suggested a significant effect of the variable liquidity on the disclosure of corporate social responsibility. Other research conducted by Saputro, Agustina & Fachurrozie (2013) suggested a significant influence on the disclosure of liquidity variables sustainability report in Indonesia. While the research conducted by Widianto (2011) suggests instead that liquidity does not have a significant impact on the disclosure of sustainability report. Thus the proposed hypothesis is as follows:

H3Ind/Mly = Liquidity has positive effect to sustainability report disclosure.

The bigger a company will bring greater spending in realizing the legitimacy of the company, this may be because the company is likely to reveal information more widely. With this legitimacy, the company can create social values alignment of its activities with the norms of behavior in society (Ahmad, 2014). According to Rohmah (2015), Rosmasita (2007) and Widianto (2011) variable size of the company has a positive influence on sustainability disclosure report. Conversely, according to (Sari & Marsono, 2013) declare the variable size of the company does not have a significant impact on sustainability disclosure report. Based on the above description, the meal is proposed as follows hypothesis

H4Ind/Mly = Company Size has positive effect to sustainability report disclosure.

Based on agency theory, Board of Directors of Company in charge and take full responsibility in managing the company. Sustainability report disclosure which became one of the business managers in realizing Good Corporate Governance. One of the principles of accountability contained in the Good Corporate Governance, must be met by companies as a form of business in the legitimacy of the company. Luthfia (2012) said its board of directors has a significant impact on the disclosure of sustainability report and Idah (2013) also states that the board of directors of the variables have a significant impact on sustainability disclosure report. While the research conducted by Giannarakis (2014) said its board of directors does not have a significant impact on sustainability disclosure report. Based on the above, the proposed hypothesis is as follows:

H5Ind/Mly = Board of Directors has positive effect to sustainability report disclosure

One of the many things to support the establishment of good corporate governance is through the disclosure practices of sustainability report. Through the media sustainability report, the manager was able to increase the breadth of disclosure of information aimed at users. Through the delivery of a broader information expected corporate governance is practiced can become better. Then, with the high frequency of meetings between members of the audit committee will support the realization of the implementation of better corporate governance which will further support the company's sustainability report tends disclosure (Widianto, 2011). Based on research conducted by Aniktia & Khafi (2015) states the audit committee variables have a significant impact on sustainability disclosure report. while research conducted by Ratnasari (2011) state variables audit committee does not have a significant impact on the disclosure of corporate social responsibility. Based on the description above, the proposed hypothesis is as follows:

H6Ind/Mly = Audit committee has positive effect to sustainability report disclosure.

RESEARCH METHODOLOGY

The research approach used is quantitative approach. The data obtained are grouped into each - each variable which is then presented in descriptive form. The data have been grouped compiled and tabulated using Microsoft Excel 2010. The data has been tabulated and analyzed using a computer application program Econometric Views (Eviews) version 9. The analysis used in this research was logistic regression analysis aimed to determine how well the model used match to test the hypothesis that has been formulated with the dependent variable, namely the disclosure of sustainability report is a dummy variable. Logistic regression analysis technique does not require assumption of normality of data at free and ignore heteroscedasticity. Here is a model in this study:

$$\mathbf{SR} = \alpha + \beta_1 X_{1Ind} + \beta_2 X_{2Ind} + \beta_3 X_{3Ind} + \beta_4 X_{4Ind} + \beta_5 X_{5Ind} + \beta_6 X_{6Ind} + \varepsilon$$

$$\mathbf{SR} = \alpha + \beta_1 X_{1Mly} + \beta_2 X_{2Mly} + \beta_3 X_{3Mly} + \beta_4 X_{4Mly} + \beta_5 X_{5Mly} + \beta_6 X_{6Mly} + \varepsilon$$

Where,

$SR_{Ind/Mly}$ = Sustainability Report Disclosure in Indonesia and Malaysia

$X_{1Ind/Mly}$ = Profitability;

$X_{2Ind/Mly}$ = Leverage;

$X_{3Ind/Mly}$ = Liquidity

$X_{4Ind/Mly}$ = Company Size;

$X_{5Ind/Mly}$ = Board of Directors;

$X_{6Ind/Mly}$ = Audit Committee;

α = Constants;

β = Regression Coefficient; and

ε = Standard error

Operationalization of variables used in this research:

Independent variables

Variable profitability measured using ROA, formulated as follows:

$$Return\ on\ Asset\ Ratio = \frac{Net\ Income}{Total\ Assets}$$

The leverage ratio in this study using a Debt Equity Ratio (DER). Formulated as follows:

$$Debt\ to\ Equity\ Ratio = \frac{Total\ Debt}{Total\ Equity}$$

The liquidity ratio in this study using the *current ratio (CR.).* Formulated as follows:

$$Current\ Ratio = \frac{Total\ Liability}{Total\ Assets}$$

The size of the company can be calculated by using a proxy log of total assets at year-end company.

The board of directors is proxied by the number of meetings held between members of the board of directors within one year to measure the implementation of corporate governance. A meeting between members of the board of directors is a reflection of the effectiveness of communication and coordination between members of the board of directors to create a good corporate governance (Suryono & Prastiwi, 2011)

The audit committee is proxied by the number of meetings between members of the audit committee of a company within a period of 1 year.

Dependent variable

Dependent variable in this study is the disclosure by a company's sustainability report. Using dummy variables. Measurements were performed by giving a value of 1 for companies that disclosure sustainability report and 0 for companies that do not perform disclosure.

RESULTS AND ANALYSIS

Selection of the sample in this study was conducted with a purposive sampling method, the sample selection process based on certain criteria that have been set. The sample selection process in Indonesia based on the criteria as much as 315 are shown in Table 1 as follows:

Tabel 1: Sample Selection in Indonesia

Criteria	Amount
Manufacturing Companies listed in Indonesia Stock Exchange in 2013-2015	148
Companies that don't have a *website* and or *website* under *maintenance.*	8
Companies that have incomplete data	35
The number of research samples	105
Analysis of time period 2013-2015	3
Total Sample during study period	315

For a manufacturing company listed on Malaysia Exchange, obtained a sample of 786 data. Here's a breakdown of the selection process in Malaysia:

Table 2: Sample Selection in Malaysia

Criteria	Amount
Manufacturing Companies listed in Malaysia Exchange in 2013-2015	326
Companies that don't have a *website* and or *website* under *maintenance.*	36
Companies that have incomplete data	28
The number of research samples	262
Analysis of time period 2013-2015	3
Total Sample during study period	786

Descriptive statistics can provide a picture or a description of the data that is visible from a minimum value, maximum, average (mean) and standard deviation resulting from the research variables (Ghozali, 2012). The following is the result of descriptive statistical analysis for data in Indonesia:

Table 3 Statistic Descriptive in Indonesia

	N	*Minimum*	*Maximum*	*Mean*	Std. *Deviation*
ROA	315	-0.227891	8.791812	0.087867	0.501601
DER	315	-9.092150	10.11555	1.070252	1.530517
CR	315	0.121604	464.9844	4.585803	29.54391
SIZE	315	10.37736	14.38994	12.29569	0.713776
DIREKSI	315	1.000000	78.00000	16.58730	12.78389
KA	315	1.000000	96.00000	7.314286	10.08181
SR	315	0.000000	1.000000	0.041270	0.199230

The following is statistic descriptive result in Malaysia:

Table 4 Statistic Descriptive Result in Malaysia

	N	*Minimum*	*Maximum*	*Mean*	Std. *Deviation*
ROA	786	-0.716687	0.846638	0.047471	0.105503
DER	786	0.002041	17.28247	0.745087	1.073820
CR	786	0.046786	105.7602	3.790205	7.272788
SIZE	786	7.371138	10.62695	8.489519	0.560792
DIREKSI	786	2.000000	17.00000	5.059796	1.446361
KA	786	2.000000	11.00000	4.863868	0.986814
SR	786	0.000000	1.000000	0.035623	0.185467

To answer the problem and achieve the purpose of research, then tested the hypothesis that has been built. Test the hypothesis that will be discussed in this study is to test the coefficient of determination and overall fit test following hypothesis test data in Indonesia:

Table 5 Results of Hypotesis Test Data Indonesia

Mc Fadden R-squared	0.230267
Prob(LR statistic)	0.000349

Here is the result of hypothesis test data in Malaysia

Table 6 Results of Hypotesis Test Data Malaysia

Mc Fadden R-squared	0.362902
Prob(LR statistic)	0.000000

Table 7 Results of Welch T Test

Variables	Welch F-Test
ROA	0.01575
DER	0.0006
CR	0.6371
SIZE	0.0000
DIREKSI	0.0000
KA	0.0000

This research develops hypothesis by using logistic regression. Analysis of logistic regression was used to test the independent variable in this study is profitability (ROA), leverage *(DER),* liquidity (CR), firm size (SIZE), the board (BOARD) and the audit committee (AC) as well as data that is used as a variable the dependent is the disclosure of sustainability report. Here are the results of logistic regression testing for manufacturing companies in Indonesia:

Table 8 Logistic Regression Result in Indonesia

Variables	Coefficient	Z-Statistic	Prob
ROA	2.694969	2.045514	0.04080
DER	-0.135490	-0.642678	0.52040
CR	-0.174904	-0.759610	0.44750
SIZE	1.851658	4.015429	0.00010
DIREKSI	0.030518	1.375896	0.16890
KA	-0.266249	-2.103797	0.03540
C	-25.43184	-4.291844	0.00000

Then, the result of t test in table 10 has the equation as follows:

$$\mathbf{SR} = -25.43184 + 2.694969\ \text{ROA} - 0.135490\ \text{DER} - 0.174904\ \text{CR} + 1.851658\ \text{SIZE} + 0.030518\ \text{DIREKSI} - 0.266249\ \text{KA} + \varepsilon$$

Here are the results of logistic regression testing for manufacturing companies in Malaysia:

Table 9 Logistic Regression Result in Malaysia

Variables	Coefficient	Z-Statistic	Prob
ROA	9.737362	5.348530	0.0000
DER	-0.178233	-0.597017	0.5505
CR	-0.009951	-0.308495	0.7577
SIZE	2.265726	5.350486	0.0000
DIREKSI	-0.056130	-0.388573	0.6976
KA	0.363369	1.932944	0.0532
C	-25.75995	-6.814751	0.0000

Then, the result of t test in table 11 has the equation as follows :

SR = -25.75995 + 9.737362 ROA - 0.178233DER **-** 0.009951 CR + 2.265726 SIZE -

0.056130 DIREKSI + 0.363369 KA + **ε**

DISCUSSIONS

Variable profitability as measured by ROA on manufacturing companies in Indonesia have a value of 2.694969 with a probability of 0.04 080 less than the 0.05 significance. This shows that the hypothesis 1 Ind accepted, thus evident that the ROA has a significant impact on the disclosure of sustainability report. While research on manufacturing companies in Malaysia to have a value of 9.737362 with a probability of 0.0000 is smaller than the 0.05 significance. This shows that the hypothesis 1 Mly received, thus evident that the ROA has a significant impact on the disclosure of sustainability report. The results of this hypothesis supports previous research carried out by Rashid & Aikaeli (2015), Giannarakis (2014), Rohmah (2015), Nasir et al. (2014) and Idah (2013). This suggests that firms that earn a high level of pro fi tability indicate future growth. And in meeting the information needs, required disclosures that are better suited to the needs of each user that is through disclosure sustainability report. These results are consistent with the theory put forward by Ghozali & Chariri, (2007), that a company with a high level of profitability tend to reveal more information because they want to show the public and stakeholders that the company has a high level of profitability compared with other companies in the same industry. Thus, the required disclosures sustainability report.

Variables measured using DER leverage or debt to equity ratio at manufacturing companies in Indonesia Shows the value of regression coefficient of -0.135490 with a probability 0.52040 greater than 0.05, which means the variable *leverage* does not significantly influence sustainability disclosure report. This suggests the hypothesis 2 Ind rejected. And research on manufacturing company in Malausia shows the value of regression coefficient - 0.178233 with probability equal to 0.5505 greater than 0.05 which means the significance of leverage variables did not significantly affect sustainability disclosure report. This suggests the hypothesis 2 Mly rejected. The results of the research hypothesis is supported by Sari & Marsono (2013), Putri & Christiawan (2014), Idah (2013) and Saputro, Agustina & Fachrurozie (2013). According to Belkaoui and Karpik (1989) in (Sari & Marsono, 2013) the higher the leverage it, the more likely the company will infringe the loan agreement, so the company will try to report higher earnings, which can be one way to reduce costs -costs, including the cost of disclosing social information. This is because the cost to the manufacturing process of sustainability report high enough, one of them the cost of maintenance of the company website.

Variable liquidity as measured by the current ratio or CR in manufacturing companies in Indonesia shows the value of regression coefficient. With a probability of 0.52400 is greater than the significance of 0.05. This suggests the hypothesis 3 Ind rejected. While research on manufacturing companies in Malaysia showed regression coefficient of -0.009951 with a probability 0.757 that greater than 0.05 significance. Thus, we can conclude CR variable does not affect the sustainability disclosure report. This suggests the hypothesis 3 Mly rejected. The results support the hypothesis of a previous study conducted by Sari & Marsono (2013), Nasir et al. (2014) and Idah (2013). Suryono & Prastiwi (2011) stated that liquidity does not affect the sustainability report disclosure because lenders more priority and attention to financial performance than any additional information regarding social and environmental activities through the sustainability report.

Variable size of companies measured using the log of total assets at manufacturing companies in Indonesia showed regression coefficient of 1.851658 with a probability of 0.00010 less than the 0.05 significance, which means that the variable firm size significantly influence sustainability disclosure report. This suggests the hypothesis 4 Ind accepted. Meanwhile, at a manufacturing company in Malaysia shows the value of regression coefficient of 2.265726 to 0.0000 for a smaller probability of significance of 0.05 which means that the variable size of the company a significant effect on the disclosure of sustainability report. This suggests the hypothesis 4Mly accepted. The results of this study support previous hypotheses that the research conducted by Giannarakis (2014), Rohmah (2015) , Pujiastuti (2015) and Idah (2013). Legitimacy of the company can be realized with the disclosure of sustainability report . Companies with a large size tends to be more scrutiny from the public. Therefore, large companies tend to be more cost to disclose information more widely as an effort to maintain the legitimacy of the company. Legitimacy of the company can be realized through the disclosure of sustainability report. Sustainability report will reveal how corporate responsibility for the activity that has been carried out.

Variable board of directors is measured from the number of board meetings showed regression coefficient of 0 030 518 with a probability of 0. 16890 is greater than 0.05 which means that the variable significance board of directors did not significantly affect the disclosure of sustainability report . It can be concluded Hypothesis 5 Ind rejected. And, at companies in Malaysia shows the value of regression coefficient - 0.056130 with probability equal to 0.6976 is greater than 0.05 which means that the variable significance board of directors did not significantly affect the disclosure of sustainability report . It can be concluded Hypothesis 5 Mly rejected . The results support previous research that is research by Sari & Marsono (2013) and Nasir et al. (2014). Research conducted (Sari & Marsono, 2013) said it was not the discovery of the relationship between the board of directors to the disclosure of corporate social responsibility, due to the agency relationship that motivate individuals to obtain and maintain a harmonious target their individual interests between agent and principal . It allows the management (directors) are more concerned with the interests of shareholders rather than the company's goals which impact not maximal implementation of corporate social responsibility.

Audit committee variables measured by the number of audit committee meeting on manufaktru companies in Indonesia shows the coefficient value of -0. 266249 with a probability of 0.03540 less than the significance is 0.05, which means that the audit committee variables negatively affect the disclosure of sustainability report. This suggests the hypothesis 6 Ind rejected. Meanwhile, the manufacturing companies in Malaysia shows the coefficient value of 0.363369 with a greater probability of 0.0532 of significance is 0.05 which states that the audit committee variable disclosure does not affect the sustainability report. This suggests the hypothesis 6 Mly rejected. The results of this hypothesis supports the results of previous studies that research conducted by Aziz (2014) . Results of research conducted do not support the theory of the agency that caused the meetings that have been conducted audit committee is ineffective and inefficient. It happens possible because the meetings were made less effective and efficient, due to the dominance of the sound of the audit committee of the importance of personal or group interests to the exclusion of the interests of the company (Luthfia, 2012) .

COMPARATIVE ANALYSIS IN INDONESIA AND MALAYSIA

Disclosure sustainability report on manufacturing companies listed in Indonesia Stock Exchange and Bursa Malaysia compared, both are still very low. Manufacturing companies in Indonesia Stock Exchange that disclosure sustainability report amounted to only 4:13%, while manufacturing companies in Bursa Malaysia that disclosure is at 3:56%. This is because in Indonesia and Malaysia disclosure sustainability report is voluntary / voluntary and there are no regulations that require each company disclose sustainability report. Based on the testing that was done showed that showed that the size of the company's profitability and positive and significant impact on the disclosure of sustainability report on manufacturing firms listed in Indonesia Stock Exchange. Meanwhile, leverage, liquidity, the board of directors and audit committee disclosure does not affect the sustainability report on manufacturing companies ter list on the Indonesia Stock Exchange. Meanwhile, tests performed on companies listed on Bursa Malaysia show profitability and the size of the company's positive and significant impact on the disclosure of sustainability report. Other variables such as leverage, liquidity, the board of directors and audit committee does not affect the perngungkapan sustainability report on companies listed on Bursa Malaysia. Thus, the results of research between Indonesia and Malaysia still lack of paying attention to the disclosure of sustainability report. And, in Indonesia and Malaysia that affect the disclosure of sustainability report show the same result, namely the profitability and the size of the company.

CONCLUSION

1. Based on a problem formulation, the conclusion that the size of the company's profitability and positive effect on the disclosure of sustainability report on manufacturing companies listed in Indonesia Stock Exchange and Bursa Malaysia. Meanwhile, leverage and liquidity does not affect the disclosure of sustainability report on manufacturing companies listed in Indonesia Stock Exchange and Bursa Malaysia 2013-2015

2. Based on the formulation of the problem b, the conclusion that the audit committee disclosure negatively affect sustainability report on manufacturing companies listed in Indonesia Stock Exchange, Whereas, the board has no effect on the disclosure of sustainability report on manufacturing companies listed in Indonesia Stock Exchange 2013-2015 period. And the audit committee and board of directors has no effect on the disclosure of sustainability report on companies listed on Bursa Malaysia 2013-2015 period.

3. Based on the formulation of the problem, the conclusion that profitability and liquidity variables no differences between the manufacturing companies listed in Indonesia Stock Exchange and Bursa Malaysia. Meanwhile, the variable leverage, the size of the company, the board of directors and audit committee is no difference between the manufacturing companies listed in Indonesia Stock Exchange and Bursa Malaysia.

SUGGESTIONS

1. Could use more samples from several areas of the sector, not only focused on one (1) field and the only sector in the observation period is longer.

2. Future studies may add other parameters to produce better research. For example, adding variables such as the type of industry and enterprise activity.

3. It is expected that in the later study period more than three years, so it can see the trend of disclosure of sustainability report to be longer.

4. This study does not accommodate reporting quality sustainability report. So it does not pay attention to the level of completeness and suitability of making sustainability report each company based on GRI standards have been set.

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