

## THE EFFECT OF PROFITABILITY, LEVERAGE, AND AUDIT COMMITTEE ON SUSTAINABILITY REPORT DISCLOSURE

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### ***Abstrak***

Penelitian ini bertujuan untuk menganalisis pengaruh profitabilitas, *leverage*, dan komite audit terhadap *sustainability report disclosure* yang dilakukan terhadap Perusahaan sektor energi yang terdaftar di Bursa Efek Indonesia tahun 2018-2024. Penelitian ini merupakan penelitian kuantitatif dimana data diolah dengan SPSS 24. Populasi dalam penelitian ini adalah Perusahaan sektor energy yang terdaftar di Bursa Efek Indonesia tahun 2018-2024. Penentuan sampel menggunakan metode *purposive sampling*. Dalam penelitian ini menunjukkan bahwa profitabilitas dan komite audit tidak berpengaruh terhadap *sustainability report disclosure*, dan *leverage* berpengaruh positif terhadap *sustainability report disclosur*).

**Kata Kunci:** Profitabilitas, Leverage, Komite Audit, Sustainability Report Disclosure

### ***Abstract***

*This study aims to analyze the influence of profitability, leverage, and audit committees on sustainability report disclosures made by energy sector companies listed on the Indonesia Stock Exchange between 2018 and 2024. This is a quantitative study, with data processed using SPSS 24. The population in this study was energy sector companies listed on the Indonesia Stock Exchange between 2018 and 2024. The sample was determined using a purposive sampling method. This study shows that profitability and audit committees have no effect on sustainability report disclosure, and leverage has a positive effect on sustainability report disclosure.*

**Keywords:** Profitability, Leverage, Audit Committee, Sustainability Report Disclosure

## A. INTRODUCTION

Social and environmental issues have become a significant concern as society demands companies not only focus on profits but also consider environmental and social impacts (Nurhakiki *et al.*, 2024). Indonesia, as a developing country with a large population and a growing economy, faces significant challenges in managing air pollution, which is a major concern, especially in major cities such as Jakarta, Surabaya, and Medan, where air quality is increasingly deteriorating (Safitri, 2024).

The phenomenon of environmental pollution originating from the energy sector, particularly the coal-based power generation sector and the oil and gas industry, shows a serious impact on environmental quality and society (Maharani *et al.*, 2025). Several cases of environmental pollution from the energy sector include coal mine acid wastewater pollution carried out by PT Sriwijaya Tansri Energi (STE) in Benuang Village, which borders Bulang Village and Belimbing District, Muara Enim. This river is the main source of clean water, where residents bathe, wash, use the toilet (MCK), and catch fish. The waste causes the river and well water to turn black and increases the acidity (pH), which is dangerous for the air and soil ecosystems.

This liquid waste pollution has resulted in many public complaints of health problems due to exposure to acid mine water and coal dust, such as skin diseases, respiratory problems, and potential heavy metal poisoning from polluted air. A similar environmental pollution case was committed by PT. BMB, which has dumped waste and liquid waste into the environment, causing wastewater to seep from a non-watertight holding pond into a ditch and ultimately into the river, resulting in mass fish deaths in the river (Sadikin, 2024). This phenomenon requires companies to create or present a report that includes the triple bottom line concept, which is usually called a sustainability report, as a form of responsibility for the economic, social and environmental impacts of their operational activities (Gunawan & Sjarief, 2022). In this context, the variables of

profitability, leverage, and audit committee are important variables to analyze their influence on sustainability report disclosure.

This research builds on previous research. The results of a study conducted by Hermawan *et al.*, (2021) stated that profitability has a positive effect on sustainability report disclosure, while a study by (Tjandrapurnama & Oktaviani, 2023) revealed that profitability has a negative effect on sustainability report disclosure. A study conducted by Putry & Meli, (2025) stated that leverage has a positive effect on sustainability report disclosure, but a study conducted by (Narayani & Dewi, 2025) stated that leverage has a negative effect on sustainability report disclosure. A study conducted by Grediani & Kapti, (2023) stated that the audit committee has a positive effect on sustainability report disclosure, while a study by (Aldaniar & Sapari, 2023) showed different results, namely that the audit committee has a negative effect on sustainability report disclosure.

Based on previous studies that show inconsistent research results with the variables of the influence of profitability, leverage, and audit committee on sustainability report disclosure, this topic can be interesting to be researched again. The novelty of this study with previous studies is that in this study the researcher added the audit committee variable as an independent variable. Most previous studies have examined the influence of profitability, leverage, and company size on sustainability report disclosure, but not many have specifically included the role of the audit committee as an independent variable, so that by adding the audit committee, this study can add a new perspective on how the company's internal oversight mechanism can encourage transparency and sustainability reports.

The researcher conducted this study in the energy sector listed on the Indonesia Stock Exchange (IDX) in 2018-2024. The researcher was motivated to conduct this study due to the large amount of environmental pollution originating from the energy sector, so that the dissemination of sustainability reports by companies that reflect the company's

commitment to transparency and sustainability is very necessary. Based on the explanation and description above, the researcher will conduct a study entitled "The Effect of Profitability, Leverage, and Audit Committee on Sustainability Report Disclosure"

## 1. Theoretical Review and Hypothesis

### a. Stakeholder Theory

Stakeholder theory is one of the most widely used grand theories as a basis for sustainability reporting research. According to Ghozali & Chariri, (2007), stakeholder theory explains that an entity's identity in conducting business must not only focus on internal interests but also be able to provide welfare for all stakeholders involved, such as shareholders, creditors, consumers, suppliers, government, the community, and others.

### b. Profitability On Sustainability Report Disclosure

Corporate sustainability reports provide information that can reduce the information imbalance between management and investors, thereby increasing investor confidence and investment opportunities. Therefore, companies demonstrating high profitability tend to be more motivated to disclose sustainability reports as a positive signal. Thus, sustainability report disclosure reflects not only strong financial performance but also a company's commitment to social and environmental responsibility.

A previous study by Hermawan et al. (2021) found that profitability has a positive effect on sustainability report disclosure. These results align with research by Muslimah et al. (2022), which found that profitability has a positive effect on sustainability reporting. These results indicate that the context and characteristics of each company can influence the ability of profitability to improve sustainability report disclosure.

**H1:** Profitability has a positive effect on Sustainability Report Disclosure.

**c. Leverage On Sustainability Report Disclosure**

Leverage is the degree to which a company relies on borrowed funds or debt to finance its operations and investments. More comprehensive disclosures in sustainability reports help cover financial deficiencies, maintain a good reputation, meet stakeholder needs, and demonstrate the company's ability to effectively manage social, environmental, and financial risks (Yohana & Suhendah, 2023).

Research conducted by Putry & Meli, (2025) found that leverage has a positive effect on sustainability report disclosure. Research conducted by Sitorus et al. (2024) also found a positive effect on sustainability report disclosure. These results indicate that the context and characteristics of each company can influence the ability of leverage to improve sustainability report disclosure.

**H2:** Leverage has a positive effect on the Sustainability Report

**d. Audit Commite On Sustainability Report Disclosure**

The audit committee is a committee tasked with assisting the board of commissioners in carrying out its supervisory function and ensuring that its duties are carried out effectively. The audit committee plays an important role in increasing the transparency and accountability of the company's financial reports in order to maintain the trust of stakeholders (Nofita & Sebrina, 2023).

A previous study by Grediani & Kapti, (2023) found that audit committees have a positive effect on sustainability report disclosure. Another study by Ningsih et al. (2024) found that audit committees have a positive effect on sustainability report disclosure.

**H3:** Audit Committees have a positive effect on Sustainability Report Disclosure.

**B. METHOD**

This study aims to analyze the influence of profitability, leverage, and audit committee on sustainability report disclosure, conducted on energy sector companies listed on the Indonesia Stock Exchange in 2018-2024. The data in this study were obtained by accessing the official website of the Indonesia Stock Exchange (IDX) through the website [www.idx.co.id](http://www.idx.co.id) and the official website of each company. This research is a quantitative study where the data is processed with SPSS 24. The population in this study was 623 energy sector companies listed on the IDX in 2018-2024. Sampling determination using the purposive sampling method was used to obtain a sample size of 322 companies.

**C. RESULTS AND DISCUSSIONS****1. Descriptive Statistics**

From the annual report data of energy companies for 2018-2024 on the IDX website, the minimum, maximum, mean, and standard deviation values of the independent variables (profitability, leverage, audit committee) can be calculated, and the dependent variable (sustainability report disclosure) can be calculated using the company's sustainability report data on the IDX website for energy companies for 2018-2024.

**Tabel 1 Descriptive Statistics**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Profitability	322	-0,38	6,90	0,2159	0,79025
<i>Leverage</i>	322	-39,33	64,61	1,0388	4,98937
Audit Committee	322	3,00	5,00	3,2609	0,57488
<i>Sustainability Report Disclosure</i>	322	0,02	0,25	,1086	0,04834

Source: Processed Data by SPSS version 24 (2025)

## 2. Normality Test

The test used in this study is the significance value. If the significance value is greater than 0.05, it can be concluded that the data is normally distributed. Alternatively, it can be concluded that the information is usually not conveyed, assuming the significance value is below 0.05. The results of the normality test are as follows :

**Tabel 2 Normality Test Results**

One-Sample Komogorov-Smirnov Test		
		Unstandardized Residual
N		204
Normal Parameters <sup>a,b</sup>	Mean	0,0000000
	Std. Deviation	0,03679290
Most Extreme Differences	Absolute	0,060
	Positive	0,052
	Negative	-0,060
Test Statistic		0,060
Asymp. Sig. (2-tailed)		0,067 <sup>c</sup>

Source: Processed Data by SPSS version 24 (2025)

Based on the test table above, the Asymp. Sig (2-tailed) value is 0.067. This indicates a value greater than the significance level ( $0.067 > 0.05$ ), so it is concluded that the data is normally distributed.

## 3. Multicollinierity Test

The purpose of the multicollinearity test is to determine whether there is a correlation between the independent variables used in the data. This test is performed by analyzing the VIF values and tolerance values used in the test.

**Tabel 3 Multicollinierity Test Results**

Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Profitability (X1)	0,913	1,095

	<i>Leverage (X2)</i>	0,912	1,096
	Audit Committee (X3)	0,924	1,082
<b>a.</b>	Dependent Variable: <i>Sustainability Report Disclosure (Y)</i>		

Source: Processed Data by SPSS version 24 (2025)

The calculation results show that all existing variables have a tolerance value greater than 0.1 and VIF is less than 10, thus it can be assumed that there is no multicollinearity in this study.

#### 4. Heteroscedasticity Test

Heteroscedasticity can be determined by examining the significance of the coefficients table. Significance test results are considered significant if the Sig value exceeds the 5% confidence level. The following are the results of the heteroscedasticity test using the coefficients table, which can be found in the table below :

**Tabel 4 Heteroscedasticity Test Results**

Model		<b>t</b>	<b>Sig.</b>
<b>1</b>	(Constant)	2,240	0,026
	Profitability	-0,449	0,654
	<i>Leverage</i>	-1,382	0,169
	Audit committee	-1,806	0,072
<b>a.</b>	Dependent variabel: <i>Sustainability Report Disclosure</i>		

Source: Processed Data by SPSS version 24 (2025)

The table above shows the statistical value of the Glesjer test conducted to conduct a regression of the absolute value against the independent variables. All variables show a significance value above 0.05. Therefore, the conclusion is that there is no heteroscedasticity.

#### 5. Autocorrelation Test

The Durbin-Watson test can be used to test for autocorrelation. The table below displays the results of the autocorrelation test :

**Tabel 5 Autocorrelation Test Results**

Model Summary <sup>b</sup>	
Model	Durbin-Watson
1	1,870

Source: Processed Data by SPSS version 24 (2025)

The table above shows the results that the DW value of 1.870 is located between  $du$  (1.670) and  $4-du$  (2.330). Researchers used the Durbin-Watson test with the formula  $Du < DW < 4-Du$  from the formula then  $1.670 < 1.870 < 2.330$ , it can be concluded that there is no autocorrelation in this regression model.

### 6. Multiple Linier Regression Test

Multiple linier regression testing is used to analyze the influence of two or more independent variables (X) on one dependent variable (Y). If there are more than three variables, they are expressed in a multiple linier regression equation.

Coefficient <sup>a</sup>				
Model		Unstandardized Coefficient		Standardized Coefficient
		B	Std. Error	Beta
1	(Constant)	0,036	0,017	
	Profitability	0,016	0,019	0,052
	<i>Leverage</i>	0,006	0,003	0,148
	Audit Committee	0,006	0,005	0,071

a. Dependent Variable: *Sustainability Report Disclosure* (Y)

**Tabel  
6 Multiple  
Linier  
Regression  
Test Results**

Source: Processed Data by SPSS version 24 (2025)

Based on table 6 above, the results of the equation from the multiple linier regression analysis are as follow :  $\text{profitabilitas} = 0,016$ ,  $\text{leverage} = 0,006$ , and  $\text{komite audit} = 0,006$ .

### 7. Simultaneous Test (F Test)

The F-test is used to demonstrate that all independent variables simultaneously influence the dependent variable (Ghozali, 2018). This f-statistic test uses a significance level of 0.05.

**Tabel 7 Simultaneous Test Results ( F Test)**

ANOVA <sup>a</sup>			
Model		F	Sig.
1	Regression	13,605	0,000 <sup>b</sup>
	Residual Total		

Source: Processed Data by SPSS version 24 (2025)

Judging from table 4.12, the calculated F test results obtained 13.605 and the F table value of 2.060 while the significance value of  $0.000 < 0.05$  and it can be concluded that the calculated  $F > F$  table. So it is concluded that the independent variables together (simultaneously) influence the dependent variable.

### 8. Partial Test ( T-Test)

The t-test is used to determine whether a variable influences the research problem statement, as stated in the hypothesis, as described in the original text. An independent variable is considered to influence the dependent variable if the resulting significance level is  $< 5\%$  or 0.05.

**Tabel 8 Partial Test Results ( T-Test)**

Coefficient <sup>a</sup>			
Model		T	Sig.
1	(Constant)	2,112	0,036
	Profitability	0,851	0,396
	<i>Leverage</i>	2,453	0,015
	Audit Committee	1,171	0,243

a. Dependent Variable: *Sustainability Report Disclosure (Y)*

Source: Processed Data by SPSS version 24 (2025)

Based on the results of the t-test above, the following conclusions can be drawn :

1. Profitability variable has a significance value of  $0,396 > 0,05$  so that the profitability variable does not have a significant effect on sustainability report disclosure, so H1 is rejected.
2. Leverage variable has a significance value of  $0,015 < 0,05$ . This means that the leverage variable has a positive and significant influence on sustainability report disclosure, so H2 is accepted.
3. Audit committee variable has a significance value of  $0,243 > 0,05$  so that the audit committee variable does not have a significant effect on sustainability report disclosure, so H3 is rejected.

## 9. Coefficient of Determination Test ( $R^2$ )

To determine the extent to which a regression model can explain the dependent variable's variation, the larger the  $R^2$  value, the greater the independent variable's ability to explain the dependent variable's influence.

**Tabel 9 Results of The Determination Coefficient Test**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,572 <sup>a</sup>	0,327	0,303	0,03744

Source: Processed Data by SPSS version 24 (2025)

The results above show that the R-square coefficient is 0.303, or 30.3%. This indicates that profitability, leverage, and the audit committee contribute 30.3% to sustainability report disclosure. The remaining 69.7% is influenced by factors outside the model not identified in this study.

## D. CONCLUSIONS

Based on the test results and discussion, it can be concluded that the profitability variable has no effect on sustainability report disclosure. This indicates that companies do not solely rely on their ability to generate profits to implement and disclose sustainability activities in their sustainability reports. In other words, companies with low profitability can still be actively committed to social and environmental activities and disclose

sustainability reports as a form of responsibility. Leverage has a positive effect on sustainability report disclosure. This indicates that companies with higher debt levels tend to be more active in disclosing sustainability reports as a form of accountability to stakeholders and an effort to maintain reputation and public trust. The audit committee has no effect on sustainability report disclosure. This indicates that the number of audit committee members in a company does not affect sustainability report disclosure. Companies with a small number of members can still play an active role in social and environmental activities. This indicates that a company's commitment to social and environmental activities does not solely depend on the formal structure or number of audit committee members, but rather on the company's awareness and responsibility for long-term sustainability. Therefore, H1 and H3 are rejected and H2 is accepted.

## E. SUGGESTIONS

Future researchers are advised to use more comprehensive data and expand the research period to capture long-term trends. Furthermore, researchers can add other relevant variables, such as independent commissioners, boards of directors, and other governance indicators, to make the analysis more comprehensive. Future research could also consider other industrial sectors or expand the regional scope to make the results more general and comparable across sectors.

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# SIMBA

**7<sup>th</sup> SEMINAR INOVASI  
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AKUNTANSI**

Yohana, S., & Suhendah, R. (2023). the Effect of Profitability and Firm Size on Capital Structure. *Jurnal Akuntansi*, 27(03), 525–545. <https://doi.org/10.24034/jiaku.v2i2.5883>