THE EFFECT OF FINANCIAL PERFORMANCE ON CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE: STUDY OF INDONESIA'S MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE IN THE YEAR 2015-2017

A THESIS

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DECLARATION OF AUTHENTICITY

Hereby I declare to the originality of this thesis. I have not presented someone's work to obtain my university degree, nor presented anyone else's words, ideas, or expressions without any of the acknowledgements. All quotations are cited and listed in the reference of the thesis. If in the future this statement is proven to be falsified, I am willing to accept any sanction complying with determined or its consequences.

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ABSTRACT

This research relied on an abundant phenomenon of the CSR disclosure on companies' annual report in the manufacturing sector since the CSR concept was more on the business organization agenda, due to its ability to increase the competitiveness of a firm, especially in the manufacturing sector as one of the major sectors which dominate the business environment in Indonesia. In addition, this research aimed to examine the effect of financial performance on corporate social responsibility disclosure by conducting a quantitative study of Indonesia's manufacturing companies listed in Indonesia Stock Exchange in the year 2015-2017. This issue attracted the researcher to deeply examine on the relationship between the companies' financial performance and CSR disclosure in their annual reports, by considering the companies' financial performance measurement including the company's profitability (Return on Equity), Leverage (Debt to Assets), and Firm Size. To examine those measurement, this research also used the adoption of General Reporting Initiative (GRI) as a based on the checklist of Corporate Social Responsibility disclosure items that companies had been disclosed in their annual report.

In this research, data were collected by obtaining the 146 companies' annual report YEAR 2015-2017 of all manufacturing companies that listed in Indonesia Stock Exchange via the website www.idx.co.id and analyzes the annual report to determine the suitable companies and all the data regarding the characteristics of the purposive sampling method. 30 manufacturing companies which fulfill all the criteria included as the samples to obtain the data for this research. As the result, this research showed that all of the variables of company's profitability (Return on Equity), Leverage (Debt to Assets), and Firm Size affected the Corporate Social Responsibility Disclosure.

Key words: Company's profitability (Return on Equity), Leverage (Debt to Assets), and Firm Size, CSR disclosure, manufacturing companies' annual report, Stakeholder Theory

ABSTRAK

Penelitian ini melihat banyaknya fenomena yang terjadi dari pengungkapan Tanggung Jawab Sosial Perusahaan (Corporate Social Responsibility) pada laporan tahunan perusahaan di sektor manufaktur, karena konsep CSR lebih menekankan pada agenda organisasi bisnis, karena kemampuannya untuk meningkatkan daya saing perusahaan, terutama di sektor manufaktur sebagai salah satu sektor utama yang mendominasi lingkungan bisnis di Indonesia. Selain itu, penelitian ini bertujuan untuk menguji pengaruh kinerja keuangan terhadap pengungkapan tanggung jawab sosial perusahaan (CSR Disclosure) dengan melakukan studi kuantitatif terhadap perusahaan manufaktur Indonesia yang terdaftar di Bursa Efek Indonesia pada tahun 2015-2017. Masalah ini menarik peneliti untuk secara mendalam memeriksa hubungan antara kinerja keuangan dan pengungkapan CSR dalam laporan tahunan perusahaan, dengan mempertimbangkan pengukuran kinerja keuangan perusahaan termasuk profitabilitas perusahaan (Return on Equity), Leverage (Debt to Assets), dan Ukuran Perusahaan (Firm Size). Untuk menguji pengukuran tersebut, penelitian ini juga menggunakan adopsi General Reporting Initiative (GRI) sebagai dasar item-item pengungkapan tanggung jawab sosial perusahaan yang telah diungkapkan oleh perusahaan dalam laporan tahunan mereka.

Dalam penelitian ini, data dikumpulkan dengan mendapatkan laporan tahunan 146 perusahaan manufaktur pada periode 2015-2017 dari semua perusahaan dalam sector manufaktur yang terdaftar di Bursa Efek Indonesia melalui situs web www.idx.co.id dan menganalisis laporan tahunan tersebut untuk menentukan perusahaan yang sesuai dengan semua karakteristik metode purposive sampling. 30 perusahaan manufaktur yang memenuhi semua kriteria dicantumkan sebagai sampel untuk mendapatkan data penelitian ini. Sebagai hasilnya, penelitian ini menunjukkan bahwa semua variabel pengukuran kinerja keuangan perusahaan yaitu profitabilitas perusahaan (Return on Equity), Leverage (Debt to Asset), dan Ukuran Perusahaan (Firm Size) mempengaruhi Pengungkapan Tanggung Jawab Sosial Perusahaan.

Kata kunci: Profitabilitas perusahaan (Return on Equity), Leverage (Debt to Asset), dan Ukuran Perusahaan (Firm Size), pengungkapan CSR, laporan tahunan perusahaan manufaktur, Teori Stakeholder.

CHAPTER I

INTRODUCTION

1.1 STUDY BACKGROUND

Over the past few decades, the role of businesses around the world has evolved from the classic approach of "maximizing profits" becomes a "socially responsible" approach. Companies' role to create wealth and employment opportunities for the community is one of the ways for the companies' shifting role of this business, as these companies are responsible for their activities which sometimes also result in a damage of the environment and ecology. Many companies also pollute the environment, which have a negative impact on human health and biodiversity throughout the world. Moreover, the environmental issues are not new issue in community life by way of many environmental problems have emerged in the community and require the people to respond to these issues. Environment both in the meaning of nature and social and economic conditions is critical where humans as the social societies will influence each other which will have an impact on environmental changes both natural also social, and economic conditions surrounding them.

One issue that is very vulnerable nowadays is the environmental issues in the sense of nature as an important aspect for the community. There have been many people who are aware of this problem and purposing several initiatives to contribute to answering these problems, both individually and organizationally. Many companies currently not only provide source of income for the surrounding community, but also provide employment opportunities for the people. Though, the factory can also affect the surrounding environment that actually cause serious environmental problems. The emergence of these environmental problems results in the health of the surrounding population. Poor environmental conditions eventually cause problems for the surrounding population such as disease outbreaks and ecosystem damage. Hence, most of the companies in many sectors of the business are starting to shift their concern to more socially and environmentally responsible.

The shifting of the companies' role of business requires companies to also be accountable to all their stakeholders, not only to their shareholders (Rouf, 2011). The company has begun to involve in Corporate Social Responsibility (CSR) activities and disclose all of information about CSR activities in the companies' annual reports and website to enhance their sustainability development. Additionally, as mentioned by Sobhani, Amran, & Zainuddin (2012), a sustainable development is now currently becoming the top agenda for most of the leading global businesses and corporations. The stakeholders of the financial community have also shown their consciousness regarding the issue of sustainable capital and money markets. Thousands of global corporations now report their sustainability strategies and practices in their annual reports. The companies' annual report provides the disclosure of all categories of corporate sustainability disclosure practices, including the social and environmental issues on overall corporate performance including financial performance.

In addition, the issue of CSR has become the concern of most companies in many sectors of the business in Indonesia, including the manufacturing sector. Since many famous environmental incidents happen in Indonesia, the CSR concept has also been very popular in Indonesia business environment of the manufacturing companies. One of the issues of environmental incidents was the hot mud floods as a failure and a huge incident caused by oil and gas company of Lapindo Brantas in East Java. This incident caused eight villages to be submerged and 13,000 people had to be evacuated. In addition, another environmental damage in Indonesia was caused by the world's largest mining company namely as PT. Freeport Indonesia, in Grasberg minerals district in West Papua. In addition, another gold mining company, Newmont Mining Corporation which has caused arsenic pollution in the community's and is also suspected of causing high mortality of children and women in Sulawesi. Additionally, in 2014, PT Semen Indonesia as the largest cement producer in Indonesia, began a long controversy of a new factory construction in Central Java. The residents of the North Kendeng Mountains reject the development plan and the local communities also refused. The refusal argued that the construction of a cement plant that would mine limestone in the mountains and would threaten the nature and the availability of water. As resulted, these cases increasingly open the eyes of the general public, government and corporations about the importance of CSR (Setyorini & Ishak, 2012).

Because of many social problems that occur, companies in the manufacturing industry are required to disclose their CSR information on financial statements under the demands of stakeholders. In this modern era, stakeholders do not only see the profit figures that the company gets, but also question what the company contributes to society (Anita, Jurnali, & Meiliana, 2017). Moreover, as explained by Jeffery (2009), stakeholder engagement is a corporate social responsibility's important part, which can enhance the accountability and decision making of the companies' activities. It is related to all of the business sectors, whereby companies may receive response from stakeholders in the process of decision-making. Stakeholders are the people who may be affected by the decisions made by companies, or they can affect the execution of the decisions (Global Reporting Initiatives, 2013).

As mentioned by Global Reporting Initiatives (2013), engaging the stakeholders is a requirement of the Global Reporting Initiative (GRI), which is an organization based on network that provides Sustainability Reporting Guidelines in reporting for any companies and organizations for their economic, environmental, social, and governance performances based on the stakeholder inclusiveness principle (Global Reporting Initiatives, 2013). Stakeholder engagement has been a crucial issue today with understandings that the companies may have a necessity to adjust their objectives and operations as a stakeholder engagement result in CSR (Jeffery, 2009). Additionally, after the financial crisis in 1924, most of the companies in many business sectors were forced to restructure their relationship with their stakeholders. Stakeholders challenged the related companies for greater accountability and transparency from corporate management. The corporate management itself cannot succeed without taking awareness of their environment and society.

European Commission (2001) stated that the CSR as a concept when companies may integrate environmental and social concerns in their business operations and the company interaction with their stakeholders on a voluntary basis. CSR has widened the field of corporate sector from stockholders to stakeholder by assigning responsibility to all those stakeholders which are affected by the company and affect the companies' operation. As stated by AccountAbility (2008), it is very important for a corporation to manage connection with the stakeholders in order to encourage them to act in ways that support the functions, goals, objectives, and development of that corporation. Stakeholder engagement is not a new focus in the business environment, in fact, it is now accepted as a crucial issue to a company's sustainability and success in every development project. Besides, Lu and Abeysekera (2014) also found that corporate social and environmental disclosures could be affected by shareholders.

Nowadays, despite significant research on CSR, it still lacks conceptual clearness. Many different researchers regressed to come up with an inclusive definition, which reflects the basic CSR character. There is a definition and basically, it is not one (Jackson & Hawker, 2001). The problem occurs due to the definition's social construction which fickle across time and space. The complete definition was proposed in 1983, by AB Carroll "corporate social responsibility involves the conduct of a business so that it is economically profitable, law-abiding, ethical and socially supportive" (Carroll, 1983). Thus, CSR is a philosophy which defines the company-stakeholders relationship.

Additionally, sustainability of company is developed to become one of the most prominent matters of the global economy currently (Isaksson & Steimle, 2009). Corporate sustainability distinguishes the importance of growth and profitability of a firm, along with the social goals of companies (Wilson, 2003). This quick growth in sustainable development awareness is triggered by many issues. One of the issues is the Global Financial Crisis (GFC) started in late 2007 (Asian Sustainability Rating, 2010). At that moment, due to the lack of liquidity faced by the financial institutions (Taylor & Williams, 2009), many companies suffered difficulties on earning funding for their operational and investment activities (Njoroge, 2009). As a result, at the beginning of the crisis, companies reduced the amount of CSR projects they undertook (Karaibrahimoglu, 2010; Orlitzky, Schmidt, & Rynes, 2003; Fernandez & Souto, 2009; Giannarakis & Theotokas, 2011). However, the GFC also provided plenty of opportunities for companies to recover and improve their employees' satisfaction, productivity and corporate brand (Giannarakis & Theotokas, 2011).

The basic understanding, which stated that CSR enhances financial performance, is the stakeholder theory (Freeman, 1984). The theory emphasizes that the success of company depends on the continuing relationship with stakeholders and dealing with the stakeholders as an important tool for value creation (Hammann, Habisch, & Pechlaner, 2009). The other viewpoint is a negative relationship between the two concepts. According to this line of thinking, it consumes the resources of a company without any important return (Friedman, 1970). In other words, social action includes cost which affects profit negatively. For example, a cost incurred in different CSR activities, for example, better working conditions, donations, eco- friendly equipment, pollution control, and many more.

As explained by Dentchev (2004), companies around the world show their interest and participation initiatives to contribute to society and the environment by conducting Corporate Social Responsibility (CSR). Companies are required to participate in concerning and protecting their social environment, not only able to generate profits. The World Business Council for Sustainable Development defines the CSR as the company's commitment to account for the impacts of its operations on the social, economic, and environmental dimensions and that these impacts continuously should be acceptable to the community and the environment.

The CSR implementation and disclosure have not been entirely based on the awareness and the commitment of the company, but the policies of each company will influence it. In 2010, member countries of ISO agreed on ISO 26000 as the guidance on Social Responsibility, which stated transparency on the impact of the company as an important principle for the company. Also, to welcome the ASEAN Economic Community (AEC) in 2015, it is important for companies to implement good governance by conducting information transparency in annual reports, one of which is to describe or disclose CSR is related to the environment and social and community development described in CSR activities carried out by the company.

In Indonesia, there are many regulations related to CSR, namely as follow: (1) CSR disclosures explained juridically in Undang-Undang No. 40 of 2007 concerning Limited Liability Companies in article 74 paragraph (1), (2) Undang-Undang is also supported by Government Regulation No. 47 of 2012, (3) Bapepam-LK also issued regulations requiring issuers to disclose the Corporate Social Responsibility implementation activities in the company's annual report, (4) Ikatan Akuntan Indonesia (IAI) in the revised Pernyataan Standar Akuntansi (PSAK) number 1 in paragraph 9 implicitly suggests corporate social responsibility disclosures. All these regulations indicate that CSR disclosure in companies' activities which related to natural resources is mandatory to be carried out and disclosed to the public (mandatory disclosure) in the annual report of the company. (Al-Baab & Yunia, 2017).

In the era of globalization and economic liberalization, companies in Indonesia are facing intense competition nowadays. The big business challenge today is how to meet the expectations of society to become a good corporate citizen (Carroll, 1991). In the implementation of CSR, communication problems arise and CSR information must be communicated in order to meet the information needs of stakeholders (Marais, 2012). The company communicates its CSR activities in the form of reports called Corporate Social Responsibility Disclosures (CSRD). Corporate Social Responsibility Disclosure (CSRD) is defined as CSR activities which were communicated to stakeholders through the company's annual report (Saleh et al., 2010; Galani et al., 2011). Disclosure of internal environmental, social and economic performance on annual reports or separate reports reflect company accountability, responsibility and transparency to investors and other stakeholders (Saleh et al., 2010).

By concentrating on the firm sustainability and reporting their CSR performances, there have been many results of the potential benefits that firms may achieve. Some of the benefits contain an increase in satisfaction of employee which may ultimately increase efficiency of firm and profitability (Thome, 2009; Giannarakis & Theotokas, 2011; Tse, 2011) also increase the competitiveness of companies and provide better strategic market positioning (Pitelis & Boulouta, 2011). However, along with the mentioned the potential benefits of sustainable development previously, a problem for companies on implementing the CSR reporting can be a very expensive and time-consuming procedure (Charitoudi, Giannarakis, & Lazarides, 2011). In other words, CSR initiatives surely require supports of a certain level of financial resources. Therefore, it can be said that firms which integrate stakeholder and sustainability strategies are usually large-scale enterprises who are able to sacrifice their profits for sustaining or promoting social interest (Elhauge, 2005). As a result, there are prior research appeared to examine opposing view the relationship between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP). Many pro-CSR state that by applying CSR initiatives, companies will receive higher profits (Avars & Lee, 2011). However, some opposite opinions have been directed to this claim and confirm that activities of CSR require a big number of financial resources and time allocation. Hence, many people assume that only companies with good financial position which are able to conduct the CSR activities and disclose the information to the public. This issue attracts the researcher to go deeper on examining the relationship between the companies' financial performance and CSR disclosure in their annual reports.

In addition, the CSR concept is ever more on the business organisation agenda, due to its ability to increase the competitiveness of a firm, especially in the manufacturing sector as one of the major sectors which dominate the business environment in Indonesia. The concept has inspired may prior researchers to investigate what affected CSR applies on bottom-line of the business in this sector. In this perspective, prior research has presented divergent results. The first perspective believes that CSR delivers a competitive advantage, which finally increases the financial strength of the business (Margolis, Elfenbein, &Walsh, 2009). Hence, this issue leads the researcher to furtherly examine the topic in this research by concerning the financial performance and the CSR issue disclosed in the annual reports by the listed manufacturing companies in Indonesian Stock Exchange from 2015 - 2017.

1.2 RESEARCH QUESTIONS

In line with the prior research which focus on Corporate Social Responsibility and Financial Performance (Angelia & Suryaningsih, 2015; Suaryana & Febriana, 2011; Anita, Jurnali, & Meiliana, 2017), this research focuses on the effect of the company's financial performance on Corporate Social Responsibility (CSR) Disclosure in the company's annual report. The companies' financial performances are measured through several measurements: company's profitability (Return On Equity), Leverage (Debt to Assets), and Firm Size. To examine those measurements, this research used the General Reporting Initiative (GRI) as a base on the checklist of Corporate Social Responsibility disclosure items. Thus, the research questions in this research are:

1. Does the company's Profitability (Return on Equity) affect the Corporate Social Responsibility information disclosure in the annual report?
2. Does the company's Leverage (Debt to Assets) affect the Corporate Social Responsibility information disclosure in the annual report?
3. Does the Firm Size affect the Corporate Social Responsibility information disclosure in the annual report?

1.3 RESEARCH OBJECTIVES

Based on the above research questions, the following are the research objectives:

1. To examine the effect of Profitability (Return on Equity) on Corporate Social Responsibility Disclosure.
2. To examine the effect of Leverage (Debt to Assets) on Corporate Social Responsibility Disclosure.
3. To examine the effect of Firm Size on Corporate Social Responsibility Disclosure.

1.4 RESEARCH CONTRIBUTIONS

1.4.1 For Accounting Students

This research is expected to be the reference for the next research and will give more knowledge to university student especially that study in major of accounting and business. Moreover, this research is also expected to provide a contribution to knowledge which are be useful for educating the students. Hence, this research can be use as the source and basis for further research that can be done by the students in the future.

1.4.2 For Public Citizens

This research is expected to give more information and knowledge to the society about Corporate Social Responsibility (CSR) information disclosure by the listed companies in a manufacturing sector as one of the major sectors which dominate the business environment in Indonesia. In addition, society may know that the companies surround them are required to participate in concerning and protecting their social environment, and necessarily disclose their CSR activities to the public.

1.4.3 For Companies

Hopefully, this research can be the reference and will give more information and knowledge for companies in the same sector to conduct Corporate Social Responsibility (CSR) disclosure in their annual report. This research is also expected to provide further explanation regarding the effect of the company’s financial performance on the Corporate Social Responsibility (CSR) Disclosure.

1.4.4 For Future Researcher

This research is expected to be the reference for the future research in the same topic regarding the effect of the company’s financial performance on the Corporate Social Responsibility (CSR) Disclosure in the company’s annual report.

1.5 SYSTEMATIC OF WRITING

In order to give a clear picture of this research, the researcher put the content of the studies into five chapters. Systematic of the writing in the fifth chapter outline as follows:

CHAPTER I INTRODUCTION

This chapter contains the background of the problem, objectives, contributions, and systematic of writing of this research.

CHAPTER II THEORETICAL REVIEW

This chapter contains a theoretical basis that is used to discuss the issues raised in this research that consists of theories related to the research, literature review, and previous research.

CHAPTER III RESEARCH METHODOLOGY

This chapter contains the method of this research that consists of the type of the study, population and sample, variables used in this research, and analysis technique.

CHAPTER IV DATA ANALYSIS

This chapter contains the result of this research and the analysis.

CHAPTER V CONCLUSION

This chapter contains critiques and advice, or recommendations for further research and discusses the result from previous research.

CHAPTER II

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Theoretical Review

2.1.1 Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) is an idea that makes the company no longer confronted with responsibility based on the single emphasis, namely as the corporate value which is reflected in its financial performance, but the responsibility of the company must be based on two other emphases by paying attention to the social and environmental problems (Daniri, 2008).

Based on the World Business Council for Sustainable Development (WBCSD), Corporate Social Responsibility is defined as a business commitment to offer contribution to sustainable economic development, through a mutual support with the people, employees, their representatives, their families, local communities, and the general public to improve the quality of life in a way that is beneficial both for own business or for development. CSR is a mechanism that encourages a company to voluntarily integrate the environmental and social attention into in its operations and interactions with stakeholders, which surpasses responsibility organisation in the field of law (Rawi and Muchlis, 2010).

From some of these meanings, it can be concluded that CSR in general the concept of corporate social responsibility is not only to the owner or shareholders, but also related to all the stakeholders that are affected by the existence of the company. This follows the CSR concept which stated that the most important thing for the organisation is the limits emphasised by social norms and values, and the companies' reaction to these limits encourage the importance of concerning their operations by paying attention to the environment around.

In Indonesia, according to the people in Indonesia's business society and regulated by the law, it states that social and environmental responsibility is the company's commitment to contribute in sustainable economic development in order to increase the quality of life and the environment that is beneficial, both for the company itself, the local community, and society in general.

2.1.2 The Definition and Importance of CSR Disclosure

Disclosure of CSR information in the annual report is regulated in Undang-Undang Number 40 of 2007 Article 66 Paragraph 2c cited in Anita, Jurnali, & Meiliana (2017), they stated that the annual report must contain a report on the implementation of Social and Environmental Responsibility. In addition, according to Statement of Financial Accounting Standards (PSAK) No. 1, it is also regulated that the disclosure of CSR information disclosed in the company's annual report in Indonesia, namely: Entities can also present the CSR Disclosure separately from financial statements, environmental reports, and value-added statements, especially for the industries where environmental factors play an important role and for the industries that notice their employees as a group of financial report users who play an essential role for the company.

In addition, Tilt (1999) in Uwigbe (2011) suggested that CSR disclosure can be defined as a mechanism by which companies disclose the social and environmental aspects of their company's activities to their stakeholders. This is also seen as the process of communicating information (both financial and non-financial aspects) regarding the resources and social performance of reporting entities. (Anita, Jurnali, & Meiliana, 2017). Furthermore, it can also be seen as a commitment of the company to operate in an economical and environmentally friendly manner while identifying the interests of all stakeholders.

Additionally, as mentioned by the National Association of Accountants (1974), Corporate Social Responsibility is defined as the identification, measurement, monitoring, and reporting of the social and economic effects of an organisation on civilisation. It is the disclosure regarding all information of those costs and benefits that may or may not be counted in monetary terms rising from the economic activities of the company, which are significantly accepted by stakeholders and the community at large (Perks, 1993). Likewise, as mentioned by Brown and Dacin (1997), Corporate Social Responsibility is explained as a status of the company and activities concerning its perceived societal or stakeholders' obligations. It is realised as a cluster concept, overlapping with other concepts such as business ethics, companies' charity, citizenship, environmental responsibility, and sustainability (Al-Samman & Al-Nashmi,2016)

As mentioned by Wahba & Elsayed (2015), the concept of CSR has not been provided by a solid consensus nor constituents commonly. However, Belkaoui (1999) argued that the key features of social accounting are the measurement and communication of the related information concerning the effects of a business and its activity on the society and the environment.

Moreover, Crane et al. (2008) stated that the core principle of CSR Disclosure is an optional feature, which goes beyond legal compulsions, managing externalities, and multiple stakeholders' orientation. It is also noted that the CSR feature goes beyond the scope of social and economic responsibilities, practices, and the company's charity. Functionally, CSR also assists as an actual strategic structure that guarantees the company and environmental sustainability.

Globally, there has been a stable increase in the demand for information of companies over the past two decades. With the increase of public awareness and media exposure regarding the environmental, social, and ethical issues, companies require to develop the scope and their social responsibility depth of disclosure consequently. In broad terms, Corporate Social Responsibility Disclosure refers to corporate reporting that concentrate on environmental, social, and ethical issues (Reverte, 2009). It includes such areas as climate change reduction, human rights, employee associations, product liability, philanthropy, and corporate governance. Firms typically disclose information concerning their activities in these areas in their annual reports, press releases, or company website, or in separate social reports as corporate social responsibility (CSR) report or sustainability report.

As mentioned by Deegan (2002), different with obligatory financial reporting, the social reporting context is less strict. Thus made the motivation underlying disclosure by managers a topic of inquiry. In general, CSR Disclosure is watched as a means to protection the reputation of company and to influence company's perceptions in the minds of stakeholders, such as shareholders, company's regulators, consumers, society, and social investors (Chen and Roberts 2010). By distributing the CSR information with outside parties on the noneconomic impacts of the firm's business operations, the CSR disclosure is estimated to mitigate possible adverse regulatory pressures, reduce informational asymmetries between the company and its stakeholders, leave the company with a better situation to take advantage of future investment prospects. Moreover, several prior researchers have emphasised the role of social disclosure in maintaining the legitimacy of business organisations within an institutional framework characterised by an increasing interest in CSR activities.

Nowadays, as stated by Abiodun (2012), Corporate Social Responsibility is being understood as the concept of triple emphasis which namely as people, planet, and profit in a dynamic perspective. The triple emphasis captures an extended range of values and criteria for measuring the success of the organisation (Harpreet, 2009). Although, conflicting effects have arisen on the importance, or otherwise of CSR in business activity. For example, the neoclassical economists advanced that firms should dedicate more energy to supply quality goods and services to its customers, minimize costs, and maximize profits, all within the laws and regulations of the land (Jamali & Mirshak, 2007). It is evident that the position of neoclassical economists provides a motivated platform for firms to engage willingly in CSR. Thus, they can increase certain benefits from their host community, and society as a whole.

Corporate Social Responsibility can be defined as a set of obligation, legal, and ethical commitment to all of the stakeholders, which resulted from the impact that organisations generate through their operations and social, environmental, and human rights issues. CSR implies the companies' recognition and integration of social practices that satisfy those concerns and configure their relationship with their stakeholders (Valor and De la Cuesta, 2003). It is also known as a concept that involves a strategic and long-term business approach that will be beneficial both for the company itself and the social environment.

The definition of Corporate Social Responsibility is not limited to the theorist. The European Commission (2008) defined CSR as the responsibility of the enterprise for their impacts on society. Furthermore, the definition is expanded by respect for applicable legislation, and for collective agreements between social partners as a prerequisite for meeting that responsibility. To fully meet their corporate social responsibility, the enterprise should have in place a process to integrate social, environmental, ethical, human rights, consumer concerns into their business operations and core strategy in close collaboration with their stakeholders (European Commission, 2011).

2.1.3 The Relationship between Company's Financial Performance and CSR Disclosure

Recently, as mentioned by Peng & Yang (2014), businesses have started responding to the increase in stakeholders' attention regarding their social importance. While many of the individual policies, practices, and program toward social and environmental development are not new such (Al-Samman & Al-Nashmi, 2016), companies place their social role much more consistently, comprehensively, and professionally, an approach that is sophisticatedly expanded by CSR (Crane et al., 2008; Galant & Cadez, 2017; Wahba & Elsayed, 2015). Consequently, according to Choi (1999), in explaining Corporate Social Responsibility paradigm among the companies, many different CSR theories and paradigms have been proposed by prior researchers and economists. For example, the liberal legitimacy theory, shareholder model, and stakeholder theory have been applied in explaining the reasons behind most companies' investments in CSR activities (Croker & Barnes, 2017; Hamid & Atan, 2011). In this era, recent studies have also elaborated the institutional theory in explaining CSR and firms' motivations toward CSR investments (Bradly, 2015; Ruiviejo & Morales, 2016).

The concept of CSR is understood differently by many people and organisations. Corporate Social Responsibility is a complex idea that has been claimed by academics for more than seven decades. It is a plan to change the way of business management, including the commitment of the companies to society. Unfortunately, the implementation of CSR sometimes requires help from an expert which will cost a lot for the company and affect its financial performance. Some people argue that CSR should be voluntary as it seems to distract a company from its primary objective to obtain much profit and please the requirement of its stakeholders. The other viewpoint is a negative relationship between the two concepts. According to Friedman (1970), the understanding of CSR leads people to think that a company consumes the resources of the company without any vital return. In other words, social action includes a cost which affects profit negatively. For example, the cost incurred in different CSR activities, for example, better working conditions, donations, eco- friendly equipment, pollution control, and many more.

The financial performance of a company is essential to understand its success in the operation and use it as the basis for measuring the company's economic sustainability. Although a company may be financially feasible, this may have been achieved by generating the significant externalities that impact other stakeholders. Additionally, corporate economic sustainability is intended to measure the economic outcomes of a company's activities and the effect of these outcomes on a broad range of stakeholders (GRI, 2006). Moreover, to fulfil the needs of all stakeholders, the company should execute the concept of corporate social responsibility, as the company should have in place a process to integrate social, environmental, ethical, human rights, consumer concerns into their business operations and core strategy in close collaboration with their stakeholders. Then, the companies also have to disclose the information regarding all the CSR activities conducted by the companies to all of the stakeholders, including the public and the society. Hence, the companies can disclose the information through a CSR Disclosure on their annual report or websites. Additionally, as mentioned by Sobhani, Amran, & Zainuddin (2012), thousands of global corporations now report their sustainability strategies and practices in their annual reports. The companies' annual report provides the disclosure of all categories of corporate sustainability disclosure practices, including the social and environmental issues on overall corporate performance including financial performance.

2.1.4 Global Reporting Initiative (GRI)

GRI is an independent international organisation that has established sustainability reporting since 1997. GRI supports businesses and governments worldwide understand and communicate about their impact on critical sustainability concerns such as climate change, governance, human rights, and social well-being. This allows real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest.

GRI vision is become a thriving global community that raise humanity and increases the resources on which all life depends. GRI mission is to empower decisions that build social, environmental and economic benefits for everyone. In addition, the GRI Sustainability Reporting Standards (GRI Standards) are the pioneer and most broadly adopted global standards for sustainability reporting. Since GRI had been beginning in 1997, we have changed it from a niche practice to one now adopted by a growing majority of organisations. In fact, 93% of the world's largest 250 firms report on their performance of sustainability.

However, it is different if talking about Corporate Social Responsibility. According to the research of Rusmanto & Williams (2014), Corporate Social Responsibility is not high, especially if it is talking about the implementation of GRI. Since August 1st of 2012, the Government of Indonesia implemented the Government Regulation Kep-431/BL/2012 which is regulated by Otoritas Jasa Keuangan (OJK/Financial Service Authority) stated that all published companies must report their social activities in their financial report. From the Government of Indonesia regulation, it is not stated to obligatory implemented the GRI. Indonesia right now is only using GRI as a tool for the approach in making sustainability report, not fully implemented.

Additionally, the considerable number of companies who responded to the CSR issue and report their activities through a sustainability report by following GRI is caused by many factors. The disclosing sustainability information practice inspires accountability, helps classify and manage risks, and enables organisations to grab new opportunities. Make a report using GRI Standards supports companies, public and private, large and small, keep the environment and progress society, while at the same time thriving economically by improving governance and stakeholder relations, enhancing reputations and building trust. There are many categories of the CSR aspects regulated in GRI Standard, which mentioned as follows:

1. Economic

The economic sustainability dimension concerns the impacts of an organisation on the economic conditions of its stakeholders and economic systems at local, national, and global levels. The Economic Indicators illustrate Capital flow among different stakeholders and Main economic impacts of the organisation throughout society. In addition, financial performance is essential to understand a company and its sustainability. However, this information usually is already reported in financial accounts. What is often reported less, and is frequently desired by users of sustainability reports, is the organisation's contribution to the sustainability of a more extensive economic system.

2. Environmental

The environmental sustainability dimension concerns the impacts of organisation on living and non-living natural systems, contain ecosystems, air, land, and water. Environmental Indicators cover performance related to inputs such as material, energy, water and outputs such as emissions, effluents, and waste. In addition, they include performance associated with biodiversity, environmental submission, and other information relevant such as environmental expenditure and the impacts of products and services.

3. Social Performance Indicators

The social sustainability dimension concerns about the impacts of an organisation's operation on the social systems. The GRI Social Performance Indicators classify key Performance Aspects surrounding labour practices, human rights, society, and product responsibility which are explained in detail as follow:

- **Labour Practices and Decent Work**

  The Labour Practices and Decent Work category concerns about practices for labour that an organization applied. The aspects of this category include employment, labour/management relation, occupational health and safety, training and education, diversity and equal opportunities, and equal remuneration for men and women.

- **Human Rights**

  There is a growing global consensus that organisations have the responsibility to respect human rights. Human rights Performance Indicators require organizations to report the level to which processes have been applied, incidents of human rights violations and on changes in the stakeholders' ability to enjoy and exercise their human rights, occurring during the reporting period. Among the human rights issues included are non-discrimination, gender equality, collective bargaining, freedom of association, child labour, indigenous rights, and forced and compulsory labour.

- **Society**

  Society Performance Indicators focus on the impacts of organisations on the local communities in which they operate and disclose how the risks that may arise from communications with another social institution which are managed and mediated. In particular, information is required on the risks associated with bribery and corruption, undue influence in public policy-making, and monopoly practices.

- **Product Responsibility**

  Product Responsibility Performance Indicators focus on the aspects of reporting products and services of an organisation that directly affect customers, namely, health and safety, information and labelling, marketing, and privacy.

2.1.5 Manufacturing Industry

Manufacturing is the process of transforming materials or components into finished products that can be sold in the marketplace. Every physical product that a person buys in a store or online is manufactured somewhere. Manufacturing industries are those that engage in the transformation of goods, materials or substances into new products. The transformational process can be physical, chemical or mechanical. Manufacturers often have plants, mills or factories that produce goods for public consumption. Machines and equipment are typically used in the process of manufacturing. Although, in some cases, goods can be manufactured by hand. An example of this would be baked goods, handcrafted jewellery, other handicrafts and art. Moreover, In Indonesia, the manufacturing industry includes several manufacturing sectors. There are food, beverage, tobacco, textiles, apparel, leather, paper, oil and coal, plastics and rubbers, metal, machinery, computers and electronics, transportation, furniture and others.

Manufacturers create physical goods. How these goods are created varies depending on the specific company and industry. However, most manufacturers use machinery and industrial equipment to produce goods for public consumption. The manufacturing process creates value, meaning companies can charge a premium for what they create. For example, the rubber is not particularly valuable on its own. However, when it is formed into a car tire, it holds substantially more value. So, in this case, the manufacturing process that allows the rubber to be transformed into a necessary car part adds value.

Before the Industrial Revolution, the majority of goods were made by hand. Since the Industrial Revolution, manufacturing has developed increasingly important, with many goods in mass production of the products. Mass production means that goods can be produced much more quickly and with more precision. This may lower the prices and makes many consumer goods cheaper, also reach the general public's desires of buying a cheap product with good quality. When the assembly line was introduced into manufacturing, production further skyrocketed. Then, in the early 20th century, the manufacturing sector introduced a conveyor belt that physically moved products through the factory, from one station to the next. Each station also had a worker responsible for fulfilling a specific stage in the production process. This simple conveyor belt tripled production, and changed manufacturing forever, also helped the companies to distribute the product to the consumer fast.

Today’s advancement of computer technology allows manufacturers to do more with less time. Now, thousands of items can be manufactured within the space of minutes. Computer technology can be used to assemble, test and track production. Each year, technology continues to make manufacturing increasingly efficient, faster and more cost-effective. However, automation also eliminates many manufacturing jobs, leaving skilled employees without work.

2.1.6 Manufacturing Industry in Indonesia and Their Practices on CSR Disclosure

Based on data released by the United Nations Statistics Division in 2016, Indonesia is ranked fourth in the world of 15 countries whose manufacturing industry contributes to more than 10 per cent of Gross Domestic Product (GDP). Indonesia was able to contribute up to 22 percent after South Korea (29 percent), China (27 percent), and Germany (23 percent). In addition, the industry's contribution to GDP could be more than 20 percent, one of the factors is the prevailing policy in the country in encouraging the manufacturing sector. From the 15 countries surveyed, the average contribution was only 17 percent. The UK contributes around 10 percent, while Japan and Mexico are below Indonesia with 19 percent of their contribution.

"The current paradigm of the global manufacturing industry views the production process as a whole between the pre-production, production and postproduction processes. Therefore, we can no longer see production only in factories, "said Indonesia Minister of Industry, Airlangga Hartarto at the National Convention on Machine Vocational Body, Indonesian Engineers Association (PII) in Jakarta (Kemenperin, n.d.). Additionally, the industrial sector development is not something that can be solved independently by one or two institutions but requires a strong commitment from all components and stakeholders from upstream to downstream, as well as from policymakers to the industry players themselves. Hence, with Indonesia's precious natural resources potential, it is expected that it is crucial for all parties to have an obligation to use natural resources in the country to be able to be fully utilized for the prosperity of the Indonesian people. Therefore, all parties should focus on encouraging the enhancement of industry program because it has a broad effect on the economy such as an increase in the value added of domestic raw materials, employment, and foreign exchange earnings through exports.

As the rise of manufacturing sector nowadays, people may see that this industry has a significant impact on the society. The manufacturing companies provide the more accessible product that can be easily bought by the consumers, then they also affect and give the benefits for the life of the people. However, as the manufacturing companies are starting to expand their operation, it is not avoidable that they need materials and more resources form the environment. For example, the manufacturing companies take more and more natural resources as the material for their operations to create their products. Companies hire more people to be able to meet the target production as the demand for the products starts to increase. Companies involve more energy, such as electricity, water, gas, and gasoline to turn on their machine to start the production. Moreover, the manufacturing companies also contribute to a rise of an enormous amount of waste and pollution to the environment.

Since the manufacturing companies are affecting and being affected by the society and the environmental condition, it is responsible for them to concern on the CSR issues and discloses the information regarding their CSR activities to the public. Moreover, the company has begun to engage in Corporate Social Responsibility (CSR) activities and disclose information about CSR activities in the companies' annual reports and website to enhance their sustainability development. Additionally, as stated by Sobhani, Amran, & Zainuddin (2012) a sustainable development is now becoming the top agenda for most of the leading global businesses and corporations currently.

2.2 Theoretical Framework

2.2.1 Stakeholder Theory

Many prior researchers examined the concept of stakeholder theory that broadly used to define and analyse the relationship between companies and individuals and groups in society (Logsdon and Yuthas, 1997; Gago and Antolin, 2004; Buchholz and Rosenthal, 2005; Boesso et al., 2013; Lanis and Richardson, 2013). The stakeholder theory stated that a company must provide benefits to its stakeholders, not only to the entity that operates for its own sake (shareholders, creditors, consumers, suppliers, governments, communities, analysts and other parties) (Ghozali and Chariri, 2007).

Thus, it support stakeholders which had important influences on the existence of the company. The company struggles to manage its stakeholders by using various ways, depending on the strategy used by the company. Companies may use active or passive strategies (Ghozali and Chariri, 2007).

One of the main themes of stakeholder theory relates to how managers consider the management and company’s success (Donaldson and Preston, 1995). Stakeholder theory can be divided into three types, specifically instrumental, normative, and descriptive (Donaldson and Preston, 1995). The instrumental aspect examines the relationship between stakeholder management and the company's traditional goals such as profitability. This instrumental aspect is related to consequences (Margolis and Walsh, 2003). The normative aspect identifies the moral or philosophical guidelines of the operations and management of the company (Donaldson and Preston, 1995). Descriptive aspects focus on what and to what extent managers' roles and actions are following the interests of stakeholders (Margolis and Walsh, 2003).

The role of managerial leadership is very significant in stakeholder theory because strategic decisions are made by influential actors in the organisation (Huang (2013)). The Chief Executive Officer (CEO) is one of the influential actors in the company. The CEO's strategic choice is based on personal understanding which is a function of experience, personality and values (Hambrick, 2007). The substance of the existence of CSR is in order to reinforce the sustainability of the company to build a relationship between stakeholders facilitated by the company by developing community development programs or the ability of the company to adapt to the environment, communities and stakeholders that are related locally, nationally and globally (Dentchev, 2004).

Formal corporate law in Indonesia states that companies in Indonesia have two types of boards in the corporate structure namely supervisory boards (board of commissioners) and management board (board of directors) (Darmadi, 2013). The board of commissioners supervises and controls the role of management, while the board of directors manages the day-to-day activities of the company. (Weimar and Pape, 1999).

Stakeholder theory states that top management teams (TMT) or top-level executives are agents for stakeholders (shareholders, employees, community, environment, and others) and must balance all the interests of each stakeholder (Smith, 2003). In large companies, the dominant combination of individual managers tend to take control of the decision making. The term of office of the manager (management tenure) in a company can be a useful measurement of individual managerial knowledge about the company and its stakeholders and to what extent it has known the company's organizational culture (Melo, 2012).

According to Gray et al. (1996), stakeholders are recognised by companies and by orientation to the level of corporate beliefs so that the relationship with each group needs to be managed in order to advance the interest of the corporation. Corporate stakeholders are those people who can affect or are affected by the achievement of corporate actions, decisions, policies or goals. This includes groups such as shareholders, creditors, suppliers, the government, customers, competitors, employees,

employees' families, media, the local community, local charities, and future generations (Deegan, 2001, Carrol and Bucholtz, 2006). Stakeholder theory is supported by social contact and legitimacy theories (Hoque 2007). In a definition of stakeholder theory, Burton and Dunn (1996) identified that stakeholder theory was stakeholder management of the relationship between quality, care, and need. Stakeholder theory suggests that companies will manage such relationships based on different factors such as the nature of the task environment, the salience of stakeholder groups and the values of decision-makers who determine the shareholder ranking process (Donaldson and Preston, 1995).

Additionally, stakeholders theory has two branches, they are ethical and managerial (Deegan, 2001). In the ethical branch, all stakeholders have rights from companies to measure information, and their rights should not be violated because their acknowledgement can lead to better corporate financial performances. Management should organise the benefits of all stakeholders (Hasnas, 1998). Environmental disclosures are considered to be in a responsible way driven (Deegan, 2001). In the managerial branch of stakeholder theory, corporate management is trying to satisfy the demands of the information of those stakeholders who are essential to the corporation's ongoing survival. Provision of information will be dependent on how powerful they are perceived to be. This is because stakeholder's expectations will impact corporate operations and disclosure policies. Thus, corporations will respond to those concerns.

Many previous academic research on environmental disclosures in corporate annual reports have involved the stakeholder theory approach (Roberts, 1992). Mostly, it shows that companies disclose environmental information in their annual reports following the demands of stakeholders (Raar, 2002, Campbell et al., 2003, Campbell, 2003). In this theory, environmental disclosures in corporate annual reports are a critical element that companies can use to negotiate their stakeholder relationship (Roberts, 1992). For example, Wilmshurst and Frost (2000), using annual reports and a questionnaire of Australian listed companies during 1994 to 1995, it was found that companies were influenced by their stakeholders, especially customers, financial institutions, communities, and suppliers, to provide environmental disclosures in their annual reports. In addition, it is also found that stakeholders could be more effective than others in demanding the social responsibility disclosures. Nue et al. (1998) reviewed annual reports of publicly traded Canadian companies in environmentally sensitive industries from 1982 to 1991. However, the results showed that companies were more reactive to the demands of financial stakeholders and regulations of government than to the concerns of environmentalists and other stakeholder groups. Lynn (1992) found why listed companies in Hong Kong had low levels of corporate environmental disclosures. It is because they were not under any pressure from consumer and other stakeholder groups. On the other hand, Lena et al. (2007) found that it was complicated to explain why Spanish listed companies published environmental information in their annual reports using stakeholder theory.

Stakeholder theory is closely associated with legitimacy theory and the two are often used to complement each other (Deegan, 2002). Stakeholder theory is concerned with the method that an “organisation manages their stakeholders” (Gray et al., 1997,

p. 333). Freeman (1984) described a stakeholder as a group or individual who can affect or is affected by the achievement of a firm's goals. He further develops the stakeholder concept into a corporate social responsibility model of stakeholder management. The focus of stakeholder theory is pronounced in two perspectives concerning the purpose of the firm and the responsibility of managers to stakeholders (Freeman, 1984; Freeman et al., 2004). The second perspective encourages managers to communicate how they want to do business, specifically what kind of relationships they want and need to create with their stakeholders to deliver on their purpose. Managers must develop relationships with stakeholders, motivate their stakeholders, and create communities where everyone strives to give their best to deliver the value the firm promises (Freeman et al., 2004).

Stakeholder theory claims that whatever the objective of the corporation or another form of business activity, managers must take into account the legitimate interests of those groups and individuals who can affect (or be affected by) their activities (Donaldson and Preston, 1995; Freeman, 1984). The corporation's sustained existence requires the stakeholder's support, and their approval must be sought, and the activities of the corporation adjusted to gain that approval. The more powerful the stakeholders, the more the company must adapt (Gray et al., 1995). Based on Freeman's model, Ullmann (1985) make a 3D model to analyse the relationships among corporate social performance, social disclosure, and economic performance. The 3D is stakeholder power, the corporation strategic posture toward corporate social activities, and the company's past and current economic performance.

Ullmann (1985) claimed that the power of stakeholder's power is connected to the strategic posture adopted by the corporation and an organisation's strategic posture "describes the mode of response of an organisation's key decision makers towards social demands". The corporation's way to manage its stakeholders is dependent upon the strategic posture adopted by the corporation. Organisations may adopt an "active" or "passive" strategic posture. Corporations that adopt an "active" posture pursue to influence their organisation's relationship with important stakeholders (Ullmann, 1985). In contrast, the corporation with a "passive" posture is neither involved in constant monitoring activities of the stakeholders nor purposely searching for an optimal stakeholder strategy (Ullmann, 1985). The lack of stakeholder engagement inherent in a "passive" strategic posture is expected to result in low levels of social disclosure and low levels of social performance (Ullmann, 1985).

2.3 Hypothesis Formulation

Nowadays companies focus on environmental issues in the sense of nature as an essential aspect for the community. There have been many people who are aware of this problem both individually and organizationally. Many companies currently not only provide a source of income for the surrounding community but also provide employment opportunities for the people. Though, the factory can also affect the surrounding environment that serious environmental problems. The emergence of these environmental problems results in the health of the surrounding population. Poor environmental conditions eventually cause problems for the surrounding population such as disease outbreaks and ecosystem damage. Hence, most of the companies in many sectors of the business are starting to shift their concern to a more socially and environmentally responsible.

In addition, the CSR concept has also been viral in Indonesia business environment of the manufacturing companies since many environmental problems occur. One of the issues of environmental incidents was the hot mud floods as a failure and a significant incident caused by oil and gas company of Lapindo Brantas in East Java, environmental damage in Indonesia was caused by the world's largest mining company namely as PT. Freeport Indonesia, in Grasberg minerals district in West Papua, and in Newmont Mining Corporation which has caused arsenic pollution in the community and is also suspected of causing high mortality of children and women in Sulawesi. Additionally, in 2014, PT Semen Indonesia as the largest cement producer in Indonesia, began a long controversy of a new factory construction in Central Java. The residents of the North Kendeng Mountains reject the development plan and the local communities also refused.

Due to those social and environmental problems, many companies in the manufacturing industry are starting to aware to focus on the CSR activities and to disclose their CSR information on financial statements under the demands of stakeholders. Currently, stakeholders do not only see the profit figures that the company gets, but also question what the company contributes to society (Anita, Jurnali, & Meiliana, 2017). Moreover, Jeffery (2009) mentioned that stakeholder engagement is a significant part of corporate social responsibility (CSR), that it can enhance the decision making and accountability of the companies' activities. It is related to all of the business sectors, whereby companies may receive feedback from stakeholders in the decision-making process. Stakeholder engagement has been a crucial issue today with understandings that the companies may have a necessity to change their objectives and operations as a result of stakeholder engagement in CSR (Jeffery, 2009).

Additionally, Isaksson & Steimle (2009) mention that company's sustainability is developed to become one of the most prominent issues of the global economy currently. Corporate sustainability recognizes the importance of growth and profitability of a firm, along with the companies' social goals (Wilson, 2003). Hence, it can be assumed that the financial performance of the company may be in better condition due to the CSR. However, there are many prior researchers find a negative relationship between financial performance and CSR. According to understanding, it consumes the resources of the company without any substantial return (Friedman, 1970). In other words, social action includes a lot of costs which affects profit negatively. For example, much more cost incurred in different CSR activities, for example, better working conditions, donations, eco- friendly equipment, pollution control, and many more. Hence, in order to be able to conduct and disclose the CSR activities conducted by the company, the company may assume that it will not be beneficial for its financial performance.

On implementing the CSR reporting initiatives, it can be a very costly and time-consuming procedure (Charitoudi, Giannarakis, & Lazarides, 2011). In other words, CSR initiatives need supports of a certain level of financial resources. High profitability leads the companies to have additional capacity to absorb rising costs such as the CSR cost. This condition maintains the company position to be stable and strong to face competition in the market (Pahuja, 2009). If the company's profit margin is higher than the industry, then the community has greater confidence in the company (Pahuja, 2009). As a result, the company is expected to disclose more information and inform the public about the social and environmental activities that they do in more detail.

The CSR issue and its relationship with financial performance attract the researcher to go more in-depth on doing the investigation on the relationship between the companies' financial performance and CSR disclosure in their annual reports. Prior studies indicate a particular difference in the results regarding the relationship between Corporate Social Responsibility and Financial Performance. This research examines the effect of Financial Performance on Corporate Social Responsibility which is measured with Profitability (Return on Equity), Leverage (Debt to Assets), and Firm size.

2.3.1 Profitability (Return on Equity)

ROE as the measurement of high profitability will make the company have additional capacity to generate profit from equity that they have been used. This makes the company able and strong enough to face competition in the market

(Pahuja, 2009). If the company's profit margin is higher than the industry, the community has greater confidence in the company (Pahuja, 2009). As a result, the company will choose to disclose more information to inform the public about the social and environmental activities that they do in more detail. The study from (Chen, Feldman, & Tang, 2015; Waworuntu, Wantah, & Rusmanto, 2014; Angelia & Suryaningsih, 2015; Maqbool & Zameer, 2017) showed a positive relationship between Return On Equity (ROE) and Corporate Social Responsibility Disclosure. This becomes a challenge for the researcher to know further about this relationship. Hence, the proposed hypothesis is mentioned as follows:

H1: Return on Equity (ROE) has positive effect on Corporate Social Responsibility Disclosure.

2.3.2 Leverage (Debt to Assets)

Leverage is the company's dependence on debt in financing its operations (Abriyani, Wiryono & Sumirat, 2012). High leverage can put a company in a risky position such as being under pressure from creditors or banks because it violates the conditions of the debt agreement. Therefore, companies tend to report high profits by reducing costs including the costs of disclosing CSR. This is to convince creditors about the company's performance and there is no violation of the debt agreement. Prior studies show that the relationship between Corporate Social Responsibility toward Leverage has a consistent result.

The result from prior studies (Anita, Jurnali, & Meiliana, 2017; Al-Baab & Yunia, 2017; Suaryana & Febriana, 2011) between Leverage and Corporate Social Responsibility Disclosure showed a negative relationship. This becomes the challenge for the researcher whether true or not; it is consistently showing a negative relationship between Corporate Social Responsibility and Leverage. Hence, the proposed hypothesis is mentioned as follows:

H2: Leverage has negative effect on Corporate Social Responsibility Disclosure.

2.3.3 Firm Size

Large companies are expected to have more financial and human resources to compile, analyze and disclose CSR information (Naser and Hassan, 2013). Large companies are more likely to be involved in activities that require more disclosure of those activities, including the CSR. Large companies also get tighter supervision from stakeholders than small companies. Therefore, large companies tend to express better voluntary information such as CSR information (Pahuja, 2009). Prior studies show that the relationship between Firm Size and Corporate Social Responsibility Disclosure have an inconsistent result. The result from the prior studies (Hackston and Milne,1996; Anita, Jurnali, & Meiliana, 2017; Suaryana & Febriana, 2011; Al-Baab & Yunia, 2017) showed that firm size has a significant and positive effect on CSR disclosure. Other studies such as Roberts (1992), Rahman and Widyasari (2008) did not found significant influence between firm size and Corporate Social Responsibility disclosure. Hence, this is the hypothesis. Due to these different findings in many prior studies, the researcher is encouraged to examine the same issues. Hence, the proposed hypothesis is mentioned as follows:

> **H3**: Firm Size has positive significant effect on Corporate Social Responsibility Disclosure.

2.4 Conceptual Framework

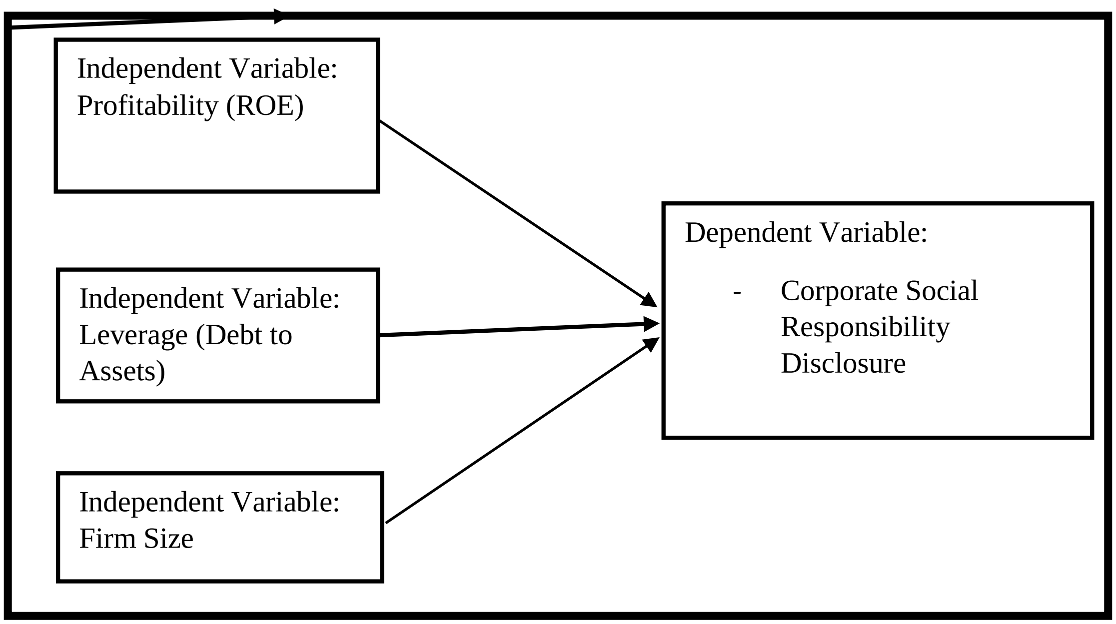

Figure 2.1 Conceptual Framework

CHAPTER III

RESEARCH METHODOLOGY

In this chapter, the researcher explained the methodology of the research. This chapter contained the type of the study, the population and sample, data collection method, research variables, and data analysis technique.

3. 1 Type of the Study

There are two types of research which are quantitative and qualitative research. Quantitative research is used to measure the problems to create numerical data or data that can be changed into usable statistics. It is used to give the numbers on opinions, attitudes, behaviours, and other defined variables. It is used to generalise results from a larger sample population. Quantitative research use data that is computable to formulate facts and reveal patterns in research. Quantitative data collection methods are much more settled than qualitative data collection methods. Quantitative data collection methods include numerous forms of surveys such as paper surveys, online surveys, mobile surveys and kiosk surveys, face-to-face interviews, telephone interviews, systematic observations, longitudinal studies, website interceptors, and online polls (Hadi, 2009).

On the other hand, qualitative research is mainly exploratory research which are used to gain an understanding of underlying reasons, opinions, and motivations. It provides understandings into the problem or helps to develop ideas or hypotheses for potential quantitative research. Hence, it can be concluded that the type of research used in this research was quantitative research (Hadi, 2009).

As stated by Hadi (2009), data is information that would be examined and used to verify the truth of a certain theory which could achieved about something or look for an answer toward the hypothesis that has been designed. In addition, as defined by Saunders, Lewis, and Thornhill (2012) concerning the data sources, there are two types of data sources which are primary and secondary data. Primary data is information collected by the researcher directly through instruments such as surveys, interviews, focus groups or observation. This data is observed or collected directly from the respondents. Meanwhile, secondary data is fundamentally primary data obtained by someone else. The researcher used and repurpose information as secondary data because it is easier and less complicated to be collected. Hence, it can be concluded that this research used the secondary data.

3.2 Population and Sample

The population of this study is the entire of the research objects to be studied (Hadi, 2009). In that population, there is a problem necessary to be investigated. The population may consist of persons, bodies, institutions, groups, which will be the source of information in the research conducted. Hence, the population is the entire object of the research and the research sample taken from the population (Kasiram, 2010). From the previous explanation, the target populations in this research were the manufacturing companies listed in Indonesian Stock Exchange. There were 146 companies considered to be the population in this research.

Otherwise, some research terms typically describe sample as the data that enable the researcher to observe the objects and ensure to generalise the findings from the research sample to the population as a whole. In addition, as mentioned by Hadi (2009), the research samples are some part or representatives of the population that have similar characteristics to the population, taken as a source of research data. This research concerned on companies that have an operation in Indonesia and used some criteria. Hence, this research used purposive sampling method.

The researcher used a purposive sampling technique to determine the sample observed in this research. As mentioned by Saunders, Lewis, and Thornhill (2012), purposive sampling is a technique on determining the samples by developing specific purpose or criteria that should be met by the samples. In other words, it is a non-probability sampling technique that the sample is selected based on the characteristics of a population and the objective of the research. In this research, the purposes or criteria used in this purposive sampling were:

1. The company was included in the manufacturing industry category.
2. The company was listed on the Indonesia Stock Exchange from 2015 to 2017.
3. The company was included in the manufacturing sector of the business that published annual reports on December 31 during the observation in the period from 2015 to 2017.

4. Financial reports and annual reports issued using the Rupiah currency consistently.
5. Companies disclosed the Corporate Social Responsibility in their annual report consistently from 2015 to 2017.

After collected the data, the researcher found that there were only 30 manufacturing companies which fulfil all the criteria and the characteristics of the purposive sampling technique. Hence, the researcher focused on examining the sample to obtain the data for this research.

3.3 Data Collection

In this study, the researcher had used secondary data. Secondary data means a source of research data obtained by the researcher indirectly through the second party or it is obtained and recorded from other parties. In this research, the researcher downloaded the annual report from 2015 to 2017 of all manufacturing companies that listed in Indonesia Stock Exchange via the website www.idx.co.id and analyzed the annual report to determine the suitable companies and all the data regarding the characteristics that had already set by the researcher as the purposes of the sampling technique.

3.4 Research Variable

This research consisted of three independent variables and a dependent variable. As mentioned previously by the researcher, this research aimed to examine the effect of the company's financial performance on the Corporate Social Responsibility (CSR) disclosure in the company's annual report. The independent variable examined are three items of the company's financial performance which consisted of the company's profitability (Return on Equity), Leverage (Debt to Assets), and Firm Size. In addition, the dependent variable examined is Corporate Social Responsibility (CSR) Disclosure. All of the independent and dependent variables are explained in detail as follow:

3.4.1 Independent Variable

a. Profitability (Return on Equity)

ROE is a ratio that concerns about equity of company since it measures its ability to earn the return on their equity investments. ROE might increase dramatically without any addition of equity when it can simply benefit from a higher return helped by a larger asset base. As a company increases its asset size and generates a better return with higher margins, equity holders can retain much of the return growth when additional assets are the result of debt use. The calculation of ROE is according to Angelia & Suryaningsih (2015) is as follow:

$$\boxed{Return\ On\ Equity = \frac{Net\ Income}{Total\ Equity}}$$

b. Leverage (Debt to Asset)

Leverage results from using borrowed capital as a funding source when investing to expand the firm's asset base and generate returns on risk capital. Leverage is an investment strategy of using borrowed money specifically, the use of various financial instruments or borrowed capital to increase the potential return of an investment. Leverage can also refer to the amount of debt a firm uses to finance assets. When one refers to a company, property or investment as "highly leveraged," it means that item has more debt than equity. This calculation is according to Anita, Jurnali, & Meiliana (2017) as follows:

$$\boxed{Leverage = \frac{Total\ Debt}{Total\ Assets}}$$

c. Firm Size

Firm size in the research was measured by using the ratio scale with logarithm (Log) the total value of the company's assets as a measure, both fixed assets owned by the company (Al-Baab & Yunia, 2017). Thus, the calculation is as follow:

$$\boxed{Size = Log\ (Total\ Assets)}$$

3.4.2 Dependent Variables

The Corporate Social Responsibility measurement used in this research refers to the instrument used by Suaryana and Febriana (2011), which grouped Corporate Social

Responsibility information into six categories and consisted of 79 items of CSR information. According to the GRI Standard as the standard for reporting the CSR information, the detail of those categories and the items are in detail mentioned as follows:

1. Economic

Code	Description
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
EC2	Financial implications and other risks and opportunities for the organization’s activities due to climate change.
EC3	Coverage of the organization’s defined benefit plan obligations.
EC4	Significant financial assistance received from government.
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.

2. Environmental

Code	Description
EN1	Materials used by weight or volume.
EN2	Percentage of materials used that are recycled input materials.
EN3	Direct energy consumption by primary energy source.
EN4	Indirect energy consumption by primary source.
EN5	Energy saved due to conservation and efficiency improvements.
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.
EN8	Total water withdrawal by source.
EN9	Water sources significantly affected by withdrawal of water.
EN10	Percentage and total volume of water recycled and reused.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
EN13	Habitats protected or restored.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.
EN16	Total direct and indirect greenhouse gas emissions by weight.
EN17	Other relevant indirect greenhouse gas emissions by weight.

EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN19	Emissions of ozone-depleting substances by weight.
EN20	NO, SO, and other significant air emissions by type and weight.
EN21	Total water discharge by quality and destination.
EN22	Total weight of waste by type and disposal method.
EN23	Total number and volume of significant spills.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
EN30	Total environmental protection expenditures and investments by type.

3. Social – Labour Practices and Decent Works

Code	Description
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.

LA3	Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation.
LA4	Percentage of employees covered by collective bargaining agreements.
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.
LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advice on occupational health and safety programs.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
LA9	Health and safety topics covered in formal agreements with trade unions.
LA10	Average hours of training per year per employee by gender, and by employee category.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

4. Social - Human Rights

Code	Description
HR1	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
HR4	Total number of incidents of discrimination and corrective actions taken.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.

5. Social – Society

Code	Description
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.
SO2	Percentage and total number of business units analyzed for risks related to corruption.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.
SO4	Actions taken in response to incidents of corruption.

SO5	Public policy positions and participation in public policy development and lobbying.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

6. Social – Product Responsibility

Code	Description
PR1	Life cycle stages in which health and safety, impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.

The maximum items of the CSR in total were 79 items. The CSR as the dependent variable had a ratio scale and was measured using the CSR items checklist. Each CSR item in the research instrument was given a value of 1 if disclosed, and a value of 0 if not disclosed. This variable used nominal scale using dummy variable measurement. The formula for calculating CSR referred to a research from Suaryana and Febriana (2011) as follows:

$$\boxed{CSRj = \frac{\Sigma Xij}{n}}$$

Information:

CSRj: Index of disclosure of corporate social responsibility j;

Xij: Dummy variable; Score 1 for disclosed CSR items and Score 0 for undisclosed items;

n: Total CSR items maximum of 79 items.

3.5 Analysis Technique

This research consisted of two kind of analysis technique, the first was descriptive statistic and the second was multiple linear regression to analyse the research. These techniques were explained in detail as follows:

3.5.1 Descriptive Statistic

Descriptive statistics are statistics that described phenomena or characteristics of the data that have been collected without any applicable conclusions to be generalised. Descriptive statistics will certainly analyse research with census techniques, which use data throughout the population. Otherwise, if the study uses samples, the analysis is not enough to only use descriptive statistics but also use inferential statistics. Descriptive statistics can be used in sample research if researchers only want to describe sample data, without intending to make conclusions that apply to the population in which the sample was taken. However, if the researcher intends to draw conclusions that apply to the population, the analysis technique must use inferential statistics (Wiyono, 2011). This descriptive statistic consists of: mean, median, minimum, maximum, and standard deviation. The descriptive statistic shows Corporate Social Responsibility data regarding Return on Assets (ROA), Leverage (Debt to Assets), and Firm Size.

3.5.2 Classical Assumption Test

1. Normality Test

Normality test is conducted to measure the distribution of data in a group of data or variables, whether the data distribution is normally distributed or not. The data from the research results do not all follow the assumption of the normal distribution (Nurgiyantoro, 2009). Thus, to test the normality of the data it should be tested through Kolmogorov Smirnov. If the value of significant level was more than 0.05, it was normally distributed. In contrast, if the value of significant level was less than 0.05, it was abnormally distributed

2. Multicollinearity Test

Multicollinearity test is a method to utilise and assure whether a regression model has intercorrelation among independent variable within regression. The regression model is good when it did not occur multicollinearity. It could be seemed by the value of tolerance and variance inflation factor (VIF). As tolerance value closer to the value of 0 allegedly there was an error in multicollinearity and vice versa to the value of 1. In addition, as if VIF value was over 10, it concluded that there were errors in multicollinearity. Those errors could be fixed by eliminating an independent variable, transformation variable, and adding the data.

3. Heteroscedasticity Test

This method was done to test whether within regression model occurred variance inequality on residual from one observation to another. A good regression model occurs when one residual variance to another is the same or fix called Homoscedastic and if it is not, it is called Heteroscedastic. Heteroscedasticity test could be done by a Glesjer test, and it could be seen from its significance probability as the significant value more than 0.05, thus regression model was not heteroscedastic and vice versa.

3.5.3 Multiple Linear Regression

Multiple regression is a method for predicting the changes in a single continuous dependent variable in response to changes in two or more continuous or categorical independent variables. As a statistical tool deemed to be used for testing hypotheses one to three mainly because the dependent variable (Corporate Social Responsibility disclosure) examined in those three hypotheses was classified as a continuous variable. All of the independent variable and the dependent variable can be examined by this statistical tool since the classification of predictors, either continuous or categorical it does not matter for multiple regression. Thus, to test their relationship between independent variable (Return on Assets, Debt to Assets, Firm Size) and the dependent variable (Corporate Social Responsibility Disclosure), this research utilized multiple regression as follow:

$$Y = a + b1\ X1 + b2\ X2 + b3\ X3$$

Information:

Y = Corporate Social Responsibility Disclosure

a = Constant

X1 = Profitability (Return on Equity)

X2 = Leverage (Debt to Assets)

X3 = Firm Size

CHAPTER IV

DATA ANALYSIS AND DISCUSSION

4.1 Overview

This chapter described the results of the research after all the data required in this study were collected. The researcher analyzed the data that had been collected following the problem formulations and hypothesis formulations that had been presented in the previous chapter. The results of this analysis were used to determine whether the research hypothesis was accepted or rejected under the purpose of this study. Chapter four explained and presented the descriptive statistical analysis of the 30 samples annual report obtained from the website of Indonesia Stock Exchange Listed Companies. This chapter contains the characteristic analysis of independent variable (Return on Equity, Leverage, Firm Size), and the characteristic analysis of the dependent variable (Corporate Social Responsibility Disclosure).

4.2 Result of Data Analysis

Hadi (2009) mentioned that descriptive statistics is an analysis as a way of analysis by describing data that had been obtained as it is without drawing a generally accepted conclusion. The descriptive statistic in this research gives information about the independent variable (Return on Equity, Leverage, Firm Size) and the dependent variable (Corporate Social Responsibility Disclosure).

4.2.1 Descriptive Statistic of Independent Variable

Table 4.1 Descriptive Statistic of Independent Variable

Variable	Minimum	Maximum	Mean	Std. Deviation
Return on Equity	-0.25	1.36	0.1504	0.24674
Leverage	0.00	0.88	0.4190	0.20930
Firm Size	11.14	14.47	12.5573	0.81920

Source: Secondary data processed, 2018

Table 4.2 Return on Equity Ratio Company Sample

NO	Company Code	Year		
		2015	2016	2017
1	INTP	0.18	0.15	0.08
2	SMCB	0.02	0.00	0.00
3	AMFG	0.10	0.07	0.01
4	ARNA	0.08	0.10	0.12
5	TOTO	0.19	0.11	0.16
6	ALKA	-0.02	0.01	0.20
7	ALMI	-0.09	-0.25	0.02
8	TIRT	-0.01	0.23	0.01
9	GDST	-0.07	0.04	0.01
10	SCCO	0.17	0.28	0.10
11	PICO	0.06	0.05	0.06
12	KBLM	0.04	0.07	0.06
13	MBTO	-0.03	0.02	-0.06
14	DPNS	0.04	0.04	0.02
15	EKAD	0.16	0.15	0.11
16	INCI	0.11	0.04	0.06

NO	Company Code	Year		
		2015	2016	2017
17	AUTO	0.03	0.05	0.05
18	ULTJ	0.19	0.20	0.17
19	APLI	0.01	0.09	0.05
20	IGAR	0.17	0.19	0.16
21	CPIN	0.14	0.16	0.16
22	JPFA	0.28	0.34	0.11
23	ASII	0.12	0.13	0.15
24	GJTL	-0.06	0.11	0.01
25	KAEF	0.13	0.12	0.13
26	INDF	0.09	0.12	0.11
27	MYOR	0.36	0.37	0.33
28	ROTI	0.23	0.19	0.05
29	HMSP	0.44	0.47	0.47
30	UNVR	1.21	1.36	1.35

Source: Secondary data processed, 2018

Profitability with the Return on Equity ratio was measured by dividing net income with the total equity. Table 4.1 showed Return on Equity variable had minimum value with a ratio of -0.25. The company that had Return on Equity ratio of -0.25 was Alumindo Light Metal Industry Tbk (ALMI) in 2016. This -0.25 ratio or -25% reflected that these two companies produced -25% loss from the total equity. The maximum value for Return on Equity ratio was 1.36 or 136%. The company that had the ratio of 1.36 was Unilever Indonesia Tbk (UNVR) in the year of 2016. Therefore, Unilever Indonesia (UNVR) could produce 136% of the profit from the total equity they had been used. The mean value of Return on Equity was 0.1504 it reflected that the Indonesia Stock Exchange-listed companies averagely produced 15.04% profit from the total equity that they had been used.

Table 4.3 Leverage Ratio Company Sample

NO	Company Code	Year		
		2015	2016	2017
1	INTP	0.14	0.13	0.15
2	SMCB	0.51	0.59	0.63
3	AMFG	0.21	0.35	0.43
4	ARNA	0.37	0.39	0.36
5	TOTO	0.39	0.41	0.40
6	ALKA	0.57	0.55	0.74
7	ALMI	0.74	0.81	0.84
8	TIRT	0.88	0.84	0.86
9	GDST	0.32	0.34	0.34
10	SCCO	0.48	0.50	0.32
11	PICO	0.59	0.58	0.61
12	KBLM	0.55	0.50	0.36
13	MBTO	0.33	0.38	0.47
14	DPNS	0.12	0.11	0.13
15	EKAD	0.25	0.16	0.17
16	INCI	0.09	0.10	0.12
17	AUTO	0.29	0.28	0.27
18	ULTJ	0.21	0.18	0.19
19	APLI	0.28	0.31	0.43
20	IGAR	0.19	0.15	0.14
21	CPIN	0.49	0.42	0.36
22	JPFA	0.64	0.51	0.00
23	ASII	0.48	0.47	0.47
24	GJTL	0.69	0.69	0.69
25	KAEF	0.40	0.51	0.58
26	INDF	0.53	0.47	0.47
27	MYOR	0.54	0.52	0.51
28	ROTI	0.56	0.51	0.38
29	HMSP	0.16	0.20	0.21
30	UNVR	0.69	0.72	0.73

Source: Secondary data processed, 2018

Leverage using Debt to Assets ratio was measured by dividing the total debt/liabilities with total assets. The descriptive statistic result of Leverage showed relatively wide range between the minimum value and maximum value. The minimum value for Leverage was 0.00 ratio. The company that had 0% of Leverage was Japfa Comfeed Indonesia Tbk (JPFA) in 2017, which mean the assets of Japfa Comfeed Indonesia Tbk were financed by debt as a percentage of 0%. Meanwhile, the maximum value for Leverage ratio was 0.88. Tirta Mahakam Resources Tbk (TIRT) showed the Leverage at 88% in the year 2015, which mean all the assets that Tirta Mahakam Resources Tbk had are financed by debt. The mean value for Leverage was 0.4190 or 41.9%, which means it reflected that Indonesia Stock Exchange-listed companies relatively finance the assets using debt.

Table 4.4 Firm Size Company Sample

NO	Company Code	Year		
		2015	2016	2017
1	INTP	13.44	13.48	13.46
2	SMCB	13.24	13.30	13.29
3	AMFG	12.63	12.74	12.80
4	ARNA	12.16	12.19	12.20
5	TOTO	12.39	12.41	12.45
6	ALKA	11.16	11.14	11.48
7	ALMI	12.34	12.33	12.38
8	TIRT	11.88	11.91	11.93
9	GDST	12.07	12.10	12.11
10	SCCO	12.25	12.39	12.60
11	PICO	11.78	11.81	11.86
12	KBLM	11.82	11.81	12.09
13	MBTO	11.81	11.85	11.89
14	DPNS	11.44	11.47	11.49
15	EKAD	11.59	11.85	11.90
16	INCI	11.23	11.43	11.48
17	AUTO	13.16	13.16	13.17
18	ULTJ	12.55	12.63	12.71
19	APLI	11.49	11.58	11.60
20	IGAR	11.58	11.64	11.71
21	CPIN	13.40	13.38	13.39
22	JPFA	13.23	13.28	13.32
23	ASII	14.39	14.42	14.47
24	GJTL	13.24	13.27	13.26
25	KAEF	12.54	12.66	12.79
26	INDF	13.96	13.91	13.94
27	MYOR	13.05	13.11	13.17
28	ROTI	12.43	12.47	12.66
29	HMSP	13.58	13.63	13.63
30	UNVR	13.20	13.22	13.28

Source: Secondary data processed, 2018

The result for Firm Size showed the smallest and the largest company, which was measured by Log (Total Asset). The smallest sample company was Alaska Industrindo Tbk (ALKA) with the value of 11.14 in 2016. The biggest company was Astra International Tbk (ASII) with the value of 14.47 in 2017. The list of Firm Size Company samples was provided in Table 4.4. There were 30 samples of Indonesia Stock Exchange-listed companies that had a mean value of 12.55.

4.2.2 Descriptive Statistic of Dependent Variable

This section explained the descriptive statistic result for the dependent variable (Corporate Social Responsibility Disclosure). The analysis took samples of 30 Indonesia Stock Exchange-listed companies. The 30 samples of Indonesia Stock Exchange-listed companies disclosed their information about Corporate Social Responsibility on their annual report. Table 4.5 showed about the descriptive statistic result of Dependent Variable (Corporate Social Responsibility Disclosure).

Table 4.5 Descriptive Statistic of Dependent Variable

Variable	Minimum	Maximum	Mean	Std. Deviation
CSR Disclosure	0.05	0.56	0.2515	0.12897

Source: Secondary data processed, 2018

As presented in Table 4.5, the minimum value of Corporate Social Responsibility Disclosure index was 0.05 or only 5%. The company that had the lowest Corporate Social Responsibility Disclosure index was Pelangi Indah Canindo (PICO) Tbk with only disclosed four items. The maximum value for the Corporate Social Responsibility Index was 0.56 or 56%. The company that had the highest Corporate Social Responsibility Disclosure index was Japfa Comfeed Indonesia Tbk (JPFA) and disclose 44 items. The mean value for Corporate Social Responsibility Disclosure index was 0.2515 or 25.15%, which means that Indonesia Stock Exchange-listed companies already disclosed Corporate Social Responsibility information on their annual report, but it is not quite high.

4.3 Classic Assumption Test Result

The classic assumption test result was performed in order to see whether the assumption met the requirement of linear regression. The test consists of Normality Test, Multicollinearity Test, and Heteroscedasticity Test.

4.3.1 Normality Test

Normality Test is used in order to find out whether the regression model has residual variable normally distributed. To test the normality, the researcher conducted a One-Sample Kolmogorov-Smirnov Test. The result of Normality Test refers to the significance value above 0.05 which mean normally distributed. Table 4.6 showed the Kolmogorov-Smirnov test.

Table 4.6 Normality Test

		Unstandardized Residual
N		90
Normal Parameter	Mean	0.0000000
	Std. Deviation	0.08652848
Most Extreme Differences	Absolute	0.142
	Positive	0.142
	Negative	-0.108
Kolmogorov-Smirnov Z		1.350
Asymp. Sig. (2-tailed)		0.052

Source: Secondary data processed, 2018

As presented in Table 4.6, the data distribution was normal. Normality test represented the Kolmogorov-Smirnov value of 1.350 with the significance level of 0.052. Thus, the result was normally distributed due to p-value of more than 0.05 and regression model had already met the normality assumption.

4.3.2 Multicollinearity Test

Multicollinearity test was conducted in order to measure whether there was a correlation between the independent variable and the regression model. The result of Multicollinearity test can be seen in Table 4.7.

Table 4.7 Multicollinearity Test

Variable	Tolerance	VIF
Return On Equity	0.904	1.106
Leverage	0.977	1.024
Firm Size	0.906	1.103

Source: Secondary data processed, 2018

Table 4.7 showed that Multicollinearity Test Tolerance value was above 0.1 and all of the Variance Inflation Factor (VIF) was less than 10. Therefore, the Multicollinearity Test result stated that there was no multicollinearity problem brought in by the regression model.

4.3.3 Heteroscedasticity Test

Heteroscedasticity Test is performed with Glejser Test in order to find out if there is heteroscedasticity problem within the Independent Variable been used in this research. Table 4.8 below gives the result of Heteroscedasticity Test.

Table 4.8 Heteroscedasticity Test

Variable	Sig.
Return on Equity	1.000
Leverage	1.000
Firm Size	1.000

Source: Secondary data processed, 2018

From Table 4.8, it shows that all of the Independent Variable had 1.000. Heteroscedasticity with Glejser Test required all of the variables in the research must have significant value of above 0.05. Therefore, there was no Heteroscedasticity problem incurred.

4.4 Multiple Regression test

Multiple regression is a method for predicting the changes in a single continuous dependent variable in response to changes in two or more continuous or categorical independent variables. Statistical tool deemed to be used for testing hypotheses one to three mainly because the dependent variable (Corporate Social Responsibility disclosure) examined in those three hypotheses was classified as a continuous variable. All of the independent variable and the dependent variable can be examined by this statistical tool since the classification of predictors, either continuous or categorical, does not matter for multiple regression. The researcher decided to use the significance level of 0.05 and 0.1. The result of Multiple Regression Test with T-test, Simulant Significance Test (F Test), and Coefficient Determinant Test (R2 Test) is be presented in Table 4.9

Table 4.9 Multiple Regression Test

Variable	Initial Prediction	Coefficient	*p*-value
Constant		-0.973	0.000
Return on Equity	+	0.125	0.002
Leverage	-	-0122	0.008
Firm Size	+	0.104	0.000
	Model Summary		
Adjusted R Square		0.550	
Regression Model		0.000	

Source: Secondary data processed, 2018

From Table 4.9 above, it showed that the result of Multiple Regression Test for testing the Hypothesis for 1 to 3 variables. It is shown in Return on Equity that had p-value of 0.002. As the p-value of Return on Equity was smaller than 0.05 of significance level, it can be said that Return on Equity had a significant positive effect on Corporate Social Responsibility Disclosure. The company that had a high ratio of Return on Equity was associated to disclose more Corporate Social Responsibility information. Hence, Hypothesis 1 was supported.

Leverage as an independent variable had p-value 0.008. The result of the Leverage was significant. It can be said for Leverage to have a significant and negative effect on Corporate Social Responsibility Disclosure. The company that had high Leverage ratio tend to disclose less Corporate Social Responsibility information. Hence, Hypothesis 2 was supported.

Firm Size as an independent variable had p-value 0.000. As the value of Firm Size was smaller than the Significance level of 0.05, it can be said that Firm Size had significant and positive effect on Corporate Social Responsibility Disclosure. Bigger company will disclosed more Corporate Social Responsibility information. Hence, Hypothesis 3 was supported.

In addition, the Table 4.9 showed the result of the F Test with significance level of 0.000. As the value was below 0.05, it can be said that the Regression Model was significant. It means that all of the Independent Variable (Return on Equity, Leverage, Firm Size) affected the Corporate Social Responsibility Disclosure.

The result for R2 Test performed Adjusted R Square of 0.550 or 55%. It means that the variation of Corporate Social Disclosure was explained by the three Independent Variables at the percentage of 55%. For the rest of 45% was explained by other variables.

4.5 Interpretation of Result

According to all of the result of the test that was conducted, it can be concluded that there were three Independent Variables (Return on Equity, Leverage, and Firm Size) affecting the Dependent Variable (Corporate Social Responsibility Disclosure).

Table 4.10 The Result of Hypothesis Test

Hypothesis	Result
H1: Return On Equity	Supported
H2: Leverage	Supported
H3: Firm Size	Supported

Source: Secondary data processed, 2018

4.5.1 Return on Equity

As presented in Table 4.10, Hypothesis 1 was accepted with a positive effect of Financial Performance on Corporate Social Responsibility Disclosure. The result for the Hypothesis 1 was in line with the research of Chen, Feldman, & Tang, (2015);

Waworuntu, Wantah, & Rusmanto, (2014); Angelia & Suryaningsih, (2015); and Maqbool & Zameer, (2017). Return On Equity reflected the ability of a company to absorb the rising cost or generate more profit from the equity that had been used. This made the company able and strong enough to face competition in the market. If the company's profit margin was higher than the industry, the community had greater confidence in the company (Pahuja, 2009). The result of the test showed that the company with high Return On Equity would disclose more Corporate Social Responsibility Information. This ability was only used to report the investor of the company.

4.5.2 Leverage

As presented in Table 4.10, Hypothesis 2 was accepted with a negative effect of Financial Performance to the Corporate Social Responsibility Disclosure. The result of Leverage was in line with Anita, Jurnali, & Meiliana (2017); Al-Baab & Yunia (2017); Suaryana & Febriana (2011). High leverage can make the company placed in a risky position, such as being under pressure from the creditors or banks, it is because it violates the debt agreement condition (Abriyani, Wiryono, & Sumirat, 2012). Therefore, companies tend to report a high profit by reducing cost including the cost of Corporate Social Responsibility Disclosure. The result of the test showed that the company with high Leverage ratio tend to disclose less Corporate Social Responsibility information to increase profit by reducing the cost of Corporate Social Responsibility Disclosure.

4.5.3 Firm Size

From Table 4.10, Hypothesis 3 was accepted with positive effect of Financial Performance on Corporate Social Responsibility Disclosure. The big company were expected to have more financial and resources to compile, analyze, and disclose Corporate Social Responsibility information (Naser & Hassan, 2013). The big company are more likely to be involved in activities that required more disclosure of the activities, especially CSR. The big company also get tighter supervision from the stakeholder, for example the society. The result for Firm Size is in line with the prior research of Pahuja, (2009); Hackston & Milne, (1996); Anita, Jurnali, & Meiliana, (2017); Al-Baab & Yunia, (2017); Suaryana & Febriana, (2011). The result of the test showed that big companies were disclosing more Corporate Social Responsibility Information.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

This chapter described the conclusions of the hypothesis from the analysis as explained in the previous chapter, also the recommendations for further research. In the first part, the conclusions of the result from the hypothesis test are explained briefly. In the next part, the recommendations are further explained.

5.1 Conclusion

This research is in line with the Corporate Social Responsibility issues that overgrow nowadays in Indonesia business environment. This issue leads the researcher to examine further topic concerning financial performance and Corporate Social Responsibility. This research aimed to examine the effect of Financial Performance of a company on Corporate Social Responsibility Disclosure in the annual report that had been published. This research took sample of 30 manufacturing companies that listed in Indonesia Stock Exchange from 2015 to 2017. The measurement had used Profitability (Return on Equity), Leverage (Debt to Assets), and Firm Size. The analysis for the Corporate Social Responsibility used a checklist based on the standard of Global Reporting Initiative (GRI). The Corporate Social Responsibility Index was depend on the companies disclose the information or not.

This research used Stakeholder Theory. The Stakeholders Theory stated how managers and stakeholders should take a look at the organisation’s purpose and that it can define the success of the organisation. Stakeholder theory stated that a company must provide benefits to its stakeholder, not only for the company's shareholder. CSR activities require a large amount of financial resources and time allocation. Many people assumed that only companies with good financial position which were able to conduct the CSR activities and disclosed the information to the public. The issues of CSR implementation carried out many previous researchers to involve the stakeholder theory approach since the companies disclosed environmental information in their annual reports by following the demands of stakeholders. As in line with this research objective, the researcher deeply examined the relationship between the companies' financial performance and CSR disclosure in their annual reports by considering the companies' financial performance measurement including the company's profitability (Return on Equity), Leverage (Debt to Assets), and Firm Size and found the result as mentioned as follow:

Table 5.1 Summary of Result

Research Question	Answer
Did the company's Profitability (Return on Equity) effect the Corporate Social Responsibility Disclosure in the annual report?	This research showed that the result of Profitability through Return on Equity measurement. The result showed Return on Equity affected the Corporate Social Responsibility Disclosure.

Did the company's Leverage (Debt to Assets) effect the Corporate Social Responsibility Disclosure in the annual report?	This research showed the result of Leverage through Debt to Assets measurement. The result showed Leverage affected the Corporate Social Responsibility Disclosure.
Did the Firm Size effect the Corporate Social Responsibility Disclosure in the annual report?	This research showed the result of Firm Size through Log of Total Assets. The result showed Firm Size affected the Corporate Social Responsibility Disclosure.

Source: Secondary data processed, 2018

5.2 Limitations

This research could not be separated by any limitations that need to be corrected and improved for the next research. The first limitation of this research was Indonesia Stock Exchange websites did not issue an annual report of listed companies for 2015. The second limitation of this research was related to the first limitation. The alternative for the researcher to find the annual report in 2015 of listed companies is searched in their websites. However, not all of them were provided because sometimes the link trouble and could not be downloaded. The third limitation was not all of the annual reports of Indonesia Stock Exchange-listed companies were consistently using Rupiah as the currency. There are some of listed companies used dollar. The fourth limitation of this research was not all of the annual reports of listed companies had complete Corporate Social Responsibility information. The last limitation in this research was the subjectivity of the researchers to determine whether the information disclosed matched the items of the GRI or not. As each researcher had a different point of view, the next suggestion was to equate perceptions to match each index.

5.3 Recommendations

The recommendation for future research is it can be conducted by not only focusing on the area of manufacturing industry but also in the other industry, in order to find out Corporate Social Responsibility in other companies of other industry. The scope of the research can be broadened, not only examining the Corporate Social Responsibility Disclosure in the annual report, but also other published information by the companies, such as the company’s website. Otherwise, it would be better if the researcher can add more sample of the company. The future research can also use different sampling method for determining more appropriate samples that will be examined. Since many companies being included, the results of the research will be avoided from bias and will add to the reliabilities of the research.

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APPENDIXES

APPENDIX A - THE G3 SUSTAINABILITY REPORTING GLOBAL REPORTING INITIATIVE INDICATORS

Source: Global Reporting Initiative

Category: Economic

Code	Description
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
EC2	Financial implications and other risks and opportunities for the organization’s activities due to climate change.
EC3	Coverage of the organization’s defined benefit plan obligations.
EC4	Significant financial assistance received from government.
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.

Category: Environmental

Code	Description
EN1	Materials used by weight or volume.
EN2	Percentage of materials used that are recycled input materials.
EN3	Direct energy consumption by primary energy source.
EN4	Indirect energy consumption by primary source.
EN5	Energy saved due to conservation and efficiency improvements.
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.
EN8	Total water withdrawal by source.
EN9	Water sources significantly affected by withdrawal of water.
EN10	Percentage and total volume of water recycled and reused.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
EN13	Habitats protected or restored.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.
EN16	Total direct and indirect greenhouse gas emissions by weight.

EN17	Other relevant indirect greenhouse gas emissions by weight.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN19	Emissions of ozone-depleting substances by weight.
EN20	NO, SO, and other significant air emissions by type and weight.
EN21	Total water discharge by quality and destination.
EN22	Total weight of waste by type and disposal method.
EN23	Total number and volume of significant spills.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
EN30	Total environmental protection expenditures and investments by type.

Category: Social – Labor Practices and Decent Works

Code	Description
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.

LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.
LA3	Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation.
LA4	Percentage of employees covered by collective bargaining agreements.
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.
LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advice on occupational health and safety programs.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
LA9	Health and safety topics covered in formal agreements with trade unions.
LA10	Average hours of training per year per employee by gender, and by employee category.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

Category: Social - Human Rights

Code	Description
HR1	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
HR4	Total number of incidents of discrimination and corrective actions taken.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.
HR8	Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.

Category: Social – Society

Code	Description
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.
SO2	Percentage and total number of business units analyzed for risks related to corruption.
SO3	Percentage of employees trained in organization’s anti-corruption policies and procedures.
SO4	Actions taken in response to incidents of corruption.
SO5	Public policy positions and participation in public policy development and lobbying.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

Category: Social – Product Responsibility

Code	Description
PR1	Life cycle stages in which health and safety, impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.

APPENDIX B - LIST OF SAMPLES COMPANIES

NO	Company Code	Company Name
1	INTP	Indocement Tunggal Prakasa Tbk
2	SMCB	Holcim Indonesia Tbk
3	AMFG	Asahimas Flat Glass Tbk
4	ARNA	Arwana Citra Mulia Tbk
5	TOTO	Surya Toto Indonesia Tbk
6	ALKA	Alaska Industrindo Tbk
7	ALMI	Alumindo Light Metal Industry Tbk
8	TIRT	Tirta Mahakam Resources Tbk
9	GDST	Gunawan Dianjaya Steel Tbk
10	SCCO	Supreme Cable Manufacturing and Commerce Tbk
11	PICO	Pelangi Indah Canindo Tbk
12	KBLM	Kabelindo Murni Tbk
13	MBTO	Martina Berto Tbk
14	DPNS	Duta Pertiwi Nusantara
15	EKAD	Ekadharma International Tbk
16	INCI	Intan Wijaya International Tbk
17	AUTO	Astra Auto Part Tbk
18	ULTJ	Ultrajaya Milk Industry and Trading Company Tbk
19	APLI	Asiaplast Industries Tbk
20	IGAR	Champion Pasific Indonesia Tbk
21	CPIN	Charoen Pokphand Indonesia Tbk
22	JPFA	Japfa Comfeed Indonesia Tbk
23	ASII	Astra International Tbk
24	GJTL	Gajah Tunggal Tbk
25	KAEF	Kimia Farma Tbk
26	INDF	Indofood Sukses Makmur Tbk
27	MYOR	Mayora Indah Tbk
28	ROTI	Nippon Indosari Corporindo Tbk
29	HMSP	Hanjaya Mandala Sampoerna Tbk
30	UNVR	Unilever Indonesia Tbk

APPENDIX C - INDEPENDENT VARIABLE – PROFITABILITY – RETURN ON EQUITY

Return On Equity Ratio Company Sample

NO	Company Code	Year		
		2015	2016	2017
1	INTP	0.18	0.15	0.08
2	SMCB	0.02	0.00	0.00
3	AMFG	0.10	0.07	0.01
4	ARNA	0.08	0.10	0.12
5	TOTO	0.19	0.11	0.16
6	ALKA	-0.02	0.01	0.20
7	ALMI	-0.09	-0.25	0.02
8	TIRT	-0.01	0.23	0.01
9	GDST	-0.07	0.04	0.01
10	SCCO	0.17	0.28	0.10
11	PICO	0.06	0.05	0.06
12	KBLM	0.04	0.07	0.06
13	MBTO	-0.03	0.02	-0.06
14	DPNS	0.04	0.04	0.02
15	EKAD	0.16	0.15	0.11
16	INCI	0.11	0.04	0.06
17	AUTO	0.03	0.05	0.05
18	ULTJ	0.19	0.20	0.17
19	APLI	0.01	0.09	0.05
20	IGAR	0.17	0.19	0.16
21	CPIN	0.14	0.16	0.16
22	JPFA	0.28	0.34	0.11
23	ASII	0.12	0.13	0.15
24	GJTL	-0.06	0.11	0.01
25	KAEF	0.13	0.12	0.13
26	INDF	0.09	0.12	0.11
27	MYOR	0.36	0.37	0.33
28	ROTI	0.23	0.19	0.05
29	HMSP	0.44	0.47	0.47
30	UNVR	1,21	1,36	1,35

APPENDIX D - INDEPENDENT VARIABLE – LEVERAGE – DEBT TO ASSETS

Leverage Ratio Company Sample

NO	Company Code	Year		
		2015	2016	2017
1	INTP	0.14	0.13	0.15
2	SMCB	0.51	0.59	0.63
3	AMFG	0.21	0.35	0.43
4	ARNA	0.37	0.39	0.36
5	TOTO	0.39	0.41	0.40
6	ALKA	0.57	0.55	0.74
7	ALMI	0.74	0.81	0.84
8	TIRT	0.88	0.84	0.86
9	GDST	0.32	0.34	0.34
10	SCCO	0.48	0.50	0.32
11	PICO	0.59	0.58	0.61
12	KBLM	0.55	0.50	0.36
13	MBTO	0.33	0.38	0.47
14	DPNS	0.12	0.11	0.13
15	EKAD	0.25	0.16	0.17
16	INCI	0.09	0.10	0.12
17	AUTO	0.29	0.28	0.27
18	ULTJ	0.21	0.18	0.19
19	APLI	0.28	0.31	0.43
20	IGAR	0.19	0.15	0.14
21	CPIN	0.49	0.42	0.36
22	JPFA	0.64	0.51	0.00
23	ASII	0.48	0.47	0.47
24	GJTL	0.69	0.69	0.69
25	KAEF	0.40	0.51	0.58
26	INDF	0.53	0.47	0.47
27	MYOR	0.54	0.52	0.51
28	ROTI	0.56	0.51	0.38
29	HMSP	0.16	0.20	0.21
30	UNVR	0.69	0.72	0.73

APPENDIX E - INDEPENDENT VARIABLE – FIRM SIZE

Firm Size Company Sample

NO	Company Code	Year		
		2015	2016	2017
1	INTP	13.44	13.48	13.46
2	SMCB	13.24	13.30	13.29
3	AMFG	12.63	12.74	12.80
4	ARNA	12.16	12.19	12.20
5	TOTO	12.39	12.41	12.45
6	ALKA	11.16	11.14	11.48
7	ALMI	12.34	12.33	12.38
8	TIRT	11.88	11.91	11.93
9	GDST	12.07	12.10	12.11
10	SCCO	12.25	12.39	12.60
11	PICO	11.78	11.81	11.86
12	KBLM	11.82	11.81	12.09
13	MBTO	11.81	11.85	11.89
14	DPNS	11.44	11.47	11.49
15	EKAD	11.59	11.85	11.90
16	INCI	11.23	11.43	11.48
17	AUTO	13.16	13.16	13.17
18	ULTJ	12.55	12.63	12.71
19	APLI	11.49	11.58	11.60
20	IGAR	11.58	11.64	11.71
21	CPIN	13.40	13.38	13.39
22	JPFA	13.23	13.28	13.32
23	ASII	14.39	14.42	14.47
24	GJTL	13.24	13.27	13.26
25	KAEF	12.54	12.66	12.79
26	INDF	13.96	13.91	13.94
27	MYOR	13.05	13.11	13.17
28	ROTI	12.43	12.47	12.66
29	HMSP	13.58	13.63	13.63
30	UNVR	13.20	13.22	13.28

APPENDIX F - COMPANY'S PERFORMANCE - YEAR OF 2015

ROE, Leverage and Firm Size Year of 2015								
NO	Company Code	Performance of Company				Independent Variable		
		Total Assets	Total Liabilities	Total Equity	Net Income	ROE	Leverage	Firm Size
1	INTP	Rp 27,638,000,000,000	Rp 3,772,000,000,000	Rp 23,866,000,000,000	Rp 4,357,000,000,000	0.18	0.14	13.44151
2	SMCB	Rp 17,321,566,000,000	Rp 8,871,708,000,000	Rp 8,449,858,000,000	Rp 175,127,000,000	0.02	0.51	13.23859
3	AMFG	Rp 4,270,275,000,000	Rp 880,052,000,000	Rp 3,390,223,000,000	Rp 341,346,000,000	0.10	0.21	12.63046
4	ARNA	Rp 1,430,779,000,000	Rp 536,051,000,000	Rp 894,728,000,000	Rp 71,210,000,000	0.08	0.37	12.15557
5	TOTO	Rp 2,439,541,000,000	Rp 947,988,000,000	Rp 1,491,553,000,000	Rp 285,237,000,000	0.19	0.39	12.38731
6	ALKA	Rp 144,628,000,000	Rp 82,596,000,000	Rp 62,032,000,000	-Rp 1,176,000,000	-0.02	0.57	11.16025
7	ALMI	Rp 2,189,038,000,000	Rp 1,623,927,000,000	Rp 565,111,000,000	-Rp 53,614,000,000	-0.09	0.74	12.34025
8	TIRT	Rp 763,168,000,000	Rp 672,007,000,000	Rp 91,161,000,000	-Rp 865,000,000	-0.01	0.88	11.88262
9	GDST	Rp 1,183,934,000,000	Rp 379,524,000,000	Rp 804,410,000,000	-Rp 55,212,000,000	-0.07	0.32	12.07333
10	SCCO	Rp 1,773,144,000,000	Rp 850,792,000,000	Rp 922,352,000,000	Rp 159,119,000,000	0.17	0.48	12.24874
11	PICO	Rp 605,788,000,000	Rp 358,697,000,000	Rp 247,091,000,000	Rp 14,975,000,000	0.06	0.59	11.78232
12	KBLM	Rp 654,386,000,000	Rp 357,910,000,000	Rp 296,476,000,000	Rp 12,760,000,000	0.04	0.55	11.81583
13	MBTO	Rp 648,899,000,000	Rp 214,686,000,000	Rp 434,213,000,000	-Rp 14,057,000,000	-0.03	0.33	11.81218
14	DPNS	Rp 274,483,000,000	Rp 33,187,000,000	Rp 241,296,000,000	Rp 9,859,000,000	0.04	0.12	11.43852
15	EKAD	Rp 389,691,000,000	Rp 97,730,000,000	Rp 291,961,000,000	Rp 47,040,000,000	0.16	0.25	11.59072
16	INCI	Rp 169,546,000,000	Rp 15,494,000,000	Rp 154,052,000,000	Rp 16,960,000,000	0.11	0.09	11.22929
17	AUTO	Rp 14,339,110,000,000	Rp 4,195,684,000,000	Rp 10,143,426,000,000	Rp 322,701,000,000	0.03	0.29	13.15652
18	ULTJ	Rp 3,539,997,000,000	Rp 742,490,000,000	Rp 2,797,507,000,000	Rp 523,101,000,000	0.19	0.21	12.549
19	APLI	Rp 308,620,000,000	Rp 87,509,000,000	Rp 221,111,000,000	Rp 1,854,000,000	0.01	0.28	11.48942
20	IGAR	Rp 383,936,000,000	Rp 73,472,000,000	Rp 310,464,000,000	Rp 51,416,000,000	0.17	0.19	11.58426
21	CPIN	Rp 24,916,656,000,000	Rp 12,129,993,000,000	Rp 12,786,663,000,000	Rp 1,832,598,000,000	0.14	0.49	13.39649
22	JPFA	Rp 17,159,000,000,000	Rp 11,050,000,000,000	Rp 6,109,000,000,000	Rp 1,728,000,000,000	0.28	0.64	13.23449
23	ASII	Rp245,435,000,000,000	Rp 118,902,000,000,000	Rp 126,533,000,000,000	Rp15,613,000,000,000	0.12	0.48	14.38994
24	GJTL	Rp 17,509,505,000,000	Rp 12,115,363,000,000	Rp 5,394,142,000,000	-Rp 313,326,000,000	-0.06	0.69	13.24327
25	KAEF	Rp 3,434,879,000,000	Rp 1,378,320,000,000	Rp 2,056,559,000,000	Rp 265,550,000,000	0.13	0.40	12.53591
26	INDF	Rp 91,831,000,000,000	Rp 48,709,000,000,000	Rp 43,122,000,000,000	Rp 3,709,000,000,000	0.09	0.53	13.96299
27	MYOR	Rp 11,342,716,000,000	Rp 6,148,256,000,000	Rp 5,194,460,000,000	Rp 1,862,621,000,000	0.36	0.54	13.05472
28	ROTI	Rp 2,706,324,000,000	Rp 1,517,789,000,000	Rp 1,188,535,000,000	Rp 270,539,000,000	0.23	0.56	12.43238
29	HMSP	Rp 38,011,000,000,000	Rp 5,995,000,000,000	Rp 32,016,000,000,000	Rp14,048,000,000,000	0.44	0.16	13.57991
30	UNVR	Rp 15,730,000,000,000	Rp 10,903,000,000,000	Rp 4,827,000,000,000	Rp 5,851,000,000,000	1.21	0.69	13.19673

APPENDIX G - COMPANY'S PERFORMANCE - YEAR OF 2016

ROE, Leverage and Firmsize Year of 2016

NO	Company Code	Performance of Company				Independent Variable		
		Total Assets	Total Liabilities	Total Equity	Net Income	ROE	Leverage	Firm Size
1	INTP	Rp 30,151,000,000,000	Rp 4,012,000,000,000	Rp 26,139,000,000,000	Rp 3,870,000,000,000	0.15	0.13	13.4793
2	SMCB	Rp 19,763,133,000,000	Rp 11,702,538,000,000	Rp 8,060,595,000,000	-Rp 284,584,000	0.00	0.59	13.29586
3	AMFG	Rp 5,504,890,000,000	Rp 1,905,626,000,000	Rp 3,599,264,000,000	Rp 260,444,000,000	0.07	0.35	12.74075
4	ARNA	Rp 1,543,216,000,000	Rp 595,128,000,000	Rp 948,088,000,000	Rp 91,376,000,000	0.10	0.39	12.18843
5	TOTO	Rp 2,581,441,000,000	Rp 1,057,566,000,000	Rp 1,523,875,000,000	Rp 168,565,000,000	0.11	0.41	12.41186
6	ALKA	Rp 136,619,000,000	Rp 75,514,000,000	Rp 61,105,000,000	Rp 516,000,000	0.01	0.55	11.13551
7	ALMI	Rp 2,153,031,000,000	Rp 1,749,336,000,000	Rp 403,695,000,000	-Rp 99,932,000,000	-0.25	0.81	12.33305
8	TIRT	Rp 815,997,000,000	Rp 689,189,000,000	Rp 126,808,000,000	Rp 28,988,000,000	0.23	0.84	11.91169
9	GDST	Rp 1,257,610,000,000	Rp 425,487,000,000	Rp 832,123,000,000	Rp 31,705,000,000	0.04	0.34	12.09955
10	SCCO	Rp 2,449,935,000,000	Rp 1,229,515,000,000	Rp 1,220,420,000,000	Rp 340,492,000,000	0.28	0.50	12.38915
11	PICO	Rp 638,566,000,000	Rp 372,273,000,000	Rp 266,293,000,000	Rp 13,753,000,000	0.05	0.58	11.80521
12	KBLM	Rp 639,091,000,000	Rp 318,436,000,000	Rp 320,655,000,000	Rp 21,245,000,000	0.07	0.50	11.80556
13	MBTO	Rp 709,959,000,000	Rp 269,032,000,000	Rp 440,927,000,000	Rp 8,814,000,000	0.02	0.38	11.85123
14	DPNS	Rp 296,129,000,000	Rp 32,865,000,000	Rp 263,264,000,000	Rp 10,009,000,000	0.04	0.11	11.47148
15	EKAD	Rp 702,509,000,000	Rp 110,504,000,000	Rp 592,005,000,000	Rp 90,686,000,000	0.15	0.16	11.84665
16	INCI	Rp 269,351,000,000	Rp 26,524,000,000	Rp 242,827,000,000	Rp 9,988,000,000	0.04	0.10	11.43032
17	AUTO	Rp 14,612,274,000,000	Rp 4,075,716,000,000	Rp 10,536,558,000,000	Rp 483,421,000,000	0.05	0.28	13.16472
18	ULTJ	Rp 4,239,200,000,000	Rp 749,966,000,000	Rp 3,489,234,000,000	Rp 709,826,000,000	0.20	0.18	12.62728
19	APLI	Rp 382,462,000,000	Rp 116,726,000,000	Rp 265,736,000,000	Rp 25,109,000,000	0.09	0.31	11.58259
20	IGAR	Rp 439,466,000,000	Rp 65,717,000,000	Rp 373,749,000,000	Rp 69,306,000,000	0.19	0.15	11.64293
21	CPIN	Rp 24,204,994,000,000	Rp 10,047,551,000,000	Rp 14,157,443,000,000	Rp 2,225,402,000,000	0.16	0.42	13.3839
22	JPFA	Rp 19,251,000,000,000	Rp 9,878,000,000,000	Rp 9,373,000,000,000	Rp 3,172,000,000,000	0.34	0.51	13.28445
23	ASII	Rp 261,855,000,000,000	Rp 121,949,000,000,000	Rp 139,906,000,000,000	Rp 18,302,000,000,000	0.13	0.47	14.41806
24	GJTL	Rp 18,697,779,000,000	Rp 12,849,602,000,000	Rp 5,848,177,000,000	Rp 626,561,000,000	0.11	0.69	13.27179
25	KAEF	Rp 4,612,562,000,000	Rp 2,341,155,000,000	Rp 2,271,407,000,000	Rp 271,598,000,000	0.12	0.51	12.66394
26	INDF	Rp 82,174,000,000,000	Rp 38,233,000,000,000	Rp 43,941,000,000,000	Rp 5,266,000,000,000	0.12	0.47	13.91473
27	MYOR	Rp 12,922,422,000,000	Rp 6,657,166,000,000	Rp 6,265,256,000,000	Rp 2,315,242,000,000	0.37	0.52	13.11134
28	ROTI	Rp 2,919,641,000,000	Rp 1,476,889,000,000	Rp 1,442,752,000,000	Rp 279,777,000,000	0.19	0.51	12.46533
29	HMSP	Rp 42,508,000,000,000	Rp 8,333,000,000,000	Rp 34,175,000,000,000	Rp 16,020,000,000,000	0.47	0.20	13.62847
30	UNVR	Rp 16,746,000,000,000	Rp 12,042,000,000,000	Rp 4,704,000,000,000	Rp 6,391,000,000,000	1.36	0.72	13.22391

APPENDIX H - COMPANY’S PERFORMANCE - YEAR OF 2017

ROE, Leverage and Firmsize Year of 2017								
NO	Company Code	Performance of Company				Independent Variable		
		Total Assets	Total Liabilities	Total Equity	Net Income	ROE	Leverage	Firm Size
1	INTP	Rp 28,864,000,000,000	Rp 4,307,000,000,000	Rp 24,557,000,000,000	Rp 1,860,000,000,000	0.08	0.15	13.46036
2	SMCB	Rp 19,626,403,000,000	Rp 12,429,452,000,000	Rp 7,196,951,000,000	-Rp 758,045,000	0.00	0.63	13.29284
3	AMFG	Rp 6,267,816,000,000	Rp 2,718,939,000,000	Rp 3,548,877,000,000	Rp 38,569,000,000	0.01	0.43	12.79712
4	ARNA	Rp 1,601,347,000,000	Rp 571,947,000,000	Rp 1,029,400,000,000	Rp 122,184,000,000	0.12	0.36	12.20449
5	TOTO	Rp 2,826,491,000,000	Rp 1,132,699,000,000	Rp 1,693,792,000,000	Rp 278,936,000,000	0.16	0.40	12.45125
6	ALKA	Rp 305,208,000,000	Rp 226,718,000,000	Rp 78,490,000,000	Rp 15,406,000,000	0.20	0.74	11.4846
7	ALMI	Rp 2,376,282,000,000	Rp 1,997,411,000,000	Rp 378,871,000,000	Rp 8,446,000,000	0.02	0.84	12.3759
8	TIRT	Rp 859,299,000,000	Rp 735,477,000,000	Rp 123,822,000,000	Rp 1,001,000,000	0.01	0.86	11.93414
9	GDST	Rp 1,286,955,000,000	Rp 441,675,000,000	Rp 845,280,000,000	Rp 10,285,000,000	0.01	0.34	12.10956
10	SCCO	Rp 4,014,245,000,000	Rp 1,286,017,000,000	Rp 2,728,228,000,000	Rp 269,316,000,000	0.10	0.32	12.6036
11	PICO	Rp 720,238,000,000	Rp 440,555,000,000	Rp 279,683,000,000	Rp 16,824,000,000	0.06	0.61	11.85748
12	KBLM	Rp 1,235,199,000,000	Rp 443,770,000,000	Rp 791,429,000,000	Rp 43,995,000,000	0.06	0.36	12.09174
13	MBTO	Rp 780,670,000,000	Rp 367,927,000,000	Rp 412,743,000,000	-Rp 24,691,000,000	-0.06	0.47	11.89247
14	DPNS	Rp 308,491,000,000	Rp 40,655,000,000	Rp 267,836,000,000	Rp 5,963,000,000	0.02	0.13	11.48924
15	EKAD	Rp 796,768,000,000	Rp 133,950,000,000	Rp 662,818,000,000	Rp 76,196,000,000	0.11	0.17	11.90133
16	INCI	Rp 303,788,000,000	Rp 35,408,000,000	Rp 268,380,000,000	Rp 16,554,000,000	0.06	0.12	11.48257
17	AUTO	Rp 14,762,309,000,000	Rp 4,003,233,000,000	Rp 10,759,076,000,000	Rp 547,781,000,000	0.05	0.27	13.16915
18	ULTJ	Rp 5,186,940,000,000	Rp 978,185,000,000	Rp 4,208,755,000,000	Rp 711,681,000,000	0.17	0.19	12.71491
19	APLI	Rp 398,699,000,000	Rp 171,515,000,000	Rp 227,184,000,000	Rp 12,396,000,000	0.05	0.43	11.60065
20	IGAR	Rp 513,023,000,000	Rp 71,076,000,000	Rp 441,947,000,000	Rp 72,377,000,000	0.16	0.14	11.71014
21	CPIN	Rp 24,552,593,000,000	Rp 8,819,768,000,000	Rp 15,732,825,000,000	Rp 2,496,787,000,000	0.16	0.36	13.3901
22	JPFA	Rp 21,089,000,000,000	Rp 11,293,000,000	Rp 21,077,707,000,000	Rp 2,275,000,000,000	0.11	0.00	13.32406
23	ASII	Rp295,646,000,000,000	Rp139,317,000,000,000	Rp156,329,000,000,000	Rp 23,165,000,000,000	0.15	0.47	14.47077
24	GJTL	Rp 18,191,176,000,000	Rp 12,501,710,000,000	Rp 5,689,466,000,000	Rp 45,028,000,000	0.01	0.69	13.25986
25	KAEF	Rp 6,096,149,000,000	Rp 3,523,628,000,000	Rp 2,572,521,000,000	Rp 331,708,000,000	0.13	0.58	12.78506
26	INDF	Rp 87,939,000,000,000	Rp 41,182,000,000,000	Rp 46,757,000,000,000	Rp 5,145,000,000,000	0.11	0.47	13.94418
27	MYOR	Rp 14,915,850,000,000	Rp 7,561,503,000,000	Rp 7,354,347,000,000	Rp 2,460,559,000,000	0.33	0.51	13.17365
28	ROTI	Rp 4,559,574,000,000	Rp 1,739,468,000,000	Rp 2,820,106,000,000	Rp 135,364,000,000	0.05	0.38	12.65892
29	HMSP	Rp 43,141,000,000,000	Rp 9,028,000,000,000	Rp 34,113,000,000,000	Rp 16,111,000,000,000	0.47	0.21	13.63489
30	UNVR	Rp 18,906,000,000,000	Rp 13,733,000,000,000	Rp 5,173,000,000,000	Rp 7,005,000,000,000	1.35	0.73	13.2766

APPENDIX I - DEPENDENT VARIABLE - CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE 2015

Corporate Social Responsibility Disclosure Index Year of 2015

NO	Company Code	Corporate Social Responsibility Index																																																																															Total	CSR Index
		Economic									Enviromental																														Social - Labor Practices and Decent Work														Social - Human Rights									Social - Society								Social - Product Responsibility										
		EC1	EC2	EC3	EC4	EC5	EC6	EC7	EC8	EC9	EN1	EN2	EN3	EN4	EN5	EN6	EN7	EN8	EN9	EN10	EN11	EN12	EN13	EN14	EN15	EN16	EN17	EN18	EN19	EN20	EN21	EN22	EN23	EN24	EN25	EN26	EN27	EN28	EN29	EN30	LA1	LA2	LA3	LA4	LA5	LA6	LA7	LA8	LA9	LA10	LA11	LA12	LA13	LA14	HR1	HR2	HR3	HR4	HR5	HR6	HR7	HR8	HR9	SO1	SO2	SO3	SO4	SO5	SO6	SO7	SO8	PR1	PR2	PR3	PR4	PR5	PR6	PR7	PR8	PR9		
1	INTP	1	0	1	0	0	0	0	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	0	0	0	0	0	0	1	1	0	1	1	0	0	0	1	0	1	1	1	0	1	1	1	1	0	0	1	1	0	1	0	1	0	1	1	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	0	1	0	1	0	41	0,519
2	SMCB	1	0	0	1	0	0	0	1	1	1	0	1	0	1	0	0	1	1	0	0	1	1	1	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	1	0	0	0	1	0	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	1	0	0	0	26	0,329
3	AMFG	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	0	1	1	1	1	0	1	0	1	1	0	1	1	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	24	0,304
4	ARNA	0	0	0	0	0	0	0	1	1	0	0	1	1	1	0	0	0	0	0	0	1	0	1	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0,127
5	TOTO	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	0	1	0	1	0	0	0	1	0	0	0	1	1	1	0	0	1	0	0	1	0	0	1	1	0	0	0	1	0	1	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	1	0	23	0,291
6	ALKA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1	0	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	1	1	0	0	0	11	0,139
7	ALMI	0	0	0	0	0	0	0	0	0	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	13	0,165
8	TIRT	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	7	0,089
9	GDST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	0	0	0	1	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	9	0,114
10	SCCO	1	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	1	1	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	19	0,241
11	PICO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	4	0,051
12	KBLM	1	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	1	0	0	0	1	1	1	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1	1	1	1	1	1	0	0	1	0	0	0	0	0	0	1	0	0	0	0	1	1	0	0	1	0	0	0	1	0	1	0	0	0	0	0	0	22	0,278
13	MBTO	0	0	0	0	0	0	0	0	0	1	0	1	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	0	1	1	0	1	0	1	1	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18	0,228
14	DPNS	0	0	0	0	0	0	1	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	0	1	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	17	0,215
15	EKAD	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	1	1	0	0	1	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	14	0,177
16	INCI	0	0	0	0	0	0	1	1	0	1	1	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	1	0	0	0	1	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	17	0,215
17	AUTO	1	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	0	1	0	1	1	0	0	1	1	1	0	1	1	0	0	1	0	0	0	0	0	0	0	1	0	1	1	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	28	0,354
18	ULTJ	1	0	0	0	0	0	0	1	0	1	0	1	0	1	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	0	0	1	0	1	1	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	18	0,228
19	APLI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0,063
20	IGAR	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	10	0,127
21	CPIN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1	0	1	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	1	0	1	0	16	0,203
22	JPFA	1	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	1	1	1	0	1	1	1	1	1	1	1	1	1	1	1	0	0	0	1	1	1	0	1	1	1	1	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	44	0,557
23	ASII	1	0	0	0	0	0	0	1	1	1	0	1	0	1	0	1	0	0	0	0	1	0	1	0	0	0	1	0	1	0	1	1	0	0	1	0	0	0	1	0	0	0	1	1	1	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	27	0,342
24	GJTL	0	0	0	0	0	0	0	1	1	1	1	0	0	1	0	0	0	0	0	0	1	0	1	0	0	0	1	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	16	0,203
25	KAEF	0	0	1	0	1	0	0	0	0	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	1	0	0	0	0	1	1	1	1	0	1	1	1	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	1	1	0	0	0	26	0,329
26	INDF	0	0	0	0	0	0	0	0	1	1	1	1	1	1	0	1	1	1	0	0	1	0	1	0	1	0	1	1	1	0	1	0	0	1	1	0	0	0	0	0	0	1	1	1	1	0	1	1	0	1	1	1	0	0	0	0	0	1	1	1	0	0	1	1	0	0	0	0	0	0	1	0	1	0	1	1	0	1	0	37	0,468
27	MYOR	0	0	0	0	1	0	1	0	0	1	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	1	1	1	0	0	0	1	1	0	0	0	0	0	1	0	0	0	0	1	0	1	1	0	0	0	0	1	0	1	0	0	1	0	0	0	20	0,253
28	ROTI	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	0	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	14	0,177
29	HMSP	1	0	0	0	0	0	0	1	0	1	1	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	0	0	0	1	0	0	0	0	0	0	0	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	22	0,278
30	UNVR	1	0	1	0	0	1	1	1	0	1	1	1	0	1	0	1	1	0	0	0	0	0	0	0	1	0	1	1	1	0	1	1	0	0	1	0	0	0	0	0	1	1	1	0	1	1	1	1	0	0	1	1	0	0	1	0	0	1	0	0	0	0	1	1	1	1	0	0	0	0	1	0	1	0	1	1	0	1	0	38	0,481

APPENDIX J - DEPENDENT VARIABLE - CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE 2016

Corporate Social Responsibility Disclosure Index Year of 2016

Corporate Social Responsibility Index

NO	Company Code	Economic									Enviromental																													
		EC1	EC2	EC3	EC4	EC5	EC6	EC7	EC8	EC9	EN1	EN2	EN3	EN4	EN5	EN6	EN7	EN8	EN9	EN10	EN11	EN12	EN13	EN14	EN15	EN16	EN17	EN18	EN19	EN20	EN21	EN22	EN23	EN24	EN25	EN26	EN27	EN28	EN29	EN30
1	INTP	1	0	1	0	0	0	0	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	0	0	0	0	0	0	1	1	0	1	1	0	0	0	1
2	SMCB	1	0	0	1	0	0	0	1	1	1	0	1	0	1	0	0	1	1	0	0	1	1	1	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	1
3	AMFG	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	0
4	ARNA	0	0	0	0	0	0	0	1	1	0	0	1	1	1	0	0	0	0	0	0	1	0	1	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0
5	TOTO	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	0	1	0	1	0	0	0	1	0	0	0	1	1	1	0	0	1	0	0	1	0	0	1	1
6	ALKA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0
7	ALMI	0	0	0	0	0	0	0	0	0	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0
8	TIRT	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0	0	0	0
9	GDST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	0	0	0	1
10	SCCO	1	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
11	PICO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	KBLM	1	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	1	0	0	0	1	1	1	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0
13	MBTO	0	0	0	0	0	0	0	0	0	1	0	1	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	0
14	DPNS	0	0	0	0	0	0	1	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	0	1	0	0	0	0
15	EKAD	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0
16	INCI	0	0	0	0	0	0	1	1	0	1	1	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0
17	AUTO	1	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	0	1	0	1	1	0	0	1	1	1	0	1	1	0	0	1	0	0	0	0
18	ULTJ	1	0	0	0	0	0	0	1	0	1	0	1	0	1	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	0	0	1	0	1	1	0	0	0	0
19	APLI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	1	0	0	0	0
20	IGAR	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	1	0	0	0	0
21	CPIN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1	0	1	0	0	0	0
22	JPFA	1	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	1	1	1	0	1	1	1	1	1	1	1	1	1	1	1	0	0	0	1
23	ASII	1	0	0	0	0	0	0	1	1	1	0	1	0	1	0	1	0	0	0	0	1	0	1	0	0	0	1	0	1	0	1	1	0	0	1	0	0	0	1
24	GJTL	0	0	0	0	0	0	0	1	1	1	1	0	0	1	0	0	0	0	0	0	1	0	1	0	0	0	1	1	0	0	0	0	0	0	1	0	0	0	0
25	KAEF	0	0	1	0	1	0	0	0	0	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	1	0	0	0	0
26	INDF	0	0	0	0	0	0	0	0	1	1	1	1	1	1	0	1	1	1	0	0	1	0	1	0	1	0	1	1	1	0	1	0	0	1	1	0	0	0	0
27	MYOR	0	0	0	0	1	0	1	0	0	1	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
28	ROTI	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0
29	HMSP	1	0	0	0	0	0	0	1	0	1	1	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	0	0	0	1	0	0	0	0
30	UNVR	1	0	1	0	0	1	1	1	0	1	1	1	0	1	0	1	1	0	0	0	0	0	0	0	1	0	1	1	1	0	1	1	0	0	1	0	0	0	0

NO	Company Code	Social - Labor Practices and Decent Work														Social - Human Rights									Social - Society								Social - Product Responsibility									Total	CSR Index
		LA1	LA2	LA3	LA4	LA5	LA6	LA7	LA8	LA9	LA10	LA11	LA12	LA13	LA14	HR1	HR2	HR3	HR4	HR5	HR6	HR7	HR8	HR9	SO1	SO2	SO3	SO4	SO5	SO6	SO7	SO8	PR1	PR2	PR3	PR4	PR5	PR6	PR7	PR8	PR9		
1	INTP	0	1	1	1	0	1	1	1	1	0	0	1	1	0	1	0	1	0	1	1	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	0	1	0	1	0	41	0,519
2	SMCB	0	0	0	1	0	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	1	0	0	0	26	0,329
3	AMFG	1	1	1	1	0	1	0	1	1	0	1	1	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	24	0,304
4	ARNA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0,127
5	TOTO	0	0	0	1	0	1	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	1	0	23	0,291
6	ALKA	0	0	0	1	0	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	1	1	0	0	0	11	0,139
7	ALMI	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	13	0,165
8	TIRT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	7	0,089
9	GDST	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	9	0,114
10	SCCO	0	0	0	1	1	1	0	1	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	1	1	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	19	0,241
11	PICO	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	4	0,051
12	KBLM	0	0	0	1	1	1	1	1	1	0	0	1	0	0	0	0	0	0	1	0	0	0	0	1	1	0	0	1	0	0	0	1	0	1	0	0	0	0	0	0	22	0,278
13	MBTO	1	1	0	1	0	1	1	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18	0,228
14	DPNS	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	17	0,215
15	EKAD	0	1	1	0	0	1	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	14	0,177
16	INCI	0	1	0	0	0	1	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	17	0,215
17	AUTO	0	0	0	1	0	1	1	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	28	0,354
18	ULTJ	0	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	18	0,228
19	APLI	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0,063
20	IGAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	10	0,127
21	CPIN	0	0	0	1	1	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	1	0	1	0	16	0,203
22	JPFA	1	1	0	1	1	1	1	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	44	0,557
23	ASII	0	0	0	1	1	1	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	27	0,342
24	GJTL	0	0	0	1	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	16	0,203
25	KAEF	1	1	1	1	0	1	1	1	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	1	1	0	0	0	26	0,329
26	INDF	0	0	1	1	1	1	0	1	1	0	1	1	1	0	0	0	0	0	1	1	1	0	0	1	1	0	0	0	0	0	0	1	0	1	0	1	1	0	1	0	37	0,468
27	MYOR	0	1	1	0	0	1	1	1	0	0	0	1	1	0	0	0	0	0	1	0	0	0	0	1	0	1	1	0	0	0	0	1	0	1	0	0	1	0	0	0	20	0,253
28	ROTI	0	0	1	1	0	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	14	0,177
29	HMSP	0	0	0	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	22	0,278
30	UNVR	0	1	1	1	0	1	1	1	1	0	0	1	1	0	0	0	1	0	0	1	0	0	0	1	1	1	1	0	0	0	0	1	0	1	0	1	1	0	1	0	38	0,481

APPENDIX K - DEPENDENT VARIABLE - CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE 2017

Corporate Social Responsibility Disclosure Index Year of 2017

NO	Company Code	Corporate Social Responsibility Index																																																																																		CSR
		Economic									Enviromental																														Social - Labor Practices and Decent Work														Social - Human Rights									Social - Society								Social - Product Responsibility										
		EC1	EC2	EC3	EC4	EC5	EC6	EC7	EC8	EC9	EN1	EN2	EN3	EN4	EN5	EN6	EN7	EN8	EN9	EN10	EN11	EN12	EN13	EN14	EN15	EN16	EN17	EN18	EN19	EN20	EN21	EN22	EN23	EN24	EN25	EN26	EN27	EN28	EN29	EN30	LA1	LA2	LA3	LA4	LA5	LA6	LA7	LA8	LA9	LA10	LA11	LA12	LA13	LA14	HR1	HR2	HR3	HR4	HR5	HR6	HR7	HR8	HR9	SO1	SO2	SO3	SO4	SO5	SO6	SO7	SO8	PR1	PR2	PR3	PR4	PR5	PR6	PR7	PR8	PR9	Total	Index
1	INTP	1	0	1	0	0	0	0	1	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	0	0	0	0	0	0	1	1	0	1	1	0	0	0	1	0	1	1	1	0	1	1	1	1	0	0	1	1	0	1	0	1	0	1	1	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	0	1	0	1	0	41	0,519
2	SMCB	1	0	0	1	0	0	0	1	1	1	0	1	0	1	0	0	1	1	0	0	1	1	1	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	1	0	0	0	1	0	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	1	0	0	0	26	0,329
3	AMFG	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	0	1	1	1	1	0	1	0	1	1	0	1	1	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	24	0,304
4	ARNA	0	0	0	0	0	0	0	1	1	0	0	1	1	1	0	0	0	0	0	0	1	0	1	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0,127
5	TOTO	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	0	1	0	1	0	0	0	1	0	0	0	1	1	1	0	0	1	0	0	1	0	0	1	1	0	0	0	1	0	1	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	1	0	23	0,291
6	ALKA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1	0	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	1	1	0	0	0	11	0,139
7	ALMI	0	0	0	0	0	0	0	0	0	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	13	0,165
8	TIRT	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	7	0,089
9	GDST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	0	0	0	1	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	9	0,114
10	SCCO	1	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	1	1	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	19	0,241
11	PICO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	4	0,051
12	KBLM	1	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	1	0	0	0	1	1	1	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1	1	1	1	1	1	0	0	1	0	0	0	0	0	0	1	0	0	0	0	1	1	0	0	1	0	0	0	1	0	1	0	0	0	0	0	0	22	0,278
13	MBTO	0	0	0	0	0	0	0	0	0	1	0	1	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	0	1	1	0	1	0	1	1	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18	0,228
14	DPNS	0	0	0	0	0	0	1	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	0	1	0	0	0	0	0	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	17	0,215
15	EKAD	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	1	1	0	0	1	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	14	0,177
16	INCI	0	0	0	0	0	0	1	1	0	1	1	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	1	0	0	0	1	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	17	0,215
17	AUTO	1	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	0	1	0	1	1	0	0	1	1	1	0	1	1	0	0	1	0	0	0	0	0	0	0	1	0	1	1	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	28	0,354
18	ULTJ	1	0	0	0	0	0	0	1	0	1	0	1	0	1	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	0	0	1	0	1	1	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	18	0,228
19	APLI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0,063
20	IGAR	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	10	0,127
21	CPIN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1	0	1	0	0	0	0	0	0	0	1	1	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	1	0	1	0	16	0,203
22	JPFA	1	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	1	1	1	0	1	1	1	1	1	1	1	1	1	1	1	0	0	0	1	1	1	0	1	1	1	1	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	44	0,557
23	ASII	1	0	0	0	0	0	0	1	1	1	0	1	0	1	0	1	0	0	0	0	1	0	1	0	0	0	1	0	1	0	1	1	0	0	1	0	0	0	1	0	0	0	1	1	1	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	1	1	0	0	0	27	0,342
24	GJTL	0	0	0	0	0	0	0	1	1	1	1	0	0	1	0	0	0	0	0	0	1	0	1	0	0	0	1	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	16	0,203
25	KAEF	0	0	1	0	1	0	0	0	0	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	0	0	1	0	0	0	0	1	1	1	1	0	1	1	1	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	1	1	0	0	0	26	0,329
26	INDF	0	0	0	0	0	0	0	0	1	1	1	1	1	1	0	1	1	1	0	0	1	0	1	0	1	0	1	1	1	0	1	0	0	1	1	0	0	0	0	0	0	1	1	1	1	0	1	1	0	1	1	1	0	0	0	0	0	1	1	1	0	0	1	1	0	0	0	0	0	0	1	0	1	0	1	1	0	1	0	37	0,468
27	MYOR	0	0	0	0	1	0	1	0	0	1	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	1	1	1	0	0	0	1	1	0	0	0	0	0	1	0	0	0	0	1	0	1	1	0	0	0	0	1	0	1	0	0	1	0	0	0	20	0,253
28	ROTI	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	0	1	0	1	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	14	0,177
29	HMSP	1	0	0	0	0	0	0	1	0	1	1	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	1	1	1	0	1	0	0	0	1	0	0	0	0	0	0	0	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1	0	0	0	0	0	0	1	0	1	0	0	1	0	0	0	22	0,278
30	UNVR	1	0	1	0	0	1	1	1	0	1	1	1	0	1	0	1	1	0	0	0	0	0	0	0	1	0	1	1	1	0	1	1	0	0	1	0	0	0	0	0	1	1	1	0	1	1	1	1	0	0	1	1	0	0	0	1	0	1	0	0	0	0	1	1	1	1	0	0	0	0	1	0	1	0	1	1	0	1	0	38	0,481

APPENDIX L - CORPORATE SOCIAL RESPONSIBILITY INDEX

NO	Company Code	Year					
		2015		2016		2017	
		Total	Index	Total	Index	Total	Index
1	INTP	41	0.52	41	0.52	41	0.52
2	SMCB	26	0.33	26	0.33	26	0.33
3	AMFG	24	0.30	24	0.30	24	0.30
4	ARNA	10	0.13	10	0.13	10	0.13
5	TOTO	23	0.29	23	0.29	23	0.29
6	ALKA	11	0.14	11	0.14	11	0.14
7	ALMI	13	0.16	13	0.16	13	0.16
8	TIRT	7	0.09	7	0.09	7	0.09
9	GDST	9	0.11	9	0.11	9	0.11
10	SCCO	19	0.24	19	0.24	19	0.24
11	PICO	4	0.05	4	0.05	4	0.05
12	KBLM	22	0.28	22	0.28	22	0.28
13	MBTO	18	0.23	18	0.23	18	0.23
14	DPNS	17	0.22	17	0.22	17	0.22
15	EKAD	14	0.18	14	0.18	14	0.18
16	INCI	17	0.22	17	0.22	17	0.22
17	AUTO	28	0.35	28	0.35	28	0.35
18	ULTJ	18	0.23	18	0.23	18	0.23
19	APLI	5	0.06	5	0.06	5	0.06
20	IGAR	10	0.13	10	0.13	10	0.13
21	CPIN	16	0.20	16	0.20	16	0.20
22	JPFA	44	0.56	44	0.56	44	0.56
23	ASII	27	0.34	27	0.34	27	0.34
24	GJTL	16	0.20	16	0.20	16	0.20
25	KAEF	26	0.33	26	0.33	26	0.33
26	INDF	37	0.47	37	0.47	37	0.47
27	MYOR	20	0.25	20	0.25	20	0.25
28	ROTI	14	0.18	14	0.18	14	0.18
29	HMSP	22	0.28	22	0.28	22	0.28
30	UNVR	38	0.48	38	0.48	38	0.48

APPENDIX M – OUTPUT SPSS

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Firmsize, DA, ROE[b]	.	Enter

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,742[a]	,550	,534	,08802

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,814	3	,271	35,015	,000[b]
	Residual	,666	86	,008		
	Total	1,480	89			

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-,973	,148		-6,554	,000		
	ROE	,125	,040	,240	3,155	,002	,904	1,106
	DA	-,122	,045	-,198	-2,709	,008	,977	1,024
	Firmsize	,100	,012	,636	8,366	,000	,906	1,103

Coefficient Correlations[a]

Model			Firmsize	DA	ROE
1	Correlations	Firmsize	1,000	-,083	-,285
		DA	-,083	1,000	-,098
		ROE	-,285	-,098	1,000
	Covariances	Firmsize	,000	-4,485E-5	,000
		DA	-4,485E-5	,002	,000
		ROE	,000	,000	,002

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	ROE	DA	Firmsize
1	1	3,233	1,000	,00	,03	,02	,00
	2	,629	2,267	,00	,90	,01	,00
	3	,137	4,864	,00	,00	,97	,00
	4	,002	40,872	,99	,08	,00	1,00

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	,0717	,4366	,2515	,09563	90
Residual	-,14755	,24893	,00000	,08653	90
Std. Predicted Value	-1,880	1,935	,000	1,000	90
Std. Residual	-1,676	2,828	,000	,983	90

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		90
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,08652848
Most Extreme Differences	Absolute	,142
	Positive	,142
	Negative	-,108
Kolmogorov-Smirnov Z		1,350
Asymp. Sig. (2-tailed)		,052

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Firmsize, DA, ROE[b]	.	Enter

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,000[a]	,000	-,035	,08802

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,000	3	,000	,000	1,000[b]
	Residual	,666	86	,008		
	Total	,666	89			

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-7,772E-17	,148		,000	1,000		
	ROE	,000	,040	,000	,000	1,000	,904	1,106
	DA	,000	,045	,000	,000	1,000	,977	1,024
	Firmsize	,000	,012	,000	,000	1,000	,906	1,103

Coefficient Correlations[a]

Model			Firmsize	DA	ROE
1	Correlations	Firmsize	1,000	-,083	-,285
		DA	-,083	1,000	-,098
		ROE	-,285	-,098	1,000
	Covariances	Firmsize	,000	-4,485E-5	,000
		DA	-4,485E-5	,002	,000
		ROE	,000	,000	,002

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	ROE	DA	Firmsize
1	1	3,233	1,000	,00	,03	,02	,00
	2	,629	2,267	,00	,90	,01	,00
	3	,137	4,864	,00	,00	,97	,00
	4	,002	40,872	,99	,08	,00	1,00

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	,0000	,0000	,0000	,00000	90
Residual	-,14755	,24893	,00000	,08653	90
Std. Predicted Value	,000	,000	,000	,000	90
Std. Residual	-1,676	2,828	,000	,983	90

Descriptive Statistics

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
ROE	90	-,25	1,36	13,54	,1504	,24674
DA	90	,00	,88	37,71	,4190	,20930
Firmsize	90	11,14	14,47	1130,15	12,5573	,81920
CSR	90	,05	,56	22,63	,2515	,12897
Valid N (listwise)	90					