



















Table 8 above shows the value of t-count of 2 , 38136 and *p-value* of 0.01725. The significance level in this elite is 5% with  $df = 191$  so that the value of t-table is 1 , 9749 . The t-count value of this study shows smaller results when compared to the t-table value (2 , 38136 > 1.9749) so that social environmental performance can significantly influence the *social cost* relationship to the disclosure of the company's social environment.

## **DISCUSSION**

### ***Effect of social costs on social and environmental performance***

the CR value of the relationship between the *social cost* variable on social and environmental performance is 3.807, which means that the value is greater than the t-table value for alpha 0.05, which is 1.9749. Thus, statistically *social costs* have a significant effect on social and environmental performance because of the value of CR, which is  $3.807 > 1 , 9749$  . So that the first hypothesis in this study is acceptable. The acceptance of the hypothesis provides empirical evidence that the legitimacy theory that states legitimacy slack (differences in company expectations against stakeholders' expectations) can be eliminated by expenditures that lead to concern for stakeholders.

### ***Effect of Social cost on Social and Environmental Disclosures***

The CR value obtained from the results of the data shows a number of 3.052. in the meantime . t-table value with an alpha of 5% shows the number 1.9749. This shows that the CR value of the relationship between *social cost* variables and environmental social disclosure is greater than the t-table value ( $3,052 > 1 , 9749$  ), thus it can be concluded that the second hypothesis in this study is acceptable. The results of testing the hypothesis provide empirical evidence that companies in order to increase the legitimacy of stakeholders need to increase *social costs* . This is done because the existence of companies in the larger community creates potential positive and negative impacts. this study supports the legitimacy theory which states that companies need to improve *social costs* and *social cost* distribution strategies to be able to gain the legitimacy of society.

### ***The influence of social and environmental performance against social, l and Environmental Disclosure***

the CR value is 1.982 while the t-table value is 1.652 at the 5% significance level. With a higher CR value than t-table ( $1,982 > 1 , 9749$  ), it can be concluded that there are significant

influences of the level of social and environmental performance on the willingness of companies to make extensive disclosure of social and environmental companies. The results of this study indicate that with the level of social and environmental performance where in this study the measurement is based on the PROPER instrument, it will encourage companies to make social and environmental disclosures.

Social and environmental performance can be used by the company as an effort to establish good relations with its stakeholders. thus can be stated that there are legitimate stakeholders motive behind the increase in social performance environment.

***The influence of Social cost on Social and Environmental Disclosures is mediated by social and environmental performance***

The direct effect of *social cost* on the extent of social and environmental disclosure is 0.218 which is known to have a moderate relationship value because the value is above 0 , 2 (Jackson et. Al, 2010). The indirect effect shown by the standardized indirect effect after going through social and environmental performance shows a result of 0.037.

The results of the mediation test conducted by the sobel test show the t-count value which is greater than the t-table value, namely 2 , 38136 > 1.9749. This value shows that indirect effects show significant results so that it can be concluded that the role of social and environmental performance is strong enough to influence the relationship of *social costs* to the disclosure of social and environmental companies.

Based on these results, this study suspects that companies have realized the importance of making social and environmental disclosures in their efforts to gain legitimacy from their stakeholders. The existence of *social costs* incurred by the company to finance its environmental activities will affect the results of social and environmental performance carried out.

Based on the results of the research discussed earlier, the conclusion is, the social cost variable is able to influence the social performance of the environment and also the broad variables of disclosure of social environment. Thus, the higher the level of social cost or the allocation of social funds issued by the company to the community and the environment, the higher the level of social performance obtained by the company from PROPER. Similarly, social environmental performance is also able to influence the broad disclosure of social environment. Meanwhile, the indirect effect of social costs on the broad disclosure of social environment through social performance as mediators also significantly affected. The results of all of these

studies indicate that companies in carrying out CSR activities begin to pay attention to their performance and not just do CSR activities without a good organization . This was because the company began to realize that there were economic and social consequences of the CSR activities that it carried out. And based on conclusions drawn, the suggestions put forward by researchers are:

1. Companies should make sustainability reporting, because if the social media disclosure media is only annual reports, then not all stakeholders can gain access and understanding of the disclosure content. Because of course if environmental social disclosures are carried out in sustainability reporting, the stakeholders as a whole will easily understand the content of disclosures made. And with attractive packaging, stakeholders will certainly be more interested in reading it.
2. The government through the Ministry of Environment should require all companies to broadly participate in the company's performance rating program in the field of environment, especially companies that contribute to pollution and environmental destruction. This can be done by giving punishment to companies that are absent from participating in the PROPER assessment program.
3. Companies should participate in the PROPER program because by participating in the program the company has an obligation to carry out activities that care for the environment in a real way so that it will facilitate the legitimacy of its stakeholders.
4. Policy-making institutions should make guidelines related to the systematic reporting of corporate social responsibility, so that it will facilitate information users to compare corporate social responsibility activities.

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