Global Financial Accounting Journal, Vol. 07, No. 02, October 2023
ISSN: 2655-836X
https://journal.uib.ac.id/index.php/gfa

Research Paper

SUSTAINABILITY PERFORMANCE AND CORPORATE FINANCIAL PERFORMANCE: THE MODERATING EFFECT OF CORPORATE GOVERNANCE

Anita[1*], Agustini Fatmasari[2]

[12]Accounting, Business and Management, Batam International University, Batam, Indonesia
* Corresponding Author: anita.lec@uib.ac.id

ABSTRACT

Purpose - This research intends to interpret corporate governance's effect on the relationship between sustainability performance and financial performance.

Research Method - The research method used is panel data regression. Research data is quantitative data obtained from the Indonesian Stock Exchange. The sample selection procedure used a purposive sampling method from 767 listed companies, and 53 met the criteria.

Findings - The research results prove that board size and CEO duality do not affect sustainability performance. The board independence and female directors significantly impact sustainability performance. Furthermore, researchers also found that corporate governance cannot moderate the relationship between sustainability and financial performance.

Implication - The research findings conclude that board independence and female directors can pay more attention to sustainability performance, which can be used as a reference in making corporate governance and sustainability policies.

Keywords: Corporate Governance, Sustainability Performance, Financial Performance, Moderating

JEL code: M41, Q56, G34

Article History	DOI :http://dx.doi.org/10.37253/gfa.v7i2.8911
Received : 17 December 2023	Web : https://journal.uib.ac.id/index.php/gfa/issue/view/174
Revised : 08 January 2024	
Accepted : 15 January 2024	
Citation	
Anita & Fatmasari, A. (2023). Sustainability performance and corporate financial performance: the moderating effect of corporate governance. *Global Financial Accounting Journal, 7*(2), 255-273. doi: http://dx.doi.org/10.37253/gfa.v7i2.8911	

INTRODUCTION

In general, companies have a long-term goal to optimize corporate sustainability and finance. The company's commitment to corporate sustainability performance or usually abbreviated as CSP is a disclosure of the company's sustainability to stakeholders and has a significant relationship in the knowledge of the business model of corporate governance and financial performance (Manning et al., 2019).

Companies in carrying out business practices are also involved in several cases related to environmental, social and economic aspects. One of them is the case of environmental pollution at PT Mayora Indah Tbk, which is suspected of polluting non-B3 waste which makes river water around the public polluted by chemicals (Tempo.co, 2021). The problem occurred due to the lack of waste treatment and the prohibition of liquid waste disposal in Tangerang Regency. In 2018, the Lippo group consisting of PT Lippo Cikarag Tbk and PT Lippo Karawaci Tbk experienced corruption which harmed many investors and shareholders, at that time the shares in the PT fell around (14.77%) to 1,385 and fell 8 percentage points by 2.68%, this shows the low awareness of aspects of corporate governance (Pratamaindomitra.co.id, 2021).

Business problems that occur in the Indonesian stock market make people want to implement management policies to reduce the problems that occur. Some of the cases mentioned above are a form of lack of corporate responsibility in various sectors for sustainable development activities. The more cases that occur in state-owned enterprises, the higher the financial, environmental, social and economic aspects that must be considered. According to (2021), sustainability performance assessment is important because various company practices can weaken this aspect. Businesses in manufacturing and mining companies generally require raw materials from nature. If their use is not limited and controlled, it can cause damage to the natural environment (Sembiring, 2020).

The importance of corporate sustainability disclosures has become an awareness as society's economic, environmental and social concerns grow. Company activities have an impact on the surrounding community (Anita & Jeny, 2021). This activity not only shows the level of a company's concern for social and environmental issues, but also participates in realizing sustainable development. Company sustainability is an important reason for long-term investment. With sustainability performance, stakeholders have the right to know the social and environmental impacts of the products used for operational activities (Buertey et al., 2020). Disclosure of sustainability performance is important for both internal and external stakeholders (Feng et al., 2018).

According to (2017), (2019), (2020), (2019), (2019) found that good governance can encourage sustainability performance in the effectiveness of company performance. According to (2021) corporate governance also affects sustainability performance which has an important role from one side of the important objectives that establish a company to improve shareholder welfare. The governance system is needed in a company to provide effective protection to shareholders and creditors, most of the governance focuses on the literature of the company's internal mechanisms (Hussain et al., 2018a) According to (2021), (2016) and (2017) said that governance has a positive effect on sustainability performance.

The importance of the independence of the board of directors in a mechanism that supervises the business process. The independent board of directors has no business relationship whose role is to provide supervision in carrying out the interests of the company. The independence of the board of directors is able to provide a neutral attitude towards all decisions made by the board of directors. The independence of the board of directors is expected to be able to provide wider information to each stakeholder (Anita & Lasma, 2021). Female directors are an aspect of company sustainability, defined as the presence of female directors in the company structure. The presence of female directors is noted by (2019) as a board that has moral values and board effectiveness. Influence on the board is important, in order to provide more motivation to the various aspects of women with moral values and tend to use conservative strategies. CEO duality is someone who occupies two positions at once, namely as a board of commissioners and a board of directors in a company (Muange & Kiptoo, 2020a) In Indonesia, based on Law No. 40 of 2007, companies are required to adopt a two-tier board system, which regulates the roles and functions of the board of directors and the board of commissioners separately. Therefore, CEO duality in Indonesia is measured by looking at the affiliation relationships of the board of commissioners and directors that can exert influence on board members (2021). According to research by (Ammari, 2021), argues that CEO duality can reduce board independence and effectiveness and increase CEO power in decision making.

Companies always try to gain public trust, one of the company's efforts to achieve public trust with good governance (Munir et al., 2019). Corporate governance acts as a company guideline in carrying out operational activities and balancing stakeholders. Companies examine the feasibility of financial governance measured by the eligibility framework of the totality of board size, board independence, female board, duality of CEOs who have responsibility for sustainability (Ullah, 2019). Many studies have focused on corporate governance and sustainability contributing to firm performance for sustainability disclosure as well as given the mixed results for the relationship of governance and firm performance and sustainability companies (Ortas et al., 2017).

The company's ability to serve as a measure of success in terms of financial performance and become a reference point set by investors and shareholders as a policy in evaluating sustainable development improvements. With the help of financial performance, it is able to determine the level of profit of a company in liquidity and profitability during a certain period (Anita & Amalia, 2021).

Some studies approach the subject of sustainability performance with financial performance. Financial performance or corporate financial performance (CFP) is a concept in determining the success of a company in generating profits that have been achieved from various financial activities. Corporate governance is certainly able to affect financial performance, which is certainly one that will be directed in the relationship of the moderating variables of corporate governance and sustainability performance in the study (Aunga & Nathan, 2018).

The role of corporate governance on corporate financial performance has been widely studied in the literature, research on the relationship between corporate governance and corporate sustainability performance has not been widely studied. The existing literature lacks empirical research on the relationship between corporate governance and corporate sustainability performance, especially studies that examine the joint effects of corporate governance and corporate sustainability performance on corporate financial performance. This study contributes to the corporate governance literature by exploring the influence of corporate governance on corporate sustainability performance and specifically the moderating effect of corporate governance on the relationship of sustainability performance and corporate financial performance.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency Theory

Agency theory is a theory proposed by (Jensen & Mecklng, 1976) states the theory of inequality of interests between principals (shareholders) and agents (management). Researchers (2022) stated that management actions are largely driven by their own interests, with human nature acting to prioritize their own interests. The conflict according to (2020) can be overcome by a control mechanism that can reduce the asymmetry of ownership information and management interests. In order to work on these problems, corporate governance is implemented which involves a series of people such as company management (board), shareholders and stakeholders to achieve goals equally and performance in the company can be improved.

According to (2021), agency theory helps in understanding the relationship between owners and management, the consequences of agency problems and ways to overcome through governance that involves a series of shareholders, company management and all stakeholders. This reflects governance that aligns the objectives of good management in achieving sustainability performance (Ngatno et al., 2020). Based on agency theory, governance research can encourage shareholders with board characteristics with board size and board independence variables carried out in testing their influence on sustainability performance.

Resource Dependence Theory

Resource dependency theory is a theory that sees a perspective for all humans in the form of resources owned by the company and used as much as possible (Pfeffer & Gerald, 1978). According to (2018) found that this theory is indispensable in the perspective of women's participation with resources that companies can rely on in improving sustainability performance. In a complex business environment financial performance requires advice from shareholders, thus this theory illustrates that providing resources that include gender diversity to support management is less controlling of the uncertainty of external dependencies. In this case, gender diversity is seen as a relationship-oriented attribute that provides predictive power for behavior and attitudes towards performance (Aprilia et al., 2020).

Relationship between Board Size and Sustainability Performance

One of the main factors in corporate governance is board size. Board size is the number of directors of the company's management board in a given year used to calculate internal and external size, and size varies from company to company (Pareek et al., 2019b). According to agency theory, the size of the board of directors can be said to be a larger board in having very high profits and obtaining more information (Tanujaya & Anggreany, 2021) The number of boards of directors in accordance with the size of the company controls the company's activities more effectively and forms a good network with external parties (Hafidzi, 2019).

According to (Endrikat et al., 2021) explained that the size of the board of directors has a significant positive relationship with sustainability performance because as the board of directors grows, supervision in the company is more effective. The larger the size of the board of directors will make it possible to ensure social responsibility activities.

H1: Board size has a significant effect on sustainability performance.

Relationship between Board Independence and Sustainability Performance

The independence of the board of directors is an unaffiliated party and protects minority shareholders, which has a positive impact on environmental disclosure based on the dominant role and position, and is the most important part of corporate governance when the board of directors makes financially fairer judgments (Pareek et al., 2019b) According to (2022) there is transparency in financial accounts and the value of corporate sustainability with board independence that strengthens the functions and duties of directors, independent directors function in ensuring that the board of directors is able to fulfill their respective roles objectively and responsibly.

Researcher (2020) who say that the existence of independent directors cannot supervise management in the company's operations in the implementation and disclosure of social responsibility. According to (2020) and (2020) said that the number of independent board of directors does not have a major impact on sustainability performance disclosure. Companies with a higher share of independent board members have higher quality sustainability reporting, it is stated that having a high board of directors can encourage companies to provide more information to stakeholders (Naciti, 2019).

H2: Independence of the board of directors has a significant effect on sustainability performance

The Relationship of CEO Duality to Sustainability Performance

CEO duality has always been widely debated in academia regarding the impact of corporate CEOs. CEO duality is a dual attribute in corporate governance that is often a reflection of power in an organization on company performance (Chandra & Devie, 2017). CEO duality from the perspective of stewardship and agency theory occurs when the CEO and the chairman of the board of commissioners are the same person and are responsible for themselves, which can lead to conflicts of interest between shareholders and managers (2021).

Researcher (2021), (Adel et al., 2019), (2020), (Muange & Kiptoo, 2020), (2017), (2021), and (2022) various studies found that CEO duality has a significant effect on sustainability performance. In the Indonesian context, CEO duality is measured using a dummy variable located in the family relationship of the board of directors and commissioners (Nazar, 2016a). This is because the two-tier board system has been approved under the Limited Liability Company Law No. 40 of 2007 (Sutedja, 2021).

H3: CEO duality has a significant effect on sustainability performance.

The Relationship of Women Directors to Sustainability Performance

The size and diversity of the board components in terms of the number of women and the number of outsiders are interpreted in different ways to be related to a more varied set of objectives (Hussain et al., 2018b). The diversity of female board measurements is associated in greater orientation towards corporate sustainability performance with differences in backgrounds that act to encourage women to take more initiative in sustainability performance.

According to (2019) the presence of a female board of directors in sustainability performance has a considerable impact on the willingness to consider sustainability performance is higher. According to (Reddy & Jadhav, 2019), (2021), (2022), (2020) and (Pareek et al., 2019) female directors are a significant aspect in the sustainability of the company, because female directors have morale and effectiveness that are very important to provide motivation to various aspects of women.

H4: Female board of directors has a significant effect on sustainability performance.

The Moderating Role of Governance on Sustainability Performance and Financial Performance

Corporate governance improves company standards (Yopie & Robin, 2023), so that the higher the company's financial performance (Robiyanto et al., 2019b). Corporate governance is said to have a positive influence with the large number of intangible assets in increasing the implementation of sustainability performance and more effective supervision (Bawaneh, 2020b).

According to agency theory, research conducted by (2017) used governance as a moderating variable with indicators of board size, board independence, CEO duality and female board of directors. A larger board size can strengthen the relationship between CSP and financial performance because it can be handled effectively in dealing with finance. The independence of the board of directors is an effective supervisor because it is not involved in the management of the company and can provide more objective solutions to the problems of the activities carried out (Aksoy et al., 2020). CEO duality can have an effect on financial performance because it can limit the concentration of power, which is responsible for limiting shareholders (Shahbaz et al., 2020) Gender in a female board of directors can affect a company.

With respect to the influence of female boards of directors on sustainability performance, (2017) attributed more ethical values to female than male boards, suggesting women have a better attitude towards influencing the decision-making process.

According to (2019), governance can provide benefits to the company's financial performance to be better, due to an increase in profit or rate of return which raises trust and interest among investors. A company with good value is a company with good financial performance, so a company supervision and control is needed. The implementation of governance is also a signal within the company to be responsible independently and fairly in producing good financial performance output. If a company can implement this well, it will gain greater advantages in easy capital raising, lower cost of capital, better business and financial performance and better share price.

With the implementation of governance, it can improve the company's performance financially. Based on research (2021), that governance does not moderate the financial performance relationship because a low level of profitability on return on assets will stimulate stakeholders in assessing investment and sales capabilities.

The implementation of good governance can also be influenced by the existence of sustainability performance accountability. The concept of governance is widely developed in companies to provide an understanding of the dominant role in organizing community development. Economic development and corporate growth in commercial value creation have a positive effect on the development of business life, but also have a negative impact on the growth of social and environmental inequality that occurs.

Governance disclosure of sustainability performance is indispensable in companies in building corporate reputation, competitive advantage and investment decision making. Researcher (2017) concluded that many investors consider disclosure of governance and sustainability performance as a proxy in assessing management quality. Furthermore, the influence of governance can support investors' assessment of the company's future opportunities, risks, and performance.

Sustainability performance within the ethical and moral guidelines of a regulatory body that encourages companies to make social issues a fair consideration and guideline. Thus, in addition to owners, stakeholders also have the power to decide on the right action by the company (Pieritsz, 2021).

H5: Governance can strengthen or weaken the relationship between sustainability and financial performance.

RESEARCH METHODS

The research method is a quantitative method in the steps taken by researchers to collect data and information that has been processed in scientific analysis. This method uses calculations as a means of processing data which includes basic research to realize concepts that do not have a direct impact, but are expected to be a support in theory development.

The population used for this study are public companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. The technique used in collecting samples is purposive sampling technique where the sample must be based on certain criteria and qualifications (Sugiyono, 2020). The following criteria apply in sample selection: (1) Companies listed on the Indonesia Stock Exchange (IDX) in 2017-2021, and (2) Companies whose annual reports and sustainability reports are complete with the data in this study for 5 years (2017-2021). Of the 767 companies listed on the IDX website as of the end of 2021, there are 53 companies that meet the sample criteria.

Dependent Variable
Sustainability Performance (CSP)

Corporate sustainability performance or can be abbreviated as CSP is a business approach taken by each company in order to create the interests of consumers and employees and CSP balances the interests of elements in the economy, environment and social (Kantabutra & Ketprapakorn, 2020). This measurement is based on the total combination score of three dimensions, namely: economic, social, environmental. This study measures the combination score contained in the company's sustainability report that meets the criteria and is measured based on the GRI Standard. Each item that meets the GRI Standard indicators is given a number 1 which is disclosed and number 0 is an item that is not disclosed. The formula for calculating CSP according to (Ahmad et al., 2017) are:

$$\mathrm{CSP} = \frac{\sum \mathrm{n}_{\mathrm{i}=1} \mathrm{Xi}}{\mathrm{N}}$$

Description:
CSP = Corporate Sustainability Performance
$\sum^{n}_{i=1}$ xi = Total number of CSP items disclosed
N = Number of disclosure items based on GRI Standard

Financial Performance (CFP)

In this study, financial performance or corporate financial performance (CSP) is measured using Tobin's Q. Tobin's Q is the ratio of the company's market value to the value of the company's assets (Ali et al., 2020). Tobin's Q is measured by adding the market value of equity to the book value of debt and dividing by the book value of total assets or assets. The market value of equity is obtained by multiplying the closing price of shares by the number of shares on the open market. Tobin's Q data is obtained from annual reports in the form of stock overviews and financial statements. The formula for calculating financial performance according to (2018) are:

$$\text{Tobin's Q} = \frac{(\sum \text{number of share outstanding x closing stock price}) + \text{total liabilities}}{\text{total asset}}$$

Independent Variable

Board of Directors Size (BSIZE)

The total board of directors is used to determine the size of the board by determining how many boards of directors are in the company. The size of the board of directors in the company's decision-making process can have a good effect on creating efficient and effective management in a company (Alabdullah et al., 2019b). Board size can be formulated according to (Alabdullah et al., 2019) as follows:

Board Size = number of directors in the company

Independence of the Board of Directors (BIND)

The independence of the board of directors or board independence of the board that provides control and direction to the board of directors. (Pham & Nguyen, 2020) stated that a small amount of board independence will improve company performance. The independence of the board of directors serves to oversee whether the directors have fulfilled their roles and responsibilities properly. Board independence can be formulated according to (Pareek et al., 2019) as follows:

$$\text{Board Independence} = \frac{\text{total proportion of independent directors}}{\text{total number of directors}}$$

CEO Duality (CEODUAL)

CEO duality is a person who holds the position of CEO and Chairman of the Board in a company. The emergence of CEO duality can weaken the company's sustainability performance relationship so that it can have a less effective impact in producing a decision, due to having a family affiliation between the board of directors and commissioners in the Indonesian context company (Nazar, 2016b). CEO duality can be measured by a dummy variable, namely in this variable if there is a family relationship between the board of directors and commissioners, it can give code 1 "and vice versa if it does not have a relationship then give code 0" (Younas et al., 2019)

Female Board of Directors (FEMALE)

Female board of directors is a diversity that focuses on the presence of female board members in a company (Hussain et al., 2018b). The formula used in measuring the female board of directors, if a company adheres to female directors then give the number 1 and if not then the number 0 (Lu, 2021b).

Moderating Variables

Governance is a system of controlling and regulating companies that can be seen from the relationship mechanisms in various parties. The role of governance in the sustainability performance relationship is as an accountability to stakeholders and as a control in overseeing fraudulent financial reporting and set goals (Teti et al., 2016). Poor corporate governance can lead to fraud, otherwise good governance can contribute to shareholders. Measurement of governance can be done with the sample median on the four independent variables consisting of Bsize, Bind, CEO Duality, and Female with the provisions of calculations from 0 to 4.

Control Variables

Company Size (SIZE)

Company size is an influential indicator in sustainability performance. The total assets of the company are obtained from the financial statements in the form of a statement of financial position. Measurement of company size can be done with the natural logarithm of the company's total assets. The following is the formula for calculating company size according to (Toly et al., 2019):

$$\text{Company Size} = \text{Ln (Total assets)}$$

Leverage (LEV)

Measurement of the leverage ratio is calculated by comparing total debt to total assets. Measuring assets financed with debt to increase the level of income for company owners. The formula for calculating leverage according to (2021) are:

$$\text{Leverage} = \frac{\text{total debt}}{\text{total asset}}$$

Cash Flow from Operations (CFO)

The company's cash flow or cash flow operation is a description of the cash in and cash out report of a company in a certain period with the company's ability to generate cash from an operating activity. The amount of cash flow arising from the entity's operating indicators by generating sufficient cash flow (Ni et al., 2019a). Cash flow measurement can be measured through operating cash flow divided by the final balance of assets, and can be formulated according to (Ni et al., 2019) as follows:

$$\text{Operating Cash Flow} = \frac{\text{total operating cash flow}}{a\text{sset ending balance}}$$

Growth Ratio (SG)

The sales growth ratio is a ratio that describes the company's ability to maintain its economic position by relying on sales from external parties. Sales have a strategic influence on the company by supporting the amount of assets or assets that have an important role in increasing the company's capital. The growth ratio can be formulated according to (Dianova & Nahumury, 2019) as follows:

$$\text{Growth Ratio} = \frac{\text{sales}_\text{t} - \text{sales}_{\text{t}-1}}{\text{sales}_{\text{t}-1}}$$

Description:
Sales_t = Sales now
Sales_{t-1} = Sales of the previous year

Capital Intensity (CAPIN)

Capital intensity plays an important role for company management because it can determine the amount of company assets in generating revenue (Lannelongue et al., 2017a) The formula used in calculating capital intensity according to (Lannelongue et al., 2017) is:

$$\text{Capital intensity} = \frac{\text{sales}}{\text{asset}}$$

NEWNESS of Fixed Assets

Each type of fixed asset such as land, buildings, inventory and so on in the position of the financial statements in detail in the notes to the financial statements (Darmawan, 2021a). The measurement used to calculate newness according to (Darmawan, 2021) are:

$$\text{Newness} = \frac{\text{book value of asset}}{\text{Deprecation expense}}$$

Data Collection and Analysis Techniques

Data collection took place using secondary data sourced from annual reports and sustainability reports. The reports can be obtained from the website www.idx.co.id. The study used panel regression method to analyze the data and test the research hypothesis. The data research steps consist of descriptive statistical analysis, outlier testing, selection of the best model and hypothesis testing using Eviews. The regression equation for the research model is as follows:

Model 1 = $CSP_{it} = \beta + \beta\ Bsize + \beta\ Bind + \beta_{0\ 1it2\ it3\ it4} + \beta\ CeoDualFemale + \beta_{it5}\ Size + \beta_{ir6}\ Lev + \beta_{it7}\ CFO + \beta_{it\ 8}\ SG + \beta_{it\ 9}\ Newness + \beta_{it\ 10}\ Capin_{it} + \varepsilon_{it}$

Model 2 = $CFP_{it} = \beta + \beta_{0\ 1}\ CSP + \beta\ CGOV_{it-1\ \ 2\ it3} + \beta CSP * CGOV + \beta_{it-1\ it\ 4}\ Size + \beta_{ir5}\ Lev + \beta_{it6}\ CFO + \beta_{it\ 7}\ SG + \beta_{it\ 8}\ Newness + \beta_{it\ 9}\ Capin_{it} + \varepsilon_{it}$

RESEARCH RESULTS AND DISCUSSION

Table 1. Descriptive Statistical Test of Ratio Variables

Variables	N	Minimum	Maximum	Mean	Std. Deviation
CSP	265	0,0130	0,8701	0,321882	0,1475230

TOBINS_Q	265	0,1679	23,2858	1,637801	2,5418921
BSIZE	265	3,0000	17,0000	6,867925	2,4435888
BIND	265	0,0000	0,3333	0,044168	0,0820511
SIZE (In Millions)	265	IDR 2,510,078	IDR 1,725,611,128	IDR 147,946,131	IDR 311,337,529
LEV	265	0,0480	1,8495	0,628103	0,2576397
CFO	265	-1,7968	3,9499	0,375338	0,5627009
SG	265	-0,9660	15,9611	0,293635	1,5225180
NEWNESS	265	1,9266	84,5696	13,620015	10,1282182
CAPIN	265	0,8468	567,3452	18,923915	48,1902540
Valid N (listwise)	265				

Source: Secondary Data Processed, 2023

Descriptive statistics is a form of data analysis that is used to describe and describe more clearly the object being studied so that it is easy to understand (Rostami et al., 2016). This procedure presents a number of information regarding how the data is presented as outlined in the form of average, maximum, minimum, and standard deviation. Table 1 based on the results of descriptive statistical analysis of ratio variables can be concluded that a total of 265 samples contain N valid data. As the dependent variable of this study, sustainability performance (CSP) has a minimum value of 0.0130, a maximum value of 0.8701 and an average value of 0.321882 with a standard deviation of 0.1475230. This illustrates that most companies in Indonesia have disclosed sustainability reports, although the sustainability performance disclosure score in IDX companies is still quite low (<50%).

Tobin's Q is the dependent variable in measuring financial performance which has an average value of 1.637801. The minimum value of BSIZE is 3 while the maximum is 17, this reflects that the size of the board of directors has fulfilled regulation number 60 / POJK.04 / 2016, namely with a minimum of 3 directors in the company. The average value of BIND is 0.044168, indicating that the company on average has met the requirements for the number of independent members of the board stipulated in regulation No. 33 / POJK.04 / 2014, with the condition that the number of independence members of the board of directors is no more than 30% of the number of independent members of the board of directors.

Table 2. Descriptive Statistical Test of Dummy Variables

Variables	Description	Frequency	Percent
CEO Duality	0 = Board of Directors and Commissioners Have No Family Relationship	233	87,9
	1=Board of Directors and Commissioners Have Family Relationship	32	12,1

Variables	Description	Frequency	Percent
Female Director	0=No female director	110	41,5
	1=Have a Female Director	155	58,5

Variables	Description	Frequency	Percent
Governance (CGOV)	0	28	10,6
	1	92	34,7
	2	102	38,5
	3	32	12,1

	4	11	4,2

Source: Secondary Data Processed, 2023

Table 2 shows the descriptive statistical test specifically for dummy variables. Data with dummy variables are the variables of CEO duality and female directors. The results of table 2 show that companies that have CEO duality are 12.1%. This is because as many as 87.9% of the companies consisting of boards and authorized representatives are not related to family relationships. The table above also shows that 58.5% of companies have female directors. In the calculation of governance, the median number of board size (BSIZE), board independence (BIND), CEO duality (CEODUAL), female directors (FEMALE) with a range of numbers ranging from 0-4 and summed all governance calculations to get the value.

Outlier Test

The outlier test is used to identify data deviations. Data deviations can be in the form of data that has a significant difference compared to other data sets. Z-score is a standardized value for each data that shows the size of the data deviation from the average. Outlier data has a range of results between -3.00 and 3.00. Deviation occurs when the test results produce numbers outside the specified range (Ghozali et al., 2022). The results of the outlier test in model 1 show as much as 27 outlier data using the z-score method from 265 companies to 238 data. The results of the outlier test in model 2 show as much as 30 outlier data data using the z-score method from 265 companies to 235 data.

Panel Regression Test

Chow Test Results

The Chow test is the process of testing data and selecting a model between PLS or FEM in estimating panel data. The reason for taking the Chow test value can be seen from the selected PLS probability value exceeding 0.0500, while the value obtained is less than 0.0500, then the best model is FEM. Table 3 displays the probability value of the chow test below 0.05 indicating that the best regression model is FEM. Therefore, the selection for both models will continue with the Hausman test.

Table 3. Chow Test Results

Effects Test	Prob.		Conclusion
	Model 1	Model 2	
Cross-section Chi-square	0,0000	0,0000	Fixed Effect Model

Source: Secondary Data Processed, 2023

Hausman Test Results

The Hausman test is a further testing process to determine the model between FEM or REM if the Chow test results are below 0.0500. In the Hausman test, it can be seen from the random chi statistic that a standard probability value smaller than 0.0500 will use the FEM model and a probability value greater than 0.0500 will use the REM model. Table 4 displays the results of the Hausman test with a fixed probability value. The probability in both models uses the FEM model, because the probability is below 0.005. Based on the results of the Hausman test, the best model for the second model is FEM.

Table 4. Hausman Test Results

Effects Test	Prob.		Conclusion
	Model 1	**Model 2**	

Random Cross-section	0,0172	0,0002	Fixed Effect Model

Source: Secondary Data Processed, 2023

Hypothesis Test Results

F Test

The F test is a test to see all the effects of the independent variable and the dependent variable simultaneously. If the probability value on the F-Statistic does not exceed 0.05, then the independent variable simultaneously has a significant effect on the dependent variable. Conversely, if the probability value on the F-Statistic exceeds 0.05, then the independent variable has no significant effect on the dependent variable. The probability value in Table 5 shows results less than 0.05, namely 0.0000. This shows that all independent, control and moderation variables affect CSP and CFP simultaneously.

Table 5. F Test Results

Model	Prob (F-Statistic)	Conclusion
CSP	0,0000	Significant effect
CFP	0,0000	Significant effect

Source: Secondary Data Processed, 2023

Test t

The t test is used for partial testing of the independent variable and the dependent variable with the provisions that are considered as a reference in determining the significance value, namely:

a. If the significance value is smaller than 0.0500, it means that the independent variable has a significant effect on the dependent variable.

b. If the significance value is greater than 0.0500, it means that the independent variable has no significant effect on the dependent variable.

Table 6. Result of t Test

Variables	MODEL 1		MODEL 2	
	Coefficient	Prob	Coefficient	Prob
CSP			-0,5087	0,0455
CGOV			0,0445	0,4354
CSP X CGOV			0,1446	0,3304
BSIZE	0,002785	0,7785		
BIND	-0,369385	0,0283		
CEODUALITY	0,069431	0,4169		
FEMALE	0,087215	0,0296		
SIZE	0,095608	0,1043	-0,4073	0,0002
LEV	-0,040014	0,8206	1,1161	0,0006
CFO	0,047886	0,2328	0,2479	0,0005
SG	-0,003669	0,8378	-0,0889	0,0058
NEWNESS	-0,001310	0,5810	-0,0006	0,8879
CAPIN	0,001149	0,2059	-0,0019	0,2148

Source: Secondary Data Processed, 2023

The effect of board size on the results of the t test does not have a significant impact on sustainability performance. This shows that BSIZE measured by the number of boards of directors does not have a significant relationship with the level of disclosure of sustainability performance. The test results are consistent with the research of (2020), (2017) and (2017)

The independence of the board of directors significantly affects sustainability performance. This shows that the amount of independence of the board of directors affects the amount of disclosure in the sustainability report. These results are expressed by (2022), (2022), and (2020).

CEO duality has an insignificant effect on sustainability performance. This proves that the affiliation relationship between the board of directors and commissioners has no significant effect on the level of sustainability performance. These results are expressed by (2018), (Ahmand et al., 2017).

Female board members significantly influence sustainability performance. This is because women have morale and effectiveness that is very important in providing motivation to various aspects of women and influencing decision making. These results were expressed by (Reddy & Jadhav, 2019), (Galletta et al., 2021) and (2021) that female boards have a significant relationship with sustainability report disclosure.

Governance or CGOV as a moderator cannot strengthen or weaken the relationship between BSIZE, BIND, FEMALE and CEO DUALITY with sustainability and financial performance based on the significance values in Table 6. These results identify the rejection of H5.

Adjusted R Square Test Results (R)^2

Table 7. Test Results Adjusted R Square

Model	Adjusted R^2	Percentage
I	0,469935	46,9935
II	0,955561	95,5561

Source: Secondary Data Processed, 2023

This test is conducted to see how much the percentage of independent variables is able to explain the dependent variable in this study by observing the Adjusted R Square (R^2) value. The coefficient of determination in Table 7 in model I and model II is 0.469935 and 0.955561, which means that the independent, moderation, and control variables are able to explain the dependent variable, namely the sustainability performance variable and financial performance by 46.9% and 95.5%. The remaining 53.01% and 4.5% are explained by other variables not studied.

CONCLUSIONS AND SUGGESTIONS

This study aims to identify the influence of the moderating effect of governance in the relationship between sustainability and financial performance of companies listed on the Indonesia Stock Exchange during the 2017-2021 period. The conclusions of this study include that the board size variable has no significant effect on sustainability performance, therefore hypothesis 1 is rejected, the board independence variable has a significant negative effect on sustainability performance, therefore hypothesis 2 is accepted, the CEO duality variable has no significant effect on sustainability performance, therefore hypothesis 3 is rejected, the female board variable has a significant effect on sustainability performance, therefore hypothesis 4 is accepted. Governance variables are not able to moderate the relationship between sustainability and financial performance, therefore hypothesis 5 is rejected.

Based on the research process, there are limitations that need to be considered for future researchers. The limitation is that on the Indonesia Stock Exchange for sustainability reports, many companies have not published consistently from 2017-2021. Suggestions for future research can expand the population or sample apart from companies that publish sustainability reports or are listed on the Indonesian capital market.

REFERENCES

Adeabah, D., Gyeke-Dako, A., & Andoh, C. (2018). Board gender diversity , corporate governance and bank ef fi ciency in Ghana : a two stage data envelope analysis (DEA) approach. *Emerald Insight*. https://doi.org/10.1108/CG-08-2017-0171

Adel, C., Hussain, M. M., Mohamed, E. K. A., & Basuony, M. A. K. (2019). Is corporate governance relevant to the quality of corporate social responsibility disclosure in large European companies? *International Journal of Accounting and Information Management*, *27*(2), 301–332. https://doi.org/10.1108/IJAIM-10-2017-0118

Affes, H., & Sardouk, H. (2016). Accounting conservatism and corporate performance: The moderating effect of the board of directors. *Journal of Business & Financial Affairs*, *5*(2). https://doi.org/10.4172/2167-0234.1000187

Ahmad, N. B. J., Rashid, A., & Gow, J. (2017). Board independence and corporate social responsibility (CSR) reporting in Malaysia. *Australasian Accounting, Business and Finance Journal*, *11*(2), 61–85. https://doi.org/10.14453/aabfj.v11i2.5

Ahmand, N., Rashid, A., & Gow, J. (2017a). CEO duality and corporate social responsibility reporting: Evidence from Malaysia. *Corporate Ownership & Control*, *14*(2), 3–142. https://doi.org/10.22495/COCV14I2ART7

Ahmand, N., Rashid, A., & Gow, J. (2017b). CEO duality and corporate social responsibility reporting: Evidence from Malaysia. *Corporate Ownership & Control*, *14*(2), 3–142. https://doi.org/10.22495/COCV14I2ART7

Aksoy, M., Yilmaz, M. K., Tatoglu, E., & Basar, M. (2020). Antecedents of corporate sustainability performance in Turkey: the effects of ownership Structure and board attributes on non-financial companies. *Journal of Cleaner Production*, *276*, 124284. https://doi.org/10.1016/j.jclepro.2020.124284

Alabdullah, T. T. Y., Ahmed, E. R., & Muneerali, M. (2019a). Effect of board size and duality on corporate social responsibility: What has improved in corporate governance in Asia? *Journal of Accounting Science*, *3*(2), 121–135. https://doi.org/10.21070/jas.v3i2.2810

Alabdullah, T. T. Y., Ahmed, E. R., & Muneerali, M. (2019b). Effect of board size and duality on corporate social responsibility: What has improved in corporate governance in Asia? *Journal of Accounting Science*, *3*(2), 121–135. https://doi.org/10.21070/jas.v3i2.2810

Ali, R., Sial, M. S., Brugni, T. V., Hwang, J., Khuong, N. V., & Khanh, T. H. T. (2020). Does csr moderate the relationship between corporate governance and Chinese firm's financial performance? Evidence from the Shanghai Stock Exchange (SSE) firms. *Sustainability (Switzerland)*, *12*(1). https://doi.org/10.3390/SU12010149

Ammari, A. (2021a). Do CEO duality and ownership concentration impact dividend policy in emerging markets? The moderating effect of crises period. *International Journal of Financial Studies*, *9*(4). https://doi.org/10.3390/ijfs9040062

Ammari, A. (2021b). Do CEO duality and ownership concentration impact dividend policy in emerging markets? The moderating effect of crises period. *International Journal of Financial Studies*, *9*(4). https://doi.org/10.3390/ijfs9040062

Anita, A., & Amalia, D. P. (2021). Pengaruh tanggung jawab sosial terhadap kinerja keuangan: Struktur kepemilikan sebagai variabel moderasi. *Jurnal Ekonomi Modernisasi*, *17*(1), 54–68. https://doi.org/10.21067/jem.v17i1.5283

Anita, & Jeny. (2021). Pengaruh ukuran perusahaan, leverage, profitabilitas, umur erusahaan, masa jabatan perusahaan audit, dan ukuran perusahaan audit terhadap corporate social responsibility. *Conference on Management, Business, Innovation, Education and Social Science*, *1*(1), 1529–1539.

Anita, & Lasma. (2021). Analisis pengaruh tata kelola perusahaan terhadap kinerja dan tanggung jawab sosial pada perusahaan yang terdaftar di bursa efek Indonesia. *Conference on Management, Business, Innovation, Education and Social Science*, *1*(1), 1744–1754.

Aprilia, A. W., Haryono, L., & Marsetio, N. C. (2020). *Pengaruh karakteristik direksi terhadap kinerja perusahaan yang terdaftar di Bursa Efek Indonesia*. *12*(November), 233–255.

Aunga, Dr., & Nathan, Mr. (2018). The impact of corporate social responsibility on corporate financial perfomance in Tanganyika Wilderness camps limited in Arusha Region, Tanzania. *The International Journal of Social Sciences and Humanities Invention*, *5*(1), 4292–4306. https://doi.org/10.18535/ijsshi/v5i1.09

Bawaneh, S. S. (2020a). Impact of corporate governance on financial institutions' performance: a board composition case. *Asian Economic and Financial Review*, *10*(1), 54–63. https://doi.org/10.18488/journal.aefr.2020.101.54.63

Bawaneh, S. S. (2020b). Impact of corporate governance on financial institutions' performance: a board composition case. *Asian Economic and Financial Review*, *10*(1), 54–63. https://doi.org/10.18488/journal.aefr.2020.101.54.63

Bhattacharya, A., Good, V., Sardashti, H., & Peloza, J. (2021). Beyond Warm Glow: The risk mitigating efect of corporate social responsibility (CSR). *Journal of Business Ethics*, *171*(2), 317–336. https://doi.org/10.1007/s10551-020-04445-0

Buertey, S., Sun, E. J., Lee, J. S., & Hwang, J. (2020). Corporate social responsibility and earnings management: The moderating effect of corporate governance mechanisms. *Corporate Social Responsibility and Environmental Management*, *27*(1), 256–271. https://doi.org/10.1002/csr.1803

Chandra, K., & Devie. (2017). Pengaruh ceo duality. *Business Accounting Review*, *5*(1), 301–312.

Cordeiro, J. J., Profumo, G., & Iutore, I. (2019). *Board gender diversity and corporate environmental performance: The moderating role of family and dual-class majority ownership structures environment*. Wiley Online Library.

Darmawan, S. Ds. H. (2021a). *Book value (nilai buku) – definisi, perhitungan, dan contohnya*.

Darmawan, S. Ds. H. (2021b). *Book value (nilai buku) – definisi, perhitungan, dan contohnya*.

Dianova, A., & Nahumury, J. (2019). Investigating the effect of liquidity, leverage, sales growth and good corporate governance on financial distress. *Journal of Accounting and Strategic Finance*, *2*(2), 143–156. https://doi.org/10.33005/jasf.v2i2.49

Endrikat, J., De Villiers, C., Guenther, T. W., & Guenther, E. M. (2021a). Board characteristics and corporate social responsibility: A meta-analytic investigation. *Business & Society*, *60*(8), 2099–2135. https://doi.org/10.1177/0007650320930638

Endrikat, J., De Villiers, C., Guenther, T. W., & Guenther, E. M. (2021b). Board characteristics and corporate social responsibility: A meta-analytic investigation. *Business & Society*, *60*(8), 2099–2135. https://doi.org/10.1177/0007650320930638

Fakir, A.N.M., A., & Jusoh, R. (2020). Board gender diversity and corporate sustainability performance: Mediating role of enterprise risk management. *Journal of Asian Finance, Economics and Business*, *7*(6), 351–363. https://doi.org/10.13106/jafeb.2020.vol7.no6.351

Feng, Y., Chen, H. H., & Tang, J. (2018). The impacts of social responsibility and ownership structure on sustainable financial development of China's energy industry. *Sustainability (Switzerland)*, *10*(2), 1–15. https://doi.org/10.3390/su10020301

Gallego-Álvarez, I., & Pucheta-Martínez, M. C. (2022). Board competences and CSR reporting: The moderating role of CEO power. *Revista de Contabilidad - Spanish Accounting Review*, *25*(2), 282–301. https://doi.org/10.6018/RCSAR.431221

Galletta, S., Mazzù, S., Naciti, V., & Vermiglio, C. (2021a). *Gender diversity and sustainability performance in the banking industry*. Wiley Online Library. https://doi.org/https://doi.org/10.1002/csr.2191

Galletta, S., Mazzù, S., Naciti, V., & Vermiglio, C. (2021b). *Gender diversity and sustainability performance in the banking industry*. Wiley Online Library. https://doi.org/https://doi.org/10.1002/csr.2191

Ghozali, I., Wahyudi, S., Hersugondo, Prabuwono, A. S., & Pamungkas, I. D. (2022). Bid-ask spread on earnings management with good corporate governance as moderation variables: Banking sector in Indonesia. *Wseas Transactions on Business and Economics*, *19*, 386–395. https://doi.org/10.37394/23207.2022.19.34

Hafidzi, A. H. (2019). The effect of commissioners' board size and committee board size on disclosure of corporate social responsibility (CSR). *AGREGAT: Jurnal Ekonomi Dan Bisnis*, *3*. https://doi.org/10.22236/agregat_vol3/is1pp65-80

Herdi, F., & NR, E. (2020). Pengaruh profitabilitas, leverage, dan komposisi dewan komisaris independen terhadap pengungkapan corporate social responsibility. *Jurnal Eksplorasi Akuntansi*, *2*(1), 2428–2444.

Hussain, N., Rigoni, U., & Orij, R. P. (2018a). Corporate governance and sustainability performance: Analysis of triple bottom line performance. *Journal of Business Ethics*, *149*(2), 411–432. https://doi.org/10.1007/s10551-016-3099-5

Hussain, N., Rigoni, U., & Orij, R. P. (2018b). Corporate governance and sustainability performance: Analysis of triple bottom line performance. *Journal of Business Ethics*, *149*(2), 411–432. https://doi.org/10.1007/s10551-016-3099-5

Islam, R., Erica, F., & Ali, M. (2022). *Evaluating board diversity and its importance in the environmental and social performance of organizations*. Wiley Online Library. https://doi.org/https://doi.org/10.1002/csr.2259

Janang, J. S., Joseph, C., & Said, R. (2020). Corporate governance and corporate social responsibility society disclosure: The application of legitimacy theory. *International Journal of Business and Society*, *21*(2), 660–678. https://doi.org/10.33736/IJBS.3281.2020

Jensen, M., & Mecklng, W. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure michael. *Human Relations*, *72*(10), 1671–1696. https://doi.org/10.1177/0018726718812602

Juliani, M., & Ventty, C. (2022). Analisis pengaruh csr terhadap manajemen laba dengan tata kelola perusahaan sebagai variabel moderasi. *Jesya (Jurnal Ekonomi & Ekonomi Syariah)*, *5*(1), 71–84. https://doi.org/10.36778/jesya.v5i1.566

Kabir, R., & Thai, H. M. (2017). Does corporate governance shape the relationship between corporate social responsibility and financial performance? *Pacific Accounting Review*, *29*(2), 227–258. https://doi.org/10.1108/par-10-2016-0091

Kantabutra, S., & Ketprapakorn, N. (2020). Toward a theory of corporate sustainability: A theoretical integration and exploration. *Journal of Cleaner Production*, *270*, 122292. https://doi.org/10.1016/j.jclepro.2020.122292

Kosyuk, A., Guedes, M. J. C., & Govorum, D. (2020). Corporate governance: Examining key challenges and perspectives/Conference proceedings. *International Online Conference*. https://doi.org/10.22495/cgekcp

Lannelongue, G., Gonzalez-Benito, J., & Quiroz, I. (2017a). Environmental management and labour productivity: The moderating role of capital intensity. *Journal of Environmental Management*, *190*, 158–169. https://doi.org/10.1016/j.jenvman.2016.11.051

Lannelongue, G., Gonzalez-Benito, J., & Quiroz, I. (2017b). Environmental management and labour productivity: The moderating role of capital intensity. *Journal of Environmental Management*, *190*, 158–169. https://doi.org/10.1016/j.jenvman.2016.11.051

Lu, L. W. (2021a). The moderating effect of corporate governance on the relationship between corporate sustainability performance and corporate financial performance. *International Journal of Disclosure and Governance*, *18*(3), 193–206. https://doi.org/10.1057/s41310-020-00099-6

Lu, L. W. (2021b). The moderating effect of corporate governance on the relationship between corporate sustainability performance and corporate financial performance. *International Journal of Disclosure and Governance*, *18*(3), 193–206. https://doi.org/10.1057/s41310-020-00099-6

Manita, R., Burna, M. G., Dang, R., & Houanti, L. (2017). Board gender diversity and ESG disclosure : Evidence from the US. *Emerald Insight*.

Manning, B., Braam, G., & Reimsbach, D. (2019). Corporate governance and sustainable business conduct—Effects of board monitoring effectiveness and stakeholder engagement on corporate sustainability performance and disclosure choices. *Corporate Social Responsibility and Environmental Management*, *26*(2), 351–366. https://doi.org/10.1002/csr.1687

Maude, E., Gambo, J., Bawa, Bello, A., & Rimamshung, S. A. (2018). Effect of board size, board composition and board meetings on financial performance of listed consumer goods in Nigeria. *International Business Research*, *11*(6), 1. https://doi.org/10.5539/ibr.v11n6p1

Meng, S., Su, H., & Yu, J. (2022). Digital transformation and corporate social performance: How do board independence and institutional ownership matter? *Frontiers in Psychology*, *13*(May). https://doi.org/10.3389/fpsyg.2022.915583

Muange, R., & Kiptoo, N. (2020a). Effects of CEO duality and board tenure on corporate social responsibility of firms listed in Nairobi securities Exchange , Kenya. *International Journal of Research and Innovation in Social Science*, *4*(6), 524–532.

Muange, R., & Kiptoo, N. (2020b). Effects of CEO duality and board tenure on corporate social responsibility of firms listed in Nairobi securities Exchange , Kenya. *International Journal of Research and Innovation in Social Science*, *4*(6), 524–532.

Mubeen, R., Han, D., Abbas, J., Álvarez-Otero, S., & Sial, M. S. (2021). The relationship between CEO duality and business firms' performance: The moderating role of firm size and corporate social responsibility. *Frontiers in Psychology*, *12*, 4817. https://doi.org/10.3389/FPSYG.2021.669715/BIBTEX

Muhammad, P., Arung, M., Nadhira, A., Andi, T., & Muhammad, A. (2021). The relationship of corporate social responsibility (CSR) disclosure and earnings management: Evidence from Indonesia. *Journal of Asian Finance*, *8*(2), 903–0909. https://doi.org/10.13106/jafeb.2021.vol8.no2.0903

Munir, A., Khan, F. U., & Usman, M. (2019). Relationship between corporate governance, corporate sustainability and financial performance. *Pakistan Journal of Commerce and Social Sciences*, *13-(4)*, 915–933.

Naciti, V. (2019). Corporate governance and board of directors: the effect of a board composition on firm sustainability performance. *Journal of Cleaner Production*, *237*, 117727. https://doi.org/10.1016/j.jclepro.2019.117727

Naseem Muhammad, Riaz Salman, Ikram amir, M. F. (2017). Impact of board characteristics on corporate social responsibility disclosure. *The Journal of Applied Business Research*, *33*(4). https://doi.org/DOI:10.19030/JABR.V33I4.10001

Nazar, M. (2016a). Does CEO duality affect the firm performance? Evidence from Sri Lanka. *International Journal of Advances in Management and Economics*, *5*, 56.

Nazar, M. (2016b). Does CEO duality affect the firm performance? Evidence from Sri Lanka. *International Journal of Advances in Management and Economics*, *5*, 56.

Ngatno, Apriatni Endang P., & Youlianto Arief. (2020). *Moderating effects of corporate governance mechanism on the relation between capital structure and firm performance.*

Cogent Business & Management, 8(1), 1866822 | 10.1080/23311975.2020.1866822. Cogent Business & Management. https://doi.org/DOI:10.1080/23311975.2020.1866822

Ni, Y., Huang, P., Chiang, P., & Liao, Y. (2019a). Cash flow statements and firm value: Evidence from Taiwan. *Quarterly Review of Economics and Finance*, *71*, 280–290. https://doi.org/10.1016/j.qref.2018.09.004

Ni, Y., Huang, P., Chiang, P., & Liao, Y. (2019b). Cash flow statements and firm value: Evidence from Taiwan. *Quarterly Review of Economics and Finance*, *71*, 280–290. https://doi.org/10.1016/j.qref.2018.09.004

Orozco, L. A., Vargas`, J., & Galindo-Dorado, R. (2017). Trends on the relationship between board size and financial and reputational corporate performance the Colombian case. *Emerald Insight*, 2444–8451. https://doi.org/10.1108/EJMBE-02-2018-0029

Ortas, E., Álvarez, I., & Zubeltzu, E. (2017). Firms' board independence and corporate social performance: A meta-analysis. *Sustainability (Switzerland)*, *9*(6), 1–26. https://doi.org/10.3390/su9061006

Pareek, R., Nath Sahu, T., & Gupta, A. (2021). *Gender diversity and corporate sustainability performance: empirical evidence from India*. https://doi.org/10.1108/XJM-10-2020-0183

Pareek, R., Pandey, K. D., & Sahu, T. N. (2019a). Corporate governance, firms' characteristics and environmental performance disclosure practices of Indian Companies. *Indian Journal of Corporate Governance*, *12*(2), 142–155. https://doi.org/10.1177/0974686219881091

Pareek, R., Pandey, K. D., & Sahu, T. N. (2019b). Corporate governance, firms' characteristics and environmental performance disclosure practices of Indian Companies. *Indian Journal of Corporate Governance*, *12*(2), 142–155. https://doi.org/10.1177/0974686219881091

Pasko, Zhang, L., Tuzhyk, K., Proskurina, N., & Gryn, V. (2021). Do sustainability reporting conduct and corporate governance attributes relate? Empirical evidence from China. *Problems and Perspectives in Management*, *19*(4), 110–123. https://doi.org/10.21511/ppm.19(4).2021.10

Pfeffer, J., & Gerald, S. (1978). *The external control of organizations: A resource dependence perspective*.

Pham, H. S. T., & Nguyen, D. T. (2020). Debt financing and firm performance: The moderating role of board independence. *Journal of General Management*, *45*(3), 141–151. https://doi.org/10.1177/0306307019886829

Pieritsz, L. R. (2021). Peran tata kelola perusahaan Dan tanggung jawab sosial perusahaan terhadap manajemen laba. *Accounting Dan Business Information System Journal*, *9*(2).

Pratamaindomitra.co.id. (2021). *Deretan kasus korupsi ingatkan kita pentingnya penerapan gcg*.

Rashid, M. H. U., & Hossain, S. Z. (2022). Does board independence moderate the effect of politician directors on CSR disclosure? Evidence from the publicly listed banks in Bangladesh. *Social Responsibility Journal*, *18*(5), 935–950. https://doi.org/10.1108/SRJ-08-2020-0320/FULL/HTML

Reddy, S., & Jadhav, A. (2019a). Gender diversity in boardrooms–a literature review. *Cogent Economics and Finance*, *7*(1). https://doi.org/10.1080/23322039.2019.1644703

Reddy, S., & Jadhav, A. (2019b). Gender diversity in boardrooms–a literature review. *Cogent Economics and Finance*, *7*(1). https://doi.org/10.1080/23322039.2019.1644703

Robiyanto, R., Putra, A. R., & Lako, A. (2019a). The effect of good corporate governance mechanism on firm value of indonesian socially responsible firms. *Contaduría y Administración 66 (1)*. https://doi.org/DOI:10.22201/FCA.24488410E.2021.2489

Robiyanto, R., Putra, A. R., & Lako, A. (2019b). The effect of good corporate governance mechanism on firm value of indonesian socially responsible firms. *Contaduría y Administración 66 (1)*. https://doi.org/DOI:10.22201/FCA.24488410E.2021.2489

Romano, M., Cirillo, A., Favino, C., & Netti, A. (2020). ESG (Environmental, social and governance) performance and board gender diversity: The moderating role of CEO duality. *Sustainability (Switzerland)*, *12*(21), 1–16. https://doi.org/10.3390/SU12219298

Rostami, S., Rostami, Z., & Kohansal, S. (2016). The effect of corporate governance components on return on assets and stock return of companies listed in Tehran stock exchange. *Procedia Economics and Finance*, *36*(16), 137–146. https://doi.org/10.1016/s2212-5671(16)30025-9

Samudra, T. B., Maslichah, & Sudaryanti, D. (2020). Pengaruh mekanisme orporate governance terhadap luasnya pengungkapan CSR. *Fakultas Ekonomi Dan Bisnis Universitas Islam Malang*, *09*(02), 47–57.

Satwinder, S., Naeem, T., Tamer, D. K., & Georgios., B. (2017). Corporate governance and tobin's q as a measure of organizational performance. *British Journal of Management*, *00, 1–20*. https://doi.org/10.1111/1467-8551.12237

Sembiring, E. R. (2020). *Analisis pengaruh good corporate governance terhadap corporate social responsibility eddy r. sembiring*. *6*(2), 145–168.

Shahbaz, M., Karaman, A. S., Kilic, M., & Uyar, A. (2020). Board attributes, CSR engagement, and corporate performance: What is the nexus in the energy sector? *Energy Policy*, *143*, 111582. https://doi.org/10.1016/J.ENPOL.2020.111582

Singh, S., Tabassum, N., Darwish, T. K., & Batsakis, G. (2018). Corporate governance and Tobin's Q as a measure of organizational performance. *British Journal of Management*, *29*(1), 171–190. https://doi.org/10.1111/1467-8551.12237

Sudirman, N., Alimuddin, & Indrijawati, A. (2021). The effect of good corvorate governance and enterprise risk management on company value with financial performance as a moderating variables. *Quest Journals Journal of Research in Business and Management*, *9*(1), 2347–3002.

Sugiyono. (2020). Metode Penelitian STP. *Repository.Stp*, 26–37.

Suprobo, F. P., & Setiadarma, E. (2017). Sustainability report dan tata kelola: Influencers dalam kinerja perusahaan property dan konstruksi. *Seminar Nasional Ilmu Terapan (SNITER)*, *2*(03), 1–6.

Suryaningtyas, A., & Rohman, A. (2019). Pengaruh penerapan corporate governance terhadap nilai perusahaan dengan kinerja keuangan sebagai variabel mediasi. *DIPONEGORO JOURNAL OF ACCOUNTING*, *8*, 1–10.

Sutedja, S. (2021). *Mengenal sistem one-tier dan two-tier dalam tata kelola perusahaan - ESGI*. ESGI.

Tamimi, N., & Sebastianelli, R. (2017). Transparency among S&P 500 companies: An analysis of ESG disclosure scores. *Australian Catholic University*, *55*(8), 1660–1680. https://doi.org/10.1108/MD-01-2017-0018

Tanujaya, K., & Anggreany, E. (2021). Hubungan dewan direksi, keberagaman gender dan kinerja berkelanjutan terhadap penghindaran pajak. *Jurnal Ilmiah Akuntansi Dan Keuangan*, *4*(5), 1648–1666.

Tanujaya, K., & Teresa, R. (2021). Pengaruh penghindaran pajak dan tata kelola perusahaan terhadap pengungkapan csr dengan peran direksi wanita sebagai moderasi: Kasus perusahaan Di Bursa Efek Indonesia. *Financial: Jurnal Akuntansi*, *7*(2), 184–197. https://doi.org/10.37403/financial.v7i2.295

Tempo.co. (2021). *Air sungai wekitar pabrik tercemar, PT Mayora Indah: limbah kami bukan limbah b3*.

Teti, E., Dell'Acqua, A., Etro, L., & Resmini, F. (2016). Corporate governance and cost of equity: Empirical evidence from latin American companies. *Emerald Insight*, *16*(5), 831–848. https://doi.org/10.1108/CG-02-2016-0028

Toly, Arianto, A., Ronald, Stefanus, Hartanto, Victor, & Stevie, F. (2019). The effect of csr, tax avoidance, and information asymmetry issues on corporate reputation. *Journal of Economics and Business*, *2*(2). https://doi.org/10.31014/aior.1992.02.02.104

Ullah, F. (2019). *www.econstor.eu*.

Uyar, A., Kuzey, C., Kilic, M., & Karaman, A. S. (2021). Board structure , financial performance , corporate social responsibility performance , CSR committee , and CEO duality : Disentangling the connection in healthcare. *Wiley Online Library*, *March*, 1–19. https://doi.org/10.1002/csr.2141

Vasconcelos, V. D., Ribeiro, M. de S., & Crisóstomo, V. L. (2022). Does gender diversity moderate the relationship between csr committees and sustainable development goals disclosure? Evidence from latin American companies. *RAUSP Management Journal*, *57*(4), 434–456. https://doi.org/10.1108/RAUSP-02-2022-0063

Vitolla, F., Raimo, N., Marrone, A., & Rubino, M. (2020). The role of board of directors in intellectual capital disclosure after the advent of integrated reporting. *Corporate Social Responsibility and Environmental Management*, *27*(5), 2188–2200. https://doi.org/10.1002/CSR.1957

Vivian, Wijaya, Y., Charlie, F., Winnie, Devi, Ufrida, N., & Rahmi. (2020). Pengaruh profitabilitas, leverage, ukuran perusahaan, umur perusahaan, dan dewan komisaris independen terhadap corporate social responsibility pada perusahaan pertambangan yang terdaftar di Bursa Efek Indonesia pada periode 2014-2018. *Jurnal Ilmiah MEA (Manajemen, Ekonomi, Dan Akuntansi)*, *4*(3), 257–274.

Yopie, S., & Robin. (2023). The Influence of Corporate Governance System and Corporate Social Responsibility on Corporate Profit Management Kompas 100. *Migration Letters, 20*(7), 1327–1346. www.migrationletters.com

Younas, Z. I., Klein, C., Trabert, T., & Zwergel, B. (2019). Board composition and corporate risk-taking: A review of listed firms from germany and the USA. *Journal of Applied Accounting Research*, *20*(4), 526–542. https://doi.org/10.1108/JAAR-01-2018-0014