ASIAN JOURNAL OF ECONOMICS AND BUSINESS MANAGEMENT
2023, VOL. 2, NO. 2, 292 – 299
https://doi.org/10.53402/ajebm.v2i2.356

LIGHTHOUSE

OPEN ACCESS

Role of institutional ownership in moderating profitability and board of directors on sustainability report disclosure

Fransisco Pandapotan*

Department of Accounting, Mercu Buana University, Jakarta, Indonesia

ABSTRACT
Sustainability report disclosure is one of the important reports prepared by a company to provide information about company's activities in relation to economic, environmental and social activities where the preparation of a sustainability report disclosure refers to the GRI Standards. Sustainability report disclosure helps the stakeholders and investors asses the company's performance and helps them make decisions to create a sustainable development. This research aims to test the effect of profitability and the board of directors on sustainability report disclosure with institutional ownership as a moderating variable. This is classified as causal research with a quantitative approach. The population used is companies indexed by Kompas 100 in the Indonesia Stock Exchange period 2019-2021, and this research uses 60 samples. The hypothesis testing techniques are multiple regression analysis and moderated regression analysis with E-views 10. The results of this research prove that profitability has a significant positive effect on sustainability report disclosure, board of directors has no significant effect on sustainability report disclosure, and institutional ownership is unable to moderate the effect of profitability and board of directors on the sustainability report disclosure.

KEYWORDS
Sustainability Report Disclosure; Profitability; Board of Directors; Institutional Ownership

Received: 12 June 2023
Accepted: 4 July 2023
Published: 6 July 2023

Introduction

Sustainability report disclosure is a voluntary disclosure which focuses on the transparency of social and environment, where the contents of sustainability report mainly discuss about the information of financial and non-financial which is useful for the stakeholders in evaluating the company's performance and assisting them in making decisions to create sustainable development (Githaiga & Kosgei, 2023). Moreover, Financial Services Authority in Indonesia said that sustainability report disclosure is one of the company's responsibilities to the public.

Basically, sustainability report disclosure has become an obligation and interest that must be fulfilled by the company. By issuing a sustainability report, a company is considered to have shown a positive attitude of transparency, dedication and commitment to economic, social and environmental activities. In addition, publishing a sustainability report can also increase the public's sense of trust in the company because the public considers that the company has tried to run its business in accordance with applicable norms. When the company gains the trust of the public, the company will gain a legitimacy from them, so that the company's image in the eyes of external parties is getting better.

In Indonesia, the quality and number of sustainability reports that companies make are still relatively low, knowing that this sustainability report is very important for the sustainability of the business and other parties, because sustainability report aims to create an accountability and to meet pressure from stakeholders in activities related to economic, social, and the environment. Even though disclosing sustainability report is still voluntary in Indonesia, the demands for greater accountability from the government become greater. The phenomenon related to sustainability reporting in Indonesia showed that there were fifty-four companies that published sustainability reports for 2019 and a drastic increase of 150 percent (Ramadhani, 2021). According to the Indonesian Financial Services Authority (OJK) in 2016 stated that only 9 percents of the companies who published sustainability reports and it was dominated from financial sectors. In addition, Risa E. Rustam, Director of Finance and Human Resources, Indonesia Stock Exchange, explained that sustainability reporting continued to increase, marked by one hundred and fifty-four companies issuing sustainability reports as of 30 December 2021. Deloitte (2021) said that the increase in the number of companies disclosing sustainability reports was due to global investor that requires extensive information related to the implementation of the Environment Social Government (ESG). Figure 1 presents the data about the companies who published sustainability reports in 2016.

CONTACT Fransisco Pandapotan fransiscopandapotan17@gmail.com

© 2023 The Author(s). Published with license by Lighthouse Publishing.
This is an Open Access article distributed under the terms of the Creative Commons Attribution-ShareAlike 4.0 International (CC BY-ND-ND 4.0) License (https://creativecommons.org/licenses/by-sa/4.0/), which allows others to share the work with an acknowledgement of the work's authorship and initial publication in this journal.

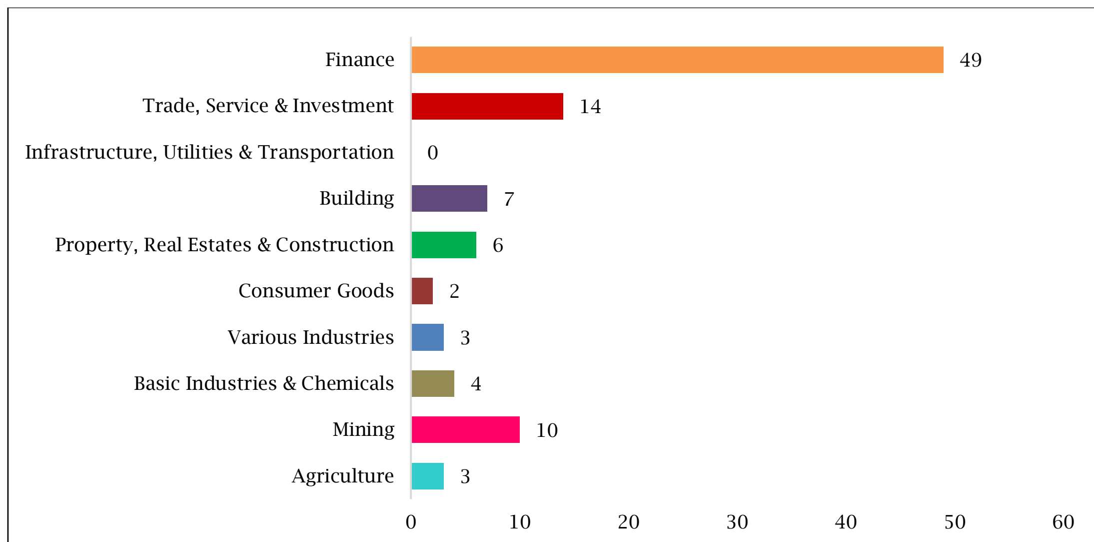

Figure 1. Sustainability Report Issuers in 2016 from Different Sectors in Indonesia
Source: www.ojk.go.id

In order to increase the number of sustainability report disclosure, the Financial Services Authority (OJK) has made the strategic work plan and implementations toward strengthening sustainable finance. These plans were made because in the last two decades, the development which solely targets the economic growth has obtained a lot of attentions, especially the decline of the environmental quality, climate change, and growing social divide. Therefore, the strategic activities focus on integrated risk management, corporate governance, bank ratings, and the development of an integrated sustainable finance information system for the long term in 2020-2024 (Otoritas Jasa Keuangan, 2014). Presented is the roadmap for sustainable finance:

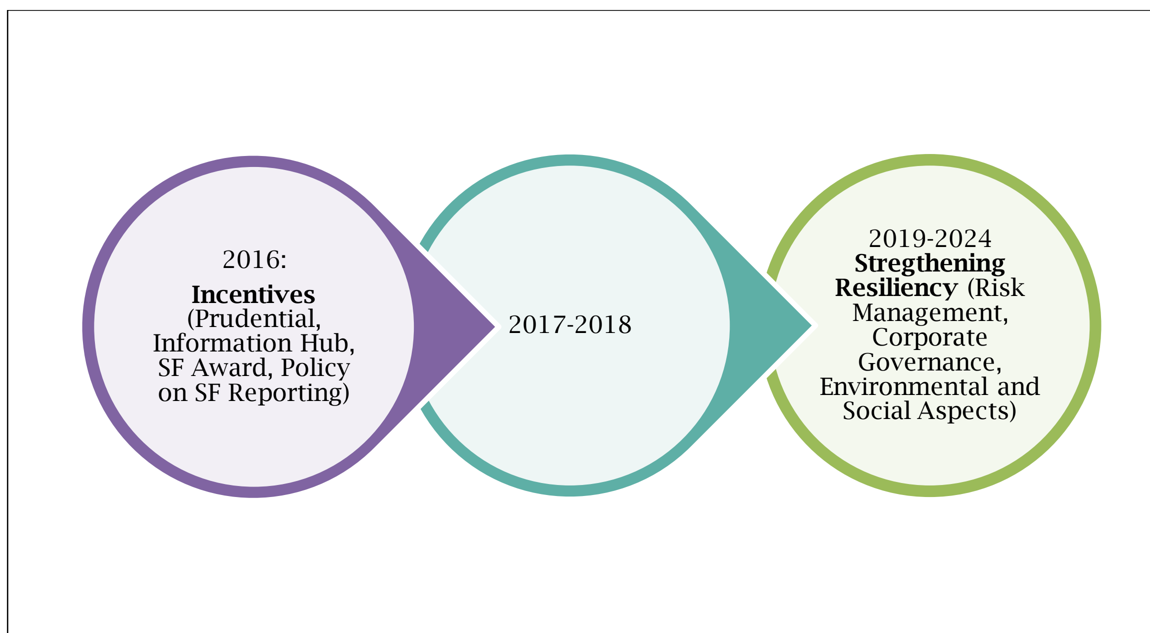

Figure 2. Roadmap for Sustainable Finance
Source: www.ojk.go.id

Research that discusses the factors influencing the sustainability report disclosure has been done previously. The results of previous studies showed inconsistent results so that further review needs to be done. This research is different from previous ones, in which this research only focuses on companies indexed by Kompas 100 on the Indonesia Stock Exchange, namely companies that have good liquidity and large market capitalization. In addition, the novelty of this research is the use of a moderating variable, namely institutional ownership, because there was very limited previous research that used institutional ownership as a moderating variable. The role of institutional ownership as a part of corporate governance has a right to control the management through the effective monitoring. The larger of institutional ownership in the company can strengthen the relationship of profitability and board of directors in prioritizing the stakeholder's interest and encourage the quality of sustainability report disclosure (Dewi & Ramantha, 2021). Institutional ownership is a company's ownership owned by institutions, such as banks, insurance companies, mutual funds, pension fund companies, and more. With an increasing number of institutional ownerships,

the agency problem can be mitigated. The investor views that share ownership by institutions can measure the risks that arise in connection with environmental management compliance, company involvement in overcoming social problems, and the sustainability of the company's business itself (Delfy & Bimo, 2021). In addition, the existence of institutional ownership in the company is considered to be able to encourage companies to be better in operations and encourage companies to be more extensive in disclosing business continuity reporting. Institutional ownership is one of the parts in good corporate governance that is expected to have an influence on sustainability report disclosure. Moreover, the novelty of this research is the use of the newest samples from 2019-2021 where we can see the sustainability report disclosures before and during Covid-19 pandemic.

The results of this research are expected to make a positive contribution to the development of science, provide understanding and concepts for companies on the importance of sustainability reporting in or-der to increase legitimacy and trust from the public, as well as assist regulators in forming regulations and standards to increase the number of publications of sustainability reports conducted by company. Further-more, the results of this research can increase the public's awareness about their rights related to the extent of the company's responsibilities to the stakeholders.

Literature review

Agency theory

Agency theory is a theory that has a contract between an agent and a principal in order to perform the service on their behalf. Agency theory was firstly introduced by Jensen and Meckling in 1976. This theory tells that agents will not always act in the best of the principals, so that there is a collision between them. There are three agency costs, such as bonding cost, monitoring cost, and residual cost (Jensen & Meckling, 1976). The relevance between agency theory and sustainability report disclosure is that companies which make and publish sustainability report is assumed to have the ability to reduce the agency conflicts. The main conflict between these two parties is the dissatisfaction of the principals by the action and results from the agents. Since principal have low access to know the companies, therefore, they receive the imbalance information. By publishing the sustainability report disclosure, this can be the evidence for the principal to assess the business' activities and to close the gaps (Munandar & Setiawati, 2022).

The necessity of information regarding to the activities carried out by the company is a very im-portant concern for investors and stakeholders, because the information contained in the sustainability report can help them evaluate the performance and behavior of business. Research by (Amaliyah & Solikhah, 2019) explained that the sustainability report disclosure that contains information about corporate responsibilities will be motivated by the existence of a legitimacy theory.

Legitimacy theory

Legitimacy theory is a theory that explains the interaction between companies and the public where this theory focuses on the efforts made continuously by the companies to gain a legitimacy from the public. Legitimacy or recognition obtained by the company indicates that in carrying out business activities, the company has carried out its responsibilities in accordance with applicable norms (Deegan, 2019). The relevance of legitimacy theory and sustainability report disclosure is that disclosure of sustainability rep orts is a form of corporate's strategy or responsibility to the public. With a sustainability report, it shows that the company has good commitment and enthusiasm for economic, social and environmental activities. Sustainability reports are prepared by companies according to GRI standards. With the GRI guidelines, the quality of disclosure of sustainability reports will be sufficient so that it will have an impact on increasing the sustainability of the company (Indriawati et al., 2022).

The relationship among profitability, sustainability report disclosure, and institutional ownership

The ability of the company to generate the profits is a definition of profitability (Kasmir, 2018). Companies with high profits indicate that their performance in the current year has run very well. This can attract the investors to invest their funds or capitals in that company. The higher profitability will impact to the higher sustainability report disclosure, because profitability is a strategy to increase and keep the image of the companies, so that they can obtain their legitimacy from the stakeholders (Karlina et al., 2019). Previous research conducted by Febrina & Setiany (2021), Karlina et al. (2019), Martínez-Ferrero et al. (2015), and Rahmat (2022) concluded that profitability had a positive and significant effect on sustainability report disclosure. Research by (Febrina & Setiany, 2021) explained that sustainability report disclosure would be wide and complex when profitability increased, because high profits reflect a better corporate governance. Moreover, Indriawati et al. (2022) said that sustainability report disclosure will be high when the profitability of the company is high because the companies are perceived to have more funds in carry out the company's responsibilities.

Institutional ownership is a proportional number of shares owned by external institutions. The higher the institutional ownership in the company, the higher the sustainability report disclosure, because institutional ownership can encourage company's transparency about the business activities carried out (Roviqoh & Khafid, 2021). In addition, sustainability report disclosure will increase if the percentage of institutional ownership is large, because high institutional ownership can reduce the information asymmetry. The existence of a reciprocal relationship between companies and the public encourages companies to be more extensive in disclosing information on social, economic and environmental activities in the sustainability report disclosure, so that companies can gain legitimacy from externals and are considered responsible to the public. Rezaee & Tuo (2019) also said that sustainability report disclosure can increase the quality of earnings, so that it will attract investors to invest in the company. Previous research conducted by Delfy & Bimo (2021), Nurrahman & Sudarno (2013), and Rahmat (2022) proved that institutional

ownership had a significant effect on sustainability report disclosure. Based on the framework of thinking above, the hypothesis proposed in this research is:
H1a: Profitability has a positive effect on sustainability report disclosure.
H1b: Institutional ownership strengthens the positive effect of profitability on sustainability report disclosure.

The relationship among board of directors, sustainability report disclosure, and institutional ownership

Board of directors are members of executive and non-executive directors whose duties are to manage the company and achieve the company's goals. In corporate governance, their presence is to make sure that every ethical code and social perspectives in the company have been implemented well. The higher board of directors, the higher sustainability report disclosure. This is because high board of directors will not be easily influenced by other factors related to make the sustainability report (Patrick, 2019). Moreover, sustainability report disclosure will be highly made by the company when board of directors have more frequent meetings. Directors who always hold meetings can reduce the information asymmetry, assign the appropriate tasks for committees, and make the communication more effective Idah (2013), Nguyen (2020), and Sofa & Respati (2020). Previous research by Justin & Hadiprajitno (2019), Nguyen (2020), and Sofa & Respati (2020) showed a positive effect between board of directors and sustainability report disclosure.

Institutional ownership is expected to become a wheel for the company to prepare and disclose a lot of information widely in sustainability report disclosure, especially discusses about the activities related to economy, society, and environment. Research conducted by Dewi & Ramantha (2021) proved that institutional ownership could moderate the positive effect between board of directors and sustainability report disclosure. This is because the higher institutional ownership, the higher supervision and monitoring to the company, especially the big responsibility from institutional investors to implement every component in good corporate governance. Furthermore, large institutional ownership pushes the companies to be more responsible in prioritizing the interests of stakeholders and public in a transparent manner, one of which is through the sustainability report disclosure. Based on the framework of thinking above, the hypothesis proposed in this research is:
H2a: Board of directors has a positive effect on sustainability report disclosure.
H2b: Institutional ownership strengthens the positive effect of board of directors on sustainability report disclosure.

Methods

This research is classified as causal which aims to know the relationship between cause and effect of independent variables on dependent variable. This research uses a quantitative approach. The population used in this research is all companies indexed in Kompas 100 in Indonesia Stock Exchange (IDX) period 2019-2021 with a purposive sampling technique to derive 60 final samples. Purposive sampling is a non-probability sampling technique with certain criteria made. The data used is secondary where information related to the variables in this research are taken from sustainability report, annual report, and annual financial statements which were downloaded either from Indonesia Stock Exchange or company's websites. All hypotheses which are proposed in this research are tested through multiple linear regression and moderated regression linear (MRA) under E-views 10. Table 1 presents the information about how each variable in this research is measured:

Table 1. Variable Operationalization

Variables	Symbol	Measurement	Scale
Sustainability report disclosure	SRD	This refers to the GRI Standards with 77 items. Giving 1 if the company disclose the items and 0 if the company does not disclose. Then, sum the number of items disclosed divided by 77	Ratio
Profitability	NPM	This is calculated by dividing net income after tax to sales	Ratio
Board of directors	BOD	Total numbers of board of directors' meetings during the year	Ratio
Institutional ownership	INS	This is calculated by dividing the shares owned by the institutions to the outstanding shares	Ratio

Source: Previous studies (processed)

Results

There are some analyses performed by the author before testing the hypotheses. The first test is descriptive statistics which is presented in table 2. This test shows the details or information about general data related to the value of minimum, maximum, mean, median, standard deviation, and the total of samples used.

Table 2. Descriptive Statistics

Description	SRD	NPM	BOD	INS
Mean	0.386362	0.060213	37.93333	0.630360
Median	0.337700	0.051350	36.00000	0.650000
Maximum	0.948100	0.293500	139.0000	0.849900
Minimum	0.064900	-0.573700	3.000000	0.501100
Std. Dev	0.167355	0.108820	21.59870	0.100277
Obs.	60	60	60	60

Source: Processed by E-views 10, 2023

In table 2, it can be seen that all of the samples used in this research show a low percentage of sustainability report disclosure. Only 38.6% companies that published their economic, social, and environmental activities in the sustainability reports while 61.4% companies have not published sustainability report disclosure. The maximum value of 0.94 means that there were more than 72 out of 77 components of GRI standards have been implemented by the company. The worst thing is that only 6% of GRI standard is implemented by the companies. The higher ratio of sustainability report disclosure means that the company is responsible for their main activities and role in the society, and keep the harmonic relationship between company and stakeholders. Moreover, this can make the company get a positive recognition, legitimacy, and trust from public. The average value of 0.38 is bigger than standard deviation of 0.16 meaning that variable of sustainability report disclosure has been distributed well.

Profitability which is proxied by net profit margin shows the average value of 0.06, meaning that the companies indexed in Kompas 100 were only able to generate the net profit by 6% after taxes. This percentage is low, and it might be triggered due to the impact of Covid-19 in 2020 and 2021. The pandemic has reduced the company's income and company's operationalizations. The minimum value of -0.57 indicates that the company experienced loss during the one-year period of accounting. Standard deviation of 0.10 bigger than the average of 0.06 meaning that variable of profitability has not been well distributed.

Board of directors is a second variable used in this research which is proxied by the grand total of directors' meeting during the year. Table 2 shows the average value of 37.93, meaning that the whole samples used in this research held 37 times of board of directors' meetings. The more numbers of directors' meeting increase the good communication among each member especially discussing about the sustainability report disclosure and the implementation of good corporate governance. Financial Services Authority (OJK) in Indonesia regulates that board of directors should hold a meeting approximately 4 times in a year (Peraturan Otoritas Jasa Keuangan No. 55, 2016). The maximum value of 139 means that the company has perfectly held a board of directors' meeting and almost all of the directors in the company attended the meeting. This meeting mainly discussed about price's assumption, volume of production, sales volume, the process of consolidated financial statements, and more. The average value of 37.93 is greater than the standard deviation of 21.59 meaning that the variable of board of directors has been distributed well.

Institutional ownership is a moderating variable. This ratio which is proxied by the proportional of shares owned by the institutions shows an average of 0.63, meaning that the share capital of the samples used in this research is dominated by the institutions. High ratio of institutional ownership can largen the investor's control in disclosing the sustainability report, so information asymmetry can be reduced, as well as increasing the performance of the company. The standard deviation of 0.10 is lower than the average value of 0.63 meaning that the variable of institutional ownership has been distributed well.

Table 3. Feasible Model Selection

Test	Statistics	Prob.	Conclusion
Chow	65.873712	0.0000	Fixed Effect Model
Hausman	11.494635	0.0215	Fixed Effect Model

Source: Processed by E-views 10, 2023

Table 3 gives the readers information about the right or feasible model selection among Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). The first test of model selection is Chow. This test is analyzing the right model between Common Effect Model and Fixed Effect Model. The result of table 3 shows the probability of Chow test is 0.00 lower than 0.05, meaning that Fixed Effect Model (FEM) is chosen for further test.

Hausman test is a test to choose the feasible model between Fixed Effect Model and Random Effect Model. Since the probability of Hausman test is 0.02 lower than 0.05, therefore the final feasible model se-lection is Fixed Effect Model. This model is going to be used for the next test to see whether every hypothesis in this research is accepted or rejected.

Table 4. Regression Results (Fixed Effect Model)

Variable	Coefficient	t-Statistics	Prob.
NPM	0.594994	2.438376	0.0197
BOD	0.001397	0.928019	0.3594
NPM*INS	5.415049	0.808780	0.4240
BOD*INS	-0.029547	-1.520456	0.1371
R-Square		0.670003	
Adj. R-Square		0.459171	
F-test		3.177903	0.0009
Obs.		60	

Source: Processed by E-views 10, 2023

From the table 4, we can see that the value of adjusted R-square is 0.459, meaning that the combination of independent and moderating variables (profitability, board of directors, and institutional ownership) to influence the dependent variable (sustainability report disclosure) is 46% whereas the remaining of 54% is explained by other factors which are not included from this research. The F-test shows the statistic of 3.177 with a significance value of 0.00. This result indicates that the model regression in this research is feasible to predict the sustainability report disclosure since the significance value is smaller than 5%.

Discussion

The hypothesis (H1a) between profitability and sustainability report disclosure shows a positive coefficient of 0.59 with a probability of 0.01 lower than 5%. This means that hypothesis (H1a) is accepted. The result indicates the higher profitability proxied by net profit margin, the higher sustainability report disclosure. Companies that earn high profits will be delighted in disclosing their sustainability report because they can report their activities to the stakeholders, investors, and public related to social, economic, and environmental aspects. By generating high profits, the company will have enough money or budget to disclose their responsibility about GRI standards in order to receive the legitimation and trust from the stakeholders, remembering that the company has followed the norms (Munandar & Setiawati, 2022). Moreover, this result is in line with the legitimacy theory that the more companies inform that their activities in sustainability report, the more public's trust the companies get. Agency theory also support the result that high profitability can reduce the information asymmetry and agency conflicts. Companies with good management will have the ability to generate the profits. When they have already achieved their target to get profits, companies will also try to fulfill their obligations in managing the company's responsibility to the society and publishing the sustainability report. The finding of this research is in line with previous research conducted by Febrina & Setiany (2021), Karlina et al. (2019) Martínez-Ferrero et al. (2015), and Rahmat (2022) that profitability positively affects sustainability report disclosure. However, this finding is not in line with Indriawati et al. (2022) and Munandar & Setiawati (2022) that profitability had no effect on sustainability report. This is because sustainability report disclosure charges high cost. The companies feel that sustainability report disclosure does not directly gives them the benefits. They think that this can impact to the reduction of the profit.

Board of directors shows the positive coefficient regression of 0.001 with a significance value of 0.35 greater than 5%. It concludes that board of directors has no effect on sustainability report disclosure (H2a) is not supported. The companies with high board of directors will not impact the companies to publish their sustainability reports. The result of this research proves that GRI Standards will not guarantee the company's obedient in disclosing or publishing the sustainability report widely (Nguyen, 2020). Previous research by Hendrati et al. (2023), Indriawati et al. (2022), and Kalbuana et al. (2022) support the finding that board of directors is not the main factor of the company to disclose sustainability report disclosure. Directors who held many or high frequency meetings are only for fulfilling the regulations, not based on the necessity. Furthermore, the inability of board of directors to influence the sustainability report disclosure is because the formulation of board of directors did not based on the composition, ability, and integrity, so the supervision in making sustainability report disclosure will not run properly and effectively.

The interaction among net profit margin, board of directors, and institutional ownership on sustainability report disclosure is not significant. This can be seen from the probability of net profit margin and institutional ownership is 0.42 > 5% and board of directors and institutional ownership is 0.13 > 5%. Therefore, the hypothesis of H1b and H2b are not accepted. Institutional ownership is proven to not have the ability to play a moderating role. The higher institutional ownership will not affect the company to disclose sustainability report. The reason why institutional ownership cannot moderate is because the high amounts of investors from institutions does not show their significant role in sustainability report disclosure. Furthermore, institution's investors only focus on the short-term goals, but they do not pay attention to the company's going concern. This result is consistent with the previous research conducted by Munandar & Setiawati (2022) and Roviqoh & Khafid (2021) who stated that institutional ownership could not affect the sustainability report disclosure. On the other, this finding is contrast with (Dewi & Ramantha, 2021) who stated institutional ownership could play its moderating role. They said that high proportional of institutional ownership will make a tight monitoring, so that the management will be pressed and responsible for the public to make sustainability report disclosure in order to obtain the legitimacy.

Conclusion

Testing the 60 samples from the companies indexed in Kompas 100 in Indonesia Stock Exchange by E-views concludes that profitability has a positive and significant effect on sustainability report disclosure, board of disclosure does not have a significant effect on sustainability report disclosure, and institutional ownership is unable to moderate the positive effects of profitability and board of directors on sustainability report disclosure. Companies that earn high profits tend to publish the sustainability report disclosure in order to attract the investors and other external parties so that the companies can obtain their legitimation. Moreover, the higher of profitability is viewed as the ability of the companies to disclose sustainability report because they have funds to carry out the corporate responsibility to the public.

Further researchers are suggested to use other variables or moderating variable that might affect the sustainability report disclosure since board of directors and institutional ownership have not shown their significant effect on sustainability report disclosure. The usage of different formulations or proxies can be used in the future to perfect and reflect the next results. Since this research only took companies indexed in Kompas 100, further researchers can use the other samples from different sectors or the whole manufacturing companies in order to reflect the differences of research's results. For the government, it is a well-recommendation for strengthening the regulations of disclosing the sustainability report. Companies are also suggested to consider the sustainability report disclosure. Even though this report is still voluntary, sustainability report will give a positive impact as well as increasing the image and value of the companies. Last, investors had better evaluate the performance of the company not only from financial statements, but also investors can use the sustainability report as a benchmark before taking a decision. This can also help investors measure the performance of the company whether it is profit-able or not.

Acknowledgement

The researcher would like to thank all the parties involved in this publication and research.

Funding

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

References

Amaliyah, I., & Solikhah, B. (2019). Pengaruh Kinerja Lingkungan dan Karakteristik Corporate Governance Terhadap Pengungkapan Emisi Karbon. *Journal of Economic, Management, Accounting and Technology*, *2*(2), 129–141. https://doi.org/10.32500/jematech.v2i2.720

Deegan, C. M. (2019). Legitimacy theory Despite its enduring popularity and contribution, time is right for a necessary makeover. *Accounting, Auditing & Accountability Journal*, *32*(8), 2307–2329. https://doi.org/10.1108/AAAJ-08-2018-3638

Delfy, D., & Bimo, I. D. (2021). Institutional Ownership and Disclosure of Sustainability Report with Environmental Uncertainty as Moderation Variables. *Accounting Analysis Journal*, *10*(2), 143–149. https://doi.org/10.15294/aaj.v10i2.45731

Deloitte. (2022). Direktur BEI: Pelaporan Keberlanjutan Meningkat Seiring Naiknya Investor di Indonesia. Retrieved April 20, 2023 from: majalahcsr.id.

Dewi, I. A. S. P., & Ramantha, I. W. (2021). Good Corporate Governance, Ukuran Perusahaan, dan Sustainability Report dengan Kepemilikan Institusional Sebagai Pemoderasi. *E-Jurnal Akuntansi*, *31*(6), 1451. https://doi.org/10.24843/eja.2021.v31.i06.p08

Febrina, R., & Setiany, E. (2021). The Effect of Board Gender Diversity and Company Characteristics on Sustainability Report Disclosure (Empirical Study of Companies Listed on the Indonesia Stock Exchange 2016-2018). *International Journal of Management Studies and Social Science Research*, *3*(4), 315–328.

Githaiga, P. N., & Kosgei, J. K. (2023). Board Characteristics and Sustainability Reporting. A Case of Listed Firms in East Africa. *Corporate Governance (Bingley)*, *23*(1), 3–17. https://doi.org/10.1108/CG-12-2021-0449

Hendrati, I. M., Soyunov, B., Prameswari, R. D., Suyanto, S., Rusdiyanto, R., & Nuswantara, D. A. (2023). The Role of Moderation Activities The Influence of the Audit Committee and the Board of Directors on the Planning of the Sustainability Report. *Cogent Business and Management*, *10*(1), 2156140. https://doi.org/10.1080/23311975.2022.2156140

Idah, I. (2013). Corporate Governance dan Karakteristik Perusahaan dalam Pengungkapan Sustainability Report. *Accounting Analysis Journal*, *2*(3), 314–322. https://doi.org/https://doi.org/10.15294/aaj.v2i3.2530

Indriawati, F., Nurlis, N., & Dhewi, R. M. (2022). Sustainability Report Disclosure: Analysis of the impact of company characteristics and Good Corporate Governance. *International Journal of Multidisciplinary Research and Analysis*, *5*(12), 3557–3563. https://doi.org/10.47191/ijmra/v5-i12-36

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360. https://doi.org/https://doi.org/10.1016/0304-405X(76)90026-X

Justin, P., & Hadiprajitno, P. T. B. (2019). Pengungkapan Struktur Dewan Direksi terhadap Pengungkapan Laporan Keberlanjutan Perusahaan. *Diponegoro Journal of Accounting*, *8*(3), 1–9.

Kalbuana, N., Kusiyah, K., Supriatiningsih, S., Budiharjo, R., Budyastuti, T., & Rusdiyanto, R. (2022). Effect of Profitability, Audit Committee, Company Size, Activity, and Board of Directors on Sustainability. *Cogent Business and Management*, *9*(1), 2129354. https://doi.org/10.1080/23311975.2022.2129354

Karlina, W., Mulyati, S., & Putri, T. E. (2019). The Effect of Company's Size, Industrial Type, Profitability, and Leverage to Sustainability Report Disclosure (Case Study on Companies Registered in Sustainability Reporting Award (SRA) Period 2014-2016. *Journal of Accounting for Sustainable Society*, *1*(1), 32–52.

Martínez-Ferrero, J., Garcia-Sanchez, I. M., & Cuadrado-Ballesteros, B. (2015). Effect of Financial Reporting Quality on Sustainability Information Disclosure. *Corporate Social Responsibility and Environmental Management*, *22*(1), 45–64. https://doi.org/10.1002/csr.1330

Munandar, M. R. A., & Setiawati, E. (2022). The Effect of Profitability, Company Size, Board of Commissioners, Audit Committee and Institutional Ownership on the Disclosure of Sustainability Reports (Empirical Study of LQ45 Index Companies Listed on the Indonesia Stock Exchange Consecutive Years 2019-2021). *American Journal of Sciences and Engineering Research*, *5*(6), 119–129.

Nguyen, T. T. D. (2020). The Relationship Between Board of Directors and Sustainability Reporting: An Empirical Study in German Large Listed Firms. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, *68*(1), 211–218. https://doi.org/10.11118/actaun202068010211

Nurrahman, A., & Sudarno, S. (2013). Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, dan Kepemilikan Asing terhadap Praktik Pengungkapan Sustainability Report. *Diponegoro Journal of Accounting*, *2*(1), 1–14.

Otoritas Jasa Keuangan. (2014). *Roadmap for Sustainable Finance in Indonesia 2015-2019*. Retrieved from https://ojk.go.id/id/Documents/Pages/Keuangan-Berkelanjutan/roadmap%20keuangan%20berkelanjutan.pdf.

Peraturan Otoritas Jasa Keuangan Nomor 55 /POJK.03/2016 tentang Penerapan Tata Kelola Bagi Bank Umum.

Rahmat, K. (2022). Pengaruh Kinerja Keuangan, Implementasi Good Corporate Governance dan Struktur Kepemilikan terhadap Pengungkapan Sustainability Report. *ACCOUNTHINK: Journal of Accounting and Finance*, *7*(2), 222–236.

Ramadhani, P. I. (2021). Emiten Wajib Sampaikan Laporan Keberlanjutan. Retrieved April 21, 2023 from: liputan6.com.

Rezaee, Z. and Tuo, L. (2019). Are the quantity and quality of sustainability disclosures associated withthe innate and discretionary earnings quality? *Journal of Business Ethics*, *155*(3), 763-786.

Roviqoh, D. I., & Khafid, M. (2021). Profitabilitas dalam Memediasi Pengaruh Kepemilikan Institusional, Komite Audit, dan Ukuran Perusahaan terhadap Pengungkapan Sustainability Report. *Business and Economic Analysis Journal*, *1*(1), 14–26. https://doi.org/10.15294/beaj.v1i1.30142

Sofa, F. N., & Respati, N. W. T. (2020). Pengaruh Dewan Direksi, Dewan Komisaris Independen, Komite Audit, Profitabilitas, dan Ukuran Perusahaan terhadap Pengungkapan Sustainability Report (Studi pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2017). *DINAMIKA Ekonomi Jurnal Ekonomi Dan Bisnis*, *13*(1), 32–49.