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Can Firm Size Moderate Good Corporate Governance on Sustainability Report Disclosures?

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This research was carried out with the aim of testing Good Corporate Governance on Disclosure of the Sustainability Report with Firm Size as Moderation. Good Corporate applied in this study used the Independent Commissioner, Audit Committee, Board of Directors, and Managerial Ownership. Sustainability Reports that are disclosed include Economic, Social, and Environmental. The firm size used the Logarithm of Natural Assets (LN Assets). This type of research used is quantitative research. The population of this study are state-owned companies listed on the Indonesia Stock Exchange for the 2015-2020 period. The sample selection used was the purposive sampling method from 56 registered state-owned companies and based on the available criteria, the number of samples was 9 companies that met the criteria. Documentation techniques used were data collection, outer model analysis, and inner model analysis. The data analysis used for this study used the smartPLS 3.2.7 application. The results of the research that has been conducted show that the Independent Commissioner, audit Committee, board of directors, Managerial ownership has an effect on the Sustainability Report disclosure. Firm size cannot moderate the effect of the independent commissioner on the Sustainability Report disclosure, Firm size cannot moderate the effect of the audit committee on the Sustainability Report disclosure, Firm size cannot moderate the effect of the board of directors on the Sustainability Report disclosure, Firm size cannot moderate the effect of managerial ownership on the Sustainability Report disclosure. The implications of this research for companies that influence independent commissioners, audit committees, board of directors, managerial ownership, disclosure of sustainability reports and company size need to be considered by companies because they provide an attraction for investors who will keep their funds in the company.

Keywords: Good Corporate Governance, Sustainability Report, Firm Size.

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INTRODUCTION

The company's goal is to obtain the maximum profit that is useful for developing its activities to be better in terms of financial performance, thus increasing the value of the company from time to time. Firm value is an investor's point of view of a company which is always associated with stock prices (Ramashar & Hasan, 2018; Haryanto et al., 2018; Ananda, 2018). The higher the stock price, the higher the firm value (Haryanto, 2014; Nazir & Afza, 2018; Fristiani et al., 2020; and Firmansyah, Surasni, & Pancawati, 2020). With the realization of high firm value, the company can maximize profits and performance and can pay attention to social interests.

The Sustainability Report is an important issue in the development process of a company (Aulia Indy et al., 2022). Disclosures in the company's annual report are grouped into two parts, including mandatory disclosure and voluntary disclosure (Dhaniel Syam, 2013). The company's sustainability report is a release of information that reflects the economic, social, and environmental performance of the organization, and can serve as a medium for the company to inform all stakeholders about the organization's performance. The number of stakeholders motivates companies to submit sustainability reports more broadly, which is evidence of corporate responsibility.

Stakeholders need to pay attention to both the applicable regulations and to establish positive long-term cooperation between them and the company. Even though the costs used by companies to disclose sustainability reports are quite much, disclosing sustainability reports can improve financial performance and firm value seen through the company's stock price which can have an impact as a reason why investors will invest their shares in the company.

The supporting infrastructure for sustainability reporting and disclosure practices or the Sustainability Report is the good corporate governance (GCG) structure and the mechanism that aims to reduce information asymmetry. Companies that disclose Sustainability Reports need to be assisted with corporate governance in these companies because, with corporate governance, companies will be more careful in making Sustainability Reports and financial reports, managing the company to produce sustainable long-term economic value for shareholders, the board of commissioners, the board of directors, managers, employees, and other interested parties (stakeholders). However, with the emergence of the triple bottom line theory, companies not only provide financial information but also provide social and environmental information which is then called a Sustainability Report.

Good Corporate Governance is corporate governance which includes the relationship between the company and stakeholders in achieving company goals. Good corporate governance is expected to provide transparent and responsible information in all aspects, one of which is the environmental aspect. This is in line with the principle of the sustainability report (Wardati et al., 2021).

Corporate governance is defined as the mechanisms and constructs that can be used by all companies, including organizations driven by shareholders, commissioners, supervisory boards, capital owners, and directors. In 1922, England's Cadbury Council introduced the term "good governance" in a report called the Cadbury Report. The definition of the proportion of independent members refers to the ratio of independent members to all committee members. The existence of an independent committee is one of the functions of corporate governance to assess corporate strategy and oversee management, and is expected to encourage companies to disclose corporate social responsibility more widely to achieve the principles of GCG accountability. Sustainability Reporting or triple bottom-line reporting is recommended by the Global Reporting Initiative (GRI).

The first factor of Good Corporate Governance is the independent board of commissioners. Independent commissioners are commissioners who are not a part of affiliated parties or do not have business and family relationships with controlling shareholders, other members of the board of directors and commissioners, as well as with the company itself. The purpose of an independent commissioner is to balance decision-making, especially in protecting minority shareholders and related parties (Susiana & Herawaty, 2007). The existence of an independent board of commissioners ensures that management behaves in accordance with the expectations of stakeholders. The independent board of commissioners as supervisors is able to increase the reliability in disclosing the sustainability reports presented. The independent board of commissioners is part of the company's organizational structure even though its existence is external to the company so it can be stated that the existence of an independent board of commissioners also acts as a supervisor who is able to effectively control and monitor the amount of disclosure and also the quality of the sustainability reports made by the company (Hendro Lukman, 2019). The results of a study by (Margono Ginting, 2022) show that the independent board of commissioners has no effect on the disclosure of the sustainability report. Studies by (Madona & Khafid, 2020) and (Baroroh et al., 2022) demonstrate that independent commissioners have a significant positive effect on the disclosure of the Sustainability Report.

The second factor of Good Corporate Governance is the audit committee. The audit committee is a support for the company's board of commissioners in carrying out their duties as a party that protects external parties from corporate management fraud. In-depth supervision from the audit committee is able to encourage companies to carry out better supervision so that the principles of good corporate governance can be fulfilled, one of which is the principle of

transparency where companies are required to be open about all business activities carried out and then report them. The audit committee will supervise the reporting activities carried out by the board of directors, including the disclosure of the sustainability report. Based on research results (Aniktia & Khafid, 2015), the audit committee influences the disclosure of the Sustainability Report. Research results by (Buallay & AlDhaen, 2018), (Tumwebaze et al., 2022), (Hidayah et al., 2019) and (Sonia & Khafid, 2020) show that the Audit Committee influences the disclosure of the sustainability report.

The third factor is that the board of directors is a company organ that has a significant role in managing the company (KNKG, 2006). The board of directors in a company can determine the direction of the company, so the existence of a board of directors is considered to influence company activities, one of which is the disclosure of the sustainability report. The board of directors who have implemented good corporate governance will have an effect on the information that the company will provide to the public, such as the disclosure of the sustainability report (Idah, 2013). However, this is not necessarily the case because the board of directors focuses more on financial reports than on the disclosure of sustainability reports. A study (Agustia, 2017) shows that the board of directors influences the disclosure of the sustainability report. The better the board's performance, the stronger the company's GCG implementation, which is expected to increase the company's efforts to fulfill its social obligations and disclose them.

The fourth factor is managerial ownership, which managerial ownership refers to shares that belong to the management of the company, consisting of the board of commissioners and the board of directors. Companies whose shares are owned by management, cause management to work even better, and try to make disclosures as complete as possible to the public, one of which is through the disclosure of the sustainability report (Fabian et al., 2022). A study (Kassim et al., 2012) shows that managerial ownership does not affect the disclosure of the sustainability report. However, different results are obtained from studies conducted by (Aulia Indy et al., 2022) and (Samiadji Huda et al., 2018) where managerial ownership does not affect the disclosure of sustainability reports because management's share in the company remains small, and management prioritizes its own interests, so it does not disclose sustainability reports. Managerial ownership is considered to be able to overcome agency conflicts because it aligns the interests of shareholders with the interests of managers. This is because management will directly benefit from the decisions taken and will bear the risk of wrong decisions.

The firm size is a scale where it can be classified as the size of the company in various ways, including the company's total assets, log size, stock market value, etc. (Ardi & Yulianto, 2020). Firm size is seen from the size of a company or can be seen from the financial performance of the company either on the Indonesia Stock Exchange or companies that are external to the Indonesia Stock Exchange. Firm size can be seen from the number of assets owned by the company. It can be determined based on total sales, total assets, and average sales level. It can be measured by the natural log of total assets to simplify total assets which amount to trillions. This study also examines the use of firm size as a moderating variable. Due to the effect of independent variables and the involvement of firm size as a moderating variable in the disclosure of sustainability reports, there are several theories which are then referred to in this study, which is the stakeholder theory.

The results of a previous study (Madona & Khafid, 2020) concluded that the proportion of independent commissioners has a negative effect on SR disclosure, while the audit committee and managerial ownership have no effect on SR disclosure. The proportion of independent commissioners moderated by firm size has an effect on the disclosure of the sustainability report, but firm size fails to moderate the effect of audit committees and managerial ownership on the disclosure of the sustainability report. Based on the results of a study (Sinaga & Fachrurrozie, 2017), it shows that the type of industry and the board of directors have a positive and significant effect on the publication of Sustainability Reporting. The profitability variable has a negative and significant effect on the publication of the Sustainability Report. Changes in activity levels, audit committees, and independent auditors do not affect the publication of sustainability reports.

This study aims to analyze and describe the effect of Good Corporate Governance on Sustainability Report Disclosures with Firm Size as a moderating variable. The objective of using the state - owned enterprises (BUMN) as the object is to find out whether state-owned enterprises listed on the Indonesia Stock Exchange disclose a sustainability report every year. The use of indicators includes the independent commissioner, audit committee, board of directors, and managerial ownership. Seeing the inconsistent findings among several previous studies, it is interesting to re-examine the issue. The inconsistency in the effect of the proportion of the independent commissioner, audit committee, and managerial ownership on the disclosure of the sustainability report is considered because other variables have contributed to determining the effect of sustainability report disclosure. This study tries to show the role of firm size as a moderating variable. The choice of firm size as a moderating variable is based on the premise that the larger the firm size, the greater the company's operational activities, which certainly will have a direct impact on the community and the surrounding environment.

METHODS

The population in this study was 19 state-owned enterprises listed on the Indonesia Stock Exchange in 2015-2020. The selection of the timeframe was due to the fact that the state-owned enterprises experienced an increase or decrease in

company profits in those years. The sampling was carried out using purposive sampling. The sample in this study used 9 state-owned enterprises. The type of data applied in this study is secondary data in the form of annual financial reports for each State-Owned Enterprise and the annual sustainability report for each State-Owned Enterprise on the Indonesia Stock Exchange in 2015-2020.

The first independent variable in this study is the independent commissioner. An independent commissioner is a commissioner who is not affiliated with a party. The second independent variable in this study is the Audit Committee, assisting the commissioners or the supervisory board to ensure the effectiveness of the internal control system and the effectiveness of the implementation of internal and external auditors' duties, assessing the implementation of activities and the results of audits carried out by internal control units and external auditors (Effendi, 2016). The third independent variable in this study is the board of directors. It functions as an aspect of an organizational control system with dual roles of control and decision-making. Effective management processes within board compositions require the involvement of independent external parties, while effective decision-making processes within board compositions require the involvement of internal management (Effendi, 2016).

The fourth independent variable in this study is Managerial Ownership. Managerial Ownership is also considered to be a situation in which managers as well as company shareholders are addressed by the percentage of company share ownership by managers. The dependent variable is the disclosure of the sustainability report. This sustainability report is defined as the practice of measuring and disclosing company activities and is the organization's responsibility for performance. The moderating variable in this study is the firm size which is measured based on the total assets owned by the company in the company's annual report.

RESULTS AND DISCUSSION

Partial Least Square (PLS) Model

In this study, the hypothesis testing used the Partial Least Square (PLS) analysis technique with the smartPLS 3.2.7 program. The following is a diagram of the tested PLS program model:

[Figure 1 about here.]

Based on Figure 1 on the structural analysis model of this study, it can be understood that each reset variable index has an outer loading > 0.7 and the loading factor value of the construct above is 1,000. The results show that the constructs and the indicators have a good relationship.

Outer Model Evaluation

[Table 1 about here.]

Based on the results of the data presented in Table 1, it can be seen that each indicator has an outer loading value of > 0.70. Thus, these results show that all indicators including the constructs of each variable have met convergent validity.

[Table 2 about here.]

Based on the results of the data presented in Table 2, it can be seen that each indicator on the research variables has a cross-loading value of the constituent variables that is higher than the cross-loading value of other variables.

[Table 3 about here.]

Based on the results obtained in Table 3, it can be considered that the indicators used in this study have good discriminant validity in compiling their respective variables. Based on the results of the data presented in Table 3, the value of Cronbach's alpha and composite reliability of all research variables is > 0.70. These results indicate that each variable achieves composite reliability so it can be concluded that all variables have a high level of reliability.

Discriminant Validity

[Table 4 about here.]

The average variance extracted (AVE) in the third examination is used to determine the validity of each construct value. In this construction, the results of the average variance extracted (AVE) value that exceed 0.50 can be considered to have good validity. The table below shows the results of the average variance extracted (AVE). The value of each construct has a value above 0.50, which means that each moderated construct has good validity.
Based on Table 4, the R-Square score test is 0.994, showing the effect of the independent variable on the dependent variable of 99.4%.

Inner Model (Structural Model)

The R-Square value in Table 5 is used to explain the effect of certain exogenous latent variables on endogenous variables whether they have a substantive effect or not.

[Table 5 about here.]

Hypothesis Test Results

Based on the results of data processing that has been carried out, this can be used to answer the research hypotheses. In this study, hypothesis testing was carried out by testing the T-Statistics values and *p*-values. The research hypothesis can be declared accepted if the *p*-value is < 0.05 and the T-statistic is > 1.96. The following are the results of the bootstrapping output and hypothesis testing:

[Table 6 about here.]

Table 6 shows that the *p*-value of the Independent Commissioner, Audit Committee, Board of Directors, and Managerial Ownership of Sustainability Report Disclosures <

0.05, which means that they have a significant effect. Meanwhile, all moderating variables have a *p*-value > 0.05, which means that the firm size variable is unable to moderate the effect of the Independent Commissioner, Audit Committee, Board of Directors, and Managerial Ownership on Sustainability Report Disclosures.

The Effect of the Independent Commissioner on the Sustainability Report Disclosure

Based on the results of the hypothesis testing, the Independent Commissioner variable on the Sustainability Report disclosure has a T statistic value of 8.098 (> 1.96) and a *p*-value of 0.000 < 0.05 so that the first hypothesis which states "the Independent Commissioner on the Sustainability Report disclosure" is accepted. Based on these results, it can be concluded that the "Independent Commissioner has an effect on the disclosure of the Sustainability Report". Companies must be able to meet the expectations and interests of stakeholders, including providing information, especially sustainability reports. This study shows that the independent commissioner takes into account the importance of issuing or disclosing a sustainability report. Companies will disclose the widest possible information, such as disclosure of sustainability reports, to obtain good internal control. The role of an independent board of commissioners is required in developing and implementing it. According to Prasojo (2011) in (Putri, 2013), the higher the percentage of independent commissioners, the higher the quality of disclosure of sustainability reports with monitoring activities carried out. The results of this study are in accordance with the stakeholder theory which states that companies must be able to meet the expectations and interests of stakeholders, including providing information, especially Sustainability Reports. This study shows that an independent commissioner takes into account the importance of issuing or disclosing a sustainability report. This study is in accordance with (Nugroho, 2017) who stated that the board of commissioners has a positive effect on the disclosure of the sustainability report.

The Effect of the Audit Committee on the Sustainability Report Disclosure

Based on the results of the hypothesis testing, the Audit Committee variable on the Sustainability Report Disclosure has a T statistic value of 6,243 > 1.96 and a *p*-value of 0.000 < 0.05 so that the second hypothesis which states "the effect of the Audit Committee on the Sustainability Report Disclosure" is accepted. Based on these results, it can be concluded that the Audit Committee has an effect on Sustainability Report Disclosure. The results of the hypothesis testing show that the Audit Committee has an effect on the Sustainability Report disclosure. The audit committee should increasingly encourage management to practice the sustainability report disclosure as a means of corporate communication with shareholders, holding various meetings through good corporate governance practices. The results of this study are consistent with research conducted by (Aniktia & Khafid, 2015), (Indriangsih & Agustina, 2020), (Arumsari & Asrori, 2019) (Buallay & AlDhaen, 2018) and (Hardika et al., 2018) which stated that the audit committee has an effect on the Sustainability Report disclosure. The audit committee increasingly encourages management to practice the sustainability report disclosure as a means of communicating with the company and shareholders, as well as holding various meetings as part of good corporate governance practices (Aniktia & Khafid, 2015).

The Effect of the Board of Directors on the Sustainability Report Disclosure

Based on the results of the hypothesis testing, the Board of Directors variable on the Sustainability Report Disclosure has a T statistic value of 2.026 (> 1.96) and a *p*-value of 0.043 < 0.05 so that the third hypothesis which states "the effect of the Board of Directors the Sustainability Report disclosure" is accepted. The results of hypothesis testing show that the board of directors has an effect on the Sustainability Report disclosure. The results of this study are consistent with the results of research conducted by (Khafid & Mulyaningsih, 2017) which stated that the board of directors has an effect on the Sustainability Report Disclosure. Frequent board meetings have been shown to increase the effectiveness of communication among board members, promote GCG implementation, and increase the disclosure of company information. The increase in the number of board of directors' meetings increases the effectiveness of communication between board members, implements GCG, and increases corporate information disclosure. The Board of Directors is also responsible for ensuring compliance with laws and regulations, including voluntary reporting, such as preparing a sustainability report (Hasanah et al., 2017). The better the performance of the board of directors, the stronger the GCG will be implemented by the company so that it is suspected to increase the company's efforts to carry out social obligations and disclose them.

The Effect of Managerial Ownership on the Sustainability Report Disclosure

Based on the results of the hypothesis testing for the Managerial Ownership variable on the Sustainability Report Disclosure, it has a T statistic of 3.333 (> 1.96) and a *p*-value of 0.001 < 0.05 so that the fourth hypothesis which states "the effect of Managerial Ownership on the Sustainability Report Disclosure" is accepted. The results of hypothesis testing indicate that managerial ownership has an effect on the Sustainability Report disclosure. Managers who own company shares will definitely align their interests as managers with their interests as shareholders. The greater the managerial ownership in the company, the more productive the manager's actions are in maximizing the value of the company. These results are consistent with the results of research from (Kholmi & Nizzam Zein Susadi, 2021) which stated that managerial ownership affects the Sustainability Report disclosure. Managers who own company shares will certainly align their interests as managers with their interests

as shareholders. The greater the managerial ownership in the company, the more productive the manager's actions are in maximizing the value of the company.

The Effect of Firm Size in Moderating the Independent Commissioner on the Sustainability Report Disclosure

Based on the results of the hypothesis testing, the firm size variable moderates the Independent Commissioner on the Sustainability Report, which has a T statistic value of 0.724 (< 1.96) and a *p*-value of 0.469 > 0.05 so that the fifth hypothesis which states that "Firm size moderates the independent commissioner on the Sustainability Report disclosure" is rejected. The results of the hypothesis testing show that firm size cannot moderate the Sustainability Report disclosure of the Independent Commissioner. As the firm size increases, the company's business activities become more complex and the company's goals automatically grow. The larger the company, the higher the proportion of independent directors in that company, indicating that the company is operating more effectively. This facilitates the practice of good corporate governance. Frequent board meetings have been shown to increase the effectiveness of communication among board members, promote GCG implementation, and increase the disclosure of company information. The increase in the number of board of directors' meetings increases the effectiveness of communication between board members, implements GCG, and increases corporate information disclosure. These results are inconsistent with the results of studies by Multy Adra Madona and Muhammad Khafid which stated that firm size has succeeded in moderating the effect of independent commissioners on the Sustainability Report disclosure. The company continues to strive to ensure that it operates according to the standards in society, trying to make its activities accep table to external parties, including the community, in a legal way. As a result, larger companies will tend to provide more information, i.e. publish sustainability reports (Madona & Khafid, 2020).

The Effect of Firm Size in Moderating the Audit Committee on the Sustainability Report Disclosure

Based on the results of hypothesis testing, the Firm Size variable moderates the Audit Committee on the Sustainability Report disclosure which has a T statistic value of 0.634 (< 1.96) and a *p*-value of 0.526 > 0.05 so that the sixth hypothesis which states that "Firm size moderates the audit committee on the Sustainability Report disclosure" is rejected. The results of the hypothesis testing show that firm size cannot moderate the Audit Committee on the Sustainability Report because firm size is not the only factor that can be used as a benchmark for sustainability report disclosures. The results of this study are consistent with research conducted by (Madona & Khafid, 2020) and (Sari et al., 2022) which stated that the firm size was not successful in moderating the Audit Committee on the Sustainability Report disclosure. The larger the size of the business, the greater the volume of business activities such as production process operations, marketing, payroll accounting, and business development, thus the greater the audit committee's responsibility to the public and committee meetings are increasing (Madona & Khafid, 2020). Therefore, the audit committee will pay more attention to discussing financial reports compared to disclosing sustainability reports because the main purpose of forming an audit committee is to improve the quality of financial reports and authorize investigations of problems within the scope of their responsibilities.

The Effect of Firm Size in Moderating the Board of Directors on the Sustainability Report Disclosure

Based on the results of the hypothesis testing, the firm size variable moderates the board of directors on the Sustainability Report disclosure, which has a T statistic value of 0.301 (< 1.96) and a *p*-value of 0.763 > 0.05 so that the seventh hypothesis which states that "Firm size the board of directors on the Sustainability Report disclosure" is rejected. The results of the hypothesis testing show that firm size cannot moderate the board of directors on the Sustainability Report. The larger the company, the greater the number of company activities, such as production process activities, marketing, payroll, and business development. The larger the company, the more uncertain it is to have a board with good communication skills to carry out its duties and functions properly. This negates the existence of the Board of Directors. The results of this study are inconsistent with research conducted by (Purnama & Handayani, 2021), which stated that Firm Size succeeded in moderating the board of directors on the disclosure of the Sustainability Report. This finding provides evidence that firm size is not successful in moderating the effect of the board of directors on Sustainability Report disclosure. This is probably because not only firm size can be used as a benchmark for sustainability report disclosure. The larger the company, the more the company's workload, including production process activities, marketing, payroll, and business development. The larger the company, the more uncertain it is that it has a board with good communication skills to carry out its duties and functions properly. This negates the existence of the Board of Directors (Khafid & Mulyaningsih, 2017).

The Effect of Firm Size in Moderating Managerial Ownership of Sustainability Report Disclosure

Based on the results of hypothesis testing, the firm size variable moderates managerial ownership of the Sustainability Report disclosure, which has a T statistic value of 0.012 (< 1.96) and a *p*-value of 0.990 > 0.05 so that the eighth hypothesis which states that "firm size moderates managerial ownership on the Sustainability Report disclosure" is rejected. The results of hypothesis testing show that firm size cannot moderate managerial ownership of the Sustainability Report (SR) disclosure. Firm size does not guarantee that management will also hold a significant share because external investors may hold more shares. The results of this study are consistent with the results of studies

conducted by Multy Adra Madona and Muhammad Khafid who stated that firm size cannot moderate the effect of managerial ownership on the Sustainability Report (SR) disclosure. This is because firm size is not the only factor that can be used as a benchmark for sustainability reporting disclosures. Firm size does not guarantee that management will own a significant amount of equity because external investors may own more shares. That is, not all executives own equity in the companies they run, and not all executives own equity in those companies, but to a lesser extent (Madona & Khafid, 2020).

CONCLUSION

Based on the analysis conducted using the SmartPLS program above, it can be concluded that the Independent Commissioner has an effect on the Sustainability Report disclosure, the Audit Committee has an effect on the Sustainability Report disclosure, the board of directors has an effect on the Sustainability Report disclosure, managerial ownership has an effect on the Sustainability Report disclosure, firm size cannot moderate the effect of the independent commissioner on the Sustainability Report disclosure, firm size cannot moderate the effect of the audit committee on the Sustainability Report disclosure, firm size cannot moderate the effect of the board of directors on the Sustainability Report disclosure and firm size cannot moderate the effect of managerial ownership on the Sustainability Report disclosure.

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List of Table

1. Outer Loading 91
2. Cross loading 92
3. Cronbach Alpha dan Composite Reliability 93
4. Average Variance Extracted (AVE) 94
5. R Square 95
6. Hypothesis results 96

Table 1 / Outer Loading

	X3	X4	X1	X2	Y	Z	X1*Z	X2*Z	X3*Z	X4*Z
Board of Directors * Company Size									1.000	
Managerial Ownership * Company Size										1.000
Independent Commissioner * Company Size							1.000			
Audit Committee* Company Size								1.000		
			1.000	1.000						
Independent Commissioner										
Audit Committee	1.000	1.000								
Managerial Ownership										
Board of Directors					1.000	1.000				
Sustainability Report										
Company Size										

Source: SmartPLS 3.0 Olahdata

Table 2 / Cross loading

	SustainabilityReport	X1	X1Z	X2	X2Z	X3	X3Z	X4	X4Z	Z
Sustainability Report	1.000									
Commissioner Independent	-0.394	1.000								
Independent Commissioner * Company Size	-0.275	0.325	1.000							
Audit Committee	0.317	0.431	-0.131	1.000						
Audit Committee * Company Size	0.036	-0.112	0.270	-0.221	1000					
Board of Directors	-0.038	0.381	0.244	0.151	0.113	1.000				
Board of Directors * Company Size	-0.232	0.223	0.345	0.121	0.092	0.803	1.000			
Managerial ownership	-0.383	-0.089	-0.018	-0.038	-0.003	-0.178	-0.123	1.000		
Managerial ownership* Company Size	0.090	-0.013	-0.301	-0.003	-0.090	-0.098	-0.141	-0.008	1.000	
Company Size	0.351	0.216	0.218	-0.153	0.182	0.330	-0.125	-0.066	0.094	1.000

Data source: processed by SmartPLS

Table 3 / Cronbach Alpha dan Composite Reliability

	Cronbach'sAlpha	*Composite Reliability*
Board of Directors	1.000	1.000
Managerial ownership	1.000	1.000
Independent Commissioner	1.000	1.000
Audit Committee	1.000	1.000
Sustainability Report	1.000	1.000
Company Size	1.000	1.000
X1*Z	1.000	1.000
X2*Z	1.000	1.000
X3*Z	1.000	1.000
X4*Z	1.000	1.000

Data Source: Processed by SmartPLS

Table 4 / Average Variance Extracted (AVE)

	Average VarianceExtracted (AVE)
Managerial Ownership Board of	1.000
Directors	1.000
Independent Commissioner Audit	1.000
Committee	1.000
Sustainability Report	1.000
Company Size	1.000
X1*Z	1.000
X2*Z	1.000
X3*Z	1.000
X4*Z	1.000

Data Source: Processed by SmartPLS

Table 5 / R Square

	R Square	*R Square Adjusted*
Sustainability Report	0.994	0.992

Source: SmartPLS 3.0 data

Table 6 / Hypothesis results

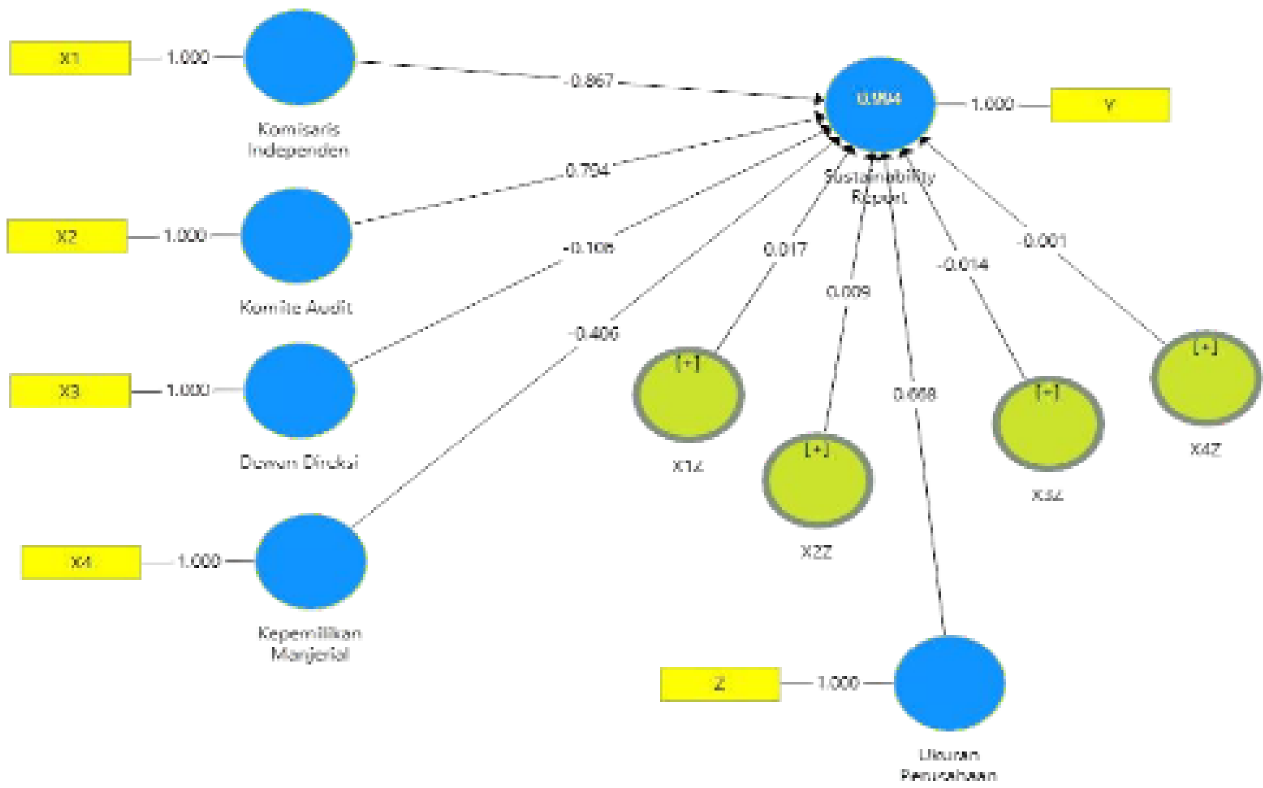
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	*p*-Values
Board of Directors -> *Sustaina-bility Report*	-0.106	-0.108	0.053	2.026	0.043
Managerial Ownership -> *Sustainability Report*	-0.406	-0.387	0.122	3.333	0.001
Independent Commissioner -> *Sustainability Report*	-0.867	-0.878	0.107	8.098	0.000
Audit Committee -> *Sustaina-bility Report*	0.794	0.807	0.127	6.243	0.000
X1Z -> *Sustainability Report*	-0.017	-0.013	0.024	0.724	0.469
X2Z -> *Sustainability Report*	0.009	0.010	0.014	0.634	0.526
X3Z -> *Sustainability Report*	-0.014	-0.011	0.047	0.301	0.763
X4Z -> *Sustainability Report*	-0.001	0.005	0.057	0.012	0.990

Source: SmartPLS 3.0 Olahdata

List of Figure

1. Initial stage...98

Figure 1 / Initial stage



Sumber data : diolah dengan SmartPLS 3.2.7