International Conference on Economy, Management, and Business (IC-EMBus)
VOL. 1, 2023 p. 647–660
https://journal.trunojoyo.ac.id/icembus

Determinants of Financial Performance, The Moderation Role of Sustainability Committees in Non-Financial Reporting Companies in Indonesia

Herman Paleni[1], Ridwan Nurazi[2], Dewi Rahmayanti[3], Berto Usman[4]
[1,2,3,4] Management Department, University Bengkulu

INFO ARTIKEL

Keywords:

ROA, Tobin's Q, Environmental, Social, Governance Performance.

Abstract

Research was conducted to examine ESG performance against accounting performance (ROA) and market performance (Tobin's Q) moderated by the CSR sustainability committee. Therefore, the control variables liquidity (CR), leverage (DER), firm size, and firm age are included to overcome the endogeneity problem. Data collection was obtained from the IDX, company websites, and CESGS, totaling 78 companies during 2015-2021. Next, using purposive sampling with the criteria for companies making ESG disclosures, we obtained 11 companies. Analysis was carried out using the Heckman, Chow, Lagrange multiplier and Hausman for panel data regression with unmoderated and after moderated models using STATA 14.00. The research results before moderation show that environmental and social performance has a positive and significant effect on ROA, but governance performance has a positive and insignificant effect, then after being moderated, environmental performance is negative and significant, social performance is positive and significant, while governance is positive and not significant on ROA. Furthermore, ESG performance before moderation has a negative and insignificant effect on Tobin's Q, but after moderation ESG performance is positive and not significant on Tobin's Q. These results show that energy sector companies focus more on asset returns than market performance. Thus, companies use social and environmental disclosures as a legitimizing tool to create the impression that the company is operating in the right way.

Authors
(*) herman_paleni@univbinainsan.ac.id

Email: herman_paleni@univbinainsan.ac.id[1]; ridwan.nurazi@unib.ac.id[2]; dewi_rahmayanti@unib.ac.id[3] ; berto_usman@unib.ac.id[4]

E-ISSN: 3026-0965

DOI :

Introduction

The development of environmental, social and governance (ESG) issues in companies has attracted the attention for the governments, investors, suppliers, employees, communities, and academics in the fields of accounting and finance. This triggers competition between companies to disclose financial and non-financial information every year. Non-financial information is relevant because it helps companies improve future economic performance. In addition, this information shows the company's commitment to environmental and social sustainability.

Non-financial report information contains environmental, social and governance disclosures which are often abbreviated as ESG. A company's involvement in environmental and social responsibility activities is a strategic decision that impacts its reputation. In this context, energy sector companies were chosen for study because of their significant role in supporting the national economy. The energy sector is an Environmentally Sensitive Industry (ESI), so it has a significant impact on the environment, either through its operations or products (for example oil and gas extraction, mining and power generation) (Usman et al., 2023).

Financial reporting performance measurement can be done based on accounting and market performance. Accounting performance includes the Return on Assets (ROA) profits ratio, which is a profitability ratio that measures a company's ability to earn (profit) from the total assets (assets) owned, while market performance can use Tobin's Q ratio which represents the long- terms and expected profitability aspects. Company performance can reflect public trust in the company. Financial performance assessment is carried out in the company's financial reports. Financial reports are an important source of information for users of financial reports in the context of making economic decisions (Subramanyam, 2017).

Measuring company performance from non-financial reporting aspects is carried out through environmental performance, social performance, and governance performance. Environmental performance is the company's performance in creating a good environment. Environmental performance is the company's relationship with the environment regarding the environmental impact of the resources used, the environmental effects of organizational processes, the environmental implications of products and services, product processing recovery, and complying with work environment regulations. Social performance is a concept of corporate social responsibility that includes labor/employment practices, human rights, community/social, and product responsibility (Batae et al., 2021). Furthermore, governance performance is the commitment of company management to carry out evaluations and improvements in line with increasing the company's financial performance.

Financial information in Indonesia are contained in the Investment Law No. 25 of 2007 article 15 and the Limited Liability Company Law No. 40 of 2007 article 74, but there are still many companies that have not complied with them, so the Financial Services Authority (OJK) in 2017 issued regulations new regulations as stated in POJK No. 51/POJK.03/2017 concerning the implementation of sustainable finance for financial service institutions, issuers, and public companies. Disclosure of additional information by companies as a means of communication between management and shareholders is voluntary reporting that can complement mandatory reporting on company performance (Freeman, 2004).

Stakeholder theory takes the perspective that a company is not an entity that is only useful for its own sake; Companies must also provide benefits to their stakeholders. Companies will look for various ways to seek satisfaction for their stakeholders when contributing to economic resources that are important for the company because the survival of the company depends on the stakeholders. Disclosure of carbon emissions is a form of communication between companies and stakeholders to gain support. With disclosure, the company tries to show its social responsibility to stakeholders (Lu et al., 2015).

Environmental and social responsibility activities are no longer an option but an obligation that must be carried out by all companies. Based on data from the National Center for Sustainability Rating, only 11 energy sector companies in Indonesia are participants in the Asian-level sustainability report ranking. Therefore, efforts to increase sustainability reporting are intended to reduce emissions from the energy sector, thereby impacting company sustainability.

Several research results show that ESG performance has a positive and significant effect on financial performance, including; Ihsani et al,(2023), Rahi et al., (2022), Giannopoulos et al, (2022),(Kim and Li, 2021), Velte & Stawinoga, (2020), Zhang et al, (2020) Melinda & Wardhani, (2020), Velte and Stawinoga, (2017), Wang and Sarkis, (2017), and Qiu et al., (2016). Furthermore, research results that state ESG performance is negative and not significant include; Vasconcelos et al, (2022), Giannopoulos et al, (2022), Ruan and Liu, (2021), Sanchez et al, (2020), Buallay (2020),Velte and Stawinoga, (2017),and Nollet et al, (2015). Meanwhile, the research results show committee sustainability moderating ESG performance on financial performance (Endrikat et al., 2021), Ruan and Liu, (2021), Zhang et al., (2020), Velte and Stawinoga, (2020a), and Baraibar-Diez and Odriozola, (2019), Xie et al., (2019), Biswas et al., (2018), and Liao et al., (2015).

Various existing studies still find different evidence in examining the performance of Environment, Social, and Governance (ESG) on financial performance in companies. Therefore, this research is expected to contribute to examining the performance of Environment, Social, and Governance (ESG) on financial performance with moderated CSR sustainability committees in energy sector companies in Indonesia.

RESEARCH METHODS

Data

We collect data on environmental, social and governance performance scores as well as CSR sustainability committees of energy sector companies for the last eight (7) years (2015-2021) via the Indonesian Stock Exchange, company websites and CESGS (Center for Environmental Social and Governance Studies). We realize that the main independent variables, namely environmental, social and governance performance, cannot fully explain variations in financial performance. In doing so, we acknowledge that the model is potentially harmed by endogeneity issues (i.e., omitting correlated variable bias). To address this issue, we next include several additional control variables. The control variables used include; liquidity (CR), leverage (DER), company size (Ln total assets), and company age (Age).

The number of energy sector companies is 78 companies listed on the Indonesia Stock Exchange until 2022, using a purposive sampling technique with the criteria of companies providing environmental, social and/or governance disclosures for the 2015-2021 period, so we got 11 energy sector companies as research samples.

Design Research

To further realize the proposed conceptual ideas and technical steps, we designed our research as a research model as in figure.1 which shows the relationships between the main concepts, as well as the operationalization of conceptual ideas into several indicators.

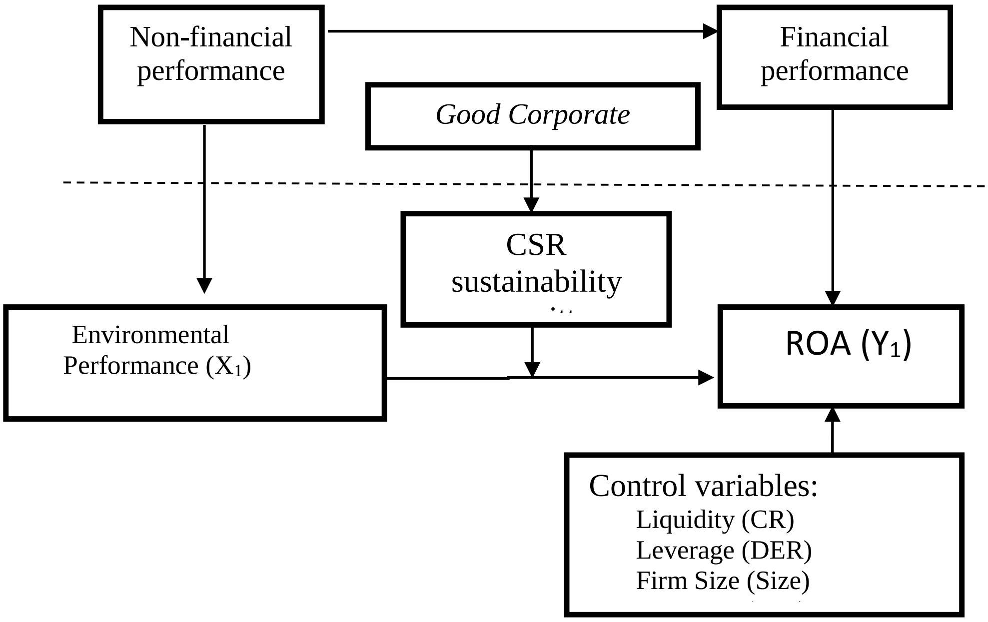

Figure 1. Research Framework

Based onframeworkthinking, we distinguish between proposed conceptual ideas and operational ideas, and then translate these ideas into measurable parameters. As seen in Figure 1, the conceptual idea is to propose disclosure of non-financial performance on financial performance which is moderated by good corporate governance. The operational variables proposed are ESG performance using environmental performance proxies (X1), social performance (X2), and governance performance (X3), then the operational variable Good Corporate Governance using the CSR sustainability committee proxy (M), and financial performance using the ROA proxy (Y1) and Tobin Q (Y2). Next, use control variablesliquidity (CR), leverage (DER), company size (Ln total assets), and company age (Age).

Table 1. Research Variables

Variables	**Label**	**Measurement**	**Source**
ROA	ROA	Return on assets; after-tax income divided by total assets	Company financial reports
Tobin's Q	Tobin's Q	Market value; The market value of equity plus debt divided by total assets	Company financial reports
Environmental Performance	Envscr	The total ESG information disclosure score ranges between 0 and 100; The total disclosure score is the number of items	Financial reports and company sustainability reports as well CESGS (Center for environmental Social and Governance Studies)

Variables	Label	Measurement	Source
		disclosed divided by the number of items based on GRI	
Social Performance	Socscr	The total ESG information disclosure score ranges between 0 and 100; The total disclosure score is the number of items disclosed divided by the number of items based on GRI	Financial reports and company sustainability reports as well CESGS (Center for environmental Social and Governance Studies)
Governance Performance	Govscr	The total ESG information disclosure score ranges between 0 and 100; The total disclosure score is the number of items disclosed divided by the number of items based on GRI	Financial reports and company sustainability reports as well CESGS (Center for environmental Social and Governance Studies)
CSR Sustainability Committee	CommCSR	CSR sustainability committee; Value 1 if the company has a CSR sustainability committee and value 0 if the company has a CSR sustainability committee	Financial reports and company sustainability reports
CR	CR	Current assets to current liabilities ratio.	Financial statements
DER	DER	Total debt to total equity ratio.	Financial statements
Firm size	LnTA	Natural logarithm of total assets	Financial statements
Firm age	Age	Length of time since Initial Public Offering (IPO)	Financial reports and company sustainability reports

Data analysis

We use the Heckman test to overcome endogeneity to obtain the IMR (Inverse Mills Ratio) value on ESG disclosure before model estimation by giving a value of 1 if the company has complete disclosure on the environmental, social and governance pillars and a value of 0 if the company has incomplete disclosure or only has disclosure on one or two pillars of disclosure. After the Heckman test and the IMR value are obtained, then estimate the model whether it includes Common Effect, Fixed Effect or Random Effect by Chow Test, Langrange Test, and Hausman Test

(Raharjo and Santosa, 2020). After model estimation, then we select the regression model to determine the regression equation and test the hypothesis.

Test model:
Original regression model without moderating role (1)

$$ROA_{\ it} = \alpha + \beta_1 Envscr_{it} + \beta_2 Socscr_{it} + \beta_2 Govscr_{it} + Control_{it}$$

$$Tobin's\ Q_{\ it} = \alpha + \beta_1 Envscr_{it} + \beta_2 Socscr_{it} + \beta_3 Govscr_{it} + Control_{it}$$

Regression model with moderating role…………………………………….. (2)

$$ROA_{\ it} = \alpha + \beta_1 Envscr * CommCSR_{it} + \beta_2 Socscr * CommCSR_{it} + \beta_3 Socscr * CommCSR_{it}\ Control_{it}$$

$$Tobin's\ Q_{\ it} = \alpha + \beta_1 Envscr * CommCSR_{it} + \beta_2 Socscr * CommCSR_{it} + \beta_3 Socscr * CommCSR_{it}\ Control_{it}$$

Equation (1) in the original regression model the dependent variables ROA and Tobin'Q are thought to be influenced by the independent variable ESG performance score. ESG performance score data is obtained from 0-100 ratio data, then used as a control variable liquidity (CR), leverage (DER), firm size (Ln total assets), and firm age (Age).

Equation (2) in the regression model with the moderating role of the CSR committee, the dependent variables RAO and Tobin'Q are thought to be influenced by the independent variable ESG performance score. The ESG performance score data was obtained from the value 0-100, then the moderating variable carried out an interaction between the ESG performance score and the CSR sustainability committee. The control variable uses liquidity (CR), leverage (DER), firm size (Ln total assets), and firm age (Age).

RESULT

A. Results Model estimation

1. Estimation of the ESG performance regression model before being moderated by the CSR sustainability committee against ROA and Tobin's Q
   The model estimation results show that the Fixed Effect model is better than the Common Effect and Random Effect models for the ESG performance regression model before being moderated by the CSR sustainability committee on ROA and Tobin's Q

2. Estimation of the ESG performance regression model after being moderated by the CSR sustainability committee against ROA and Tobin's Q
   The model estimation results show that the Fixed Effect model is better than the Common Effect and Random Effect models for the ESG performance regression model after being moderated by the CSR sustainability committee on ROA and Tobin's Q.

B. Election regression models and interpretation

1. Regression model of ESG performance on accounting performance (ROA)

a. ESG performance regression model before being moderated by the CSR Sustainability Committee on accounting performance (ROA)

Table 2, ESG performance before moderation by the CSR Sustainability Committee

ROA	Coef	Prob	Coef	Prob	Coef	Prob
Environment score	,083	0.05				
Social scores			.101	0.018		
Governance scores					,037	0.204
CR	,006	0.73	,006	0.708	,142	0.036
DER	-.001	0.73	-.001	0.820	,007	0.682
Size	-.001	0.94	-.001	0.910	-.004	0.389
Age	-.002	0.34	-.003	0.245	,004	0.775
Constanta	,084	0.84	,091	0.819	-.001	0.560

Source: processed secondary data, 2023

Table 2, shows after estimating the selected model the fixed effect model between ESG performance before being moderated by the ESG committee against Tobin's Q with the equation;

$$ROA \ = .084 + \ .083\, Envscore + .006\, CR \ - .001\, DER \ - .001\, Size \ - .002\, Age$$

$$ROA \ = .091 + \ .101\, Socscore + .006\, CR \ - .001\, DER \ - .001\, Size \ - .003\, Age$$

$$ROA \ = -.001 + \ .037\, Govscore + .142 CR \ - .007\, DER \ - .004 Size \ - .004\, Age$$

Based on the panel data regression equation that has been formed, the resulting coefficient value, if there is no change before being moderated by the CSR sustainability committee with the control variables CR, DER, Size and Age, all control variable probability values are > 0.10, so they are not significant in the regression model , then the ROA value is influenced by environmental performance, 0.101 for social performance and 0.037 for governance performance 0,083

b. ESG performance after being moderated by the CSR sustainability committee on Accounting performance (ROA)

Table 3, ESG Performance Regression Model after being moderated by the CSR Sustainability Committee on Accounting Performance (ROA)

ROA	Coef	Prob	Coef	Prob	Coef	Prob
Environment score *CommCSR	-.004	0.001				
Social score*CommCSR			.136	0.004		

ROA	Coef	Prob	Coef	Prob	Coef	Prob
Governance score*CommCSR					,168	0.798
CR	-.004	0.815	,001	0.952	,002	0.008
DER	-.003	0.392	-.002	0.549	-.003	0.910
Size	-.005	0.642	-.002	0.866	-.001	0.522
Age	-.003	0.247	-.002	0.332	-.002	0.966
Constanta	,269	0.495	,148	0.709	.102	0.369

Source: processed secondary data, 2023

Table 3 shows the panel data regression equation model which was formed from testing the estimation of the selected fixed effect model between ESG performance after being moderated by the CSR sustainability committee on ROA
The panel data regression equation is:

$$ROA\ =.269 - .004\,Env * CommCSR\ - .004\,CR\ \ - .003\,DER\ - .005\,Size\ - .003\,Age$$

$$ROA\ = .148 + .136\,Soc * CommCSR\ - .001\,CR\ \ - .002\,DER\ - .002 Size\ - .002\,Age$$

$$ROA\ = .102 + .168\,Gov * CommCSR\ +\ .002\,CR\ \ - .003\,DER\ - .005\,Size\ - .002\,Age$$

Based on the panel data regression equation that has been formed, the value coefficienty results, if there is no change after being moderated by the CSR sustainability committee with the control variables CR, DER, Size and Age, all control variable probability values are > 0.10, except for CR on governance performance, so it is not significant in the regression model, then the regression model then the ROA value is influenced by -0.004 for environmental performance, 0.136 for social performance and 0.168 for governance performance.

2. Regression model of ESG performance before moderation by CSR sustainability committee on market performance (Tobin's Q)

a. ESG performance before moderation against market performance (Tobin's Q)

Table 4, ESG Performance Regression Model before moderation by CSR Sustainability Committee on Market Performance (Tobin's Q)

Tobin's Q	Coef	Prob	Coef	Prob	Coef	Prob
Environment score	-.053	0.758				
Social scores			-.010	0.951		
Governance scores					-.049	0.663
CR	,146	0.031	,146	0.031	.144	0.033
DER	-.021	0.186	-.021	0.204	-.019	0.219
Size	,194	0,000	,191	0,000	,191	0,000

Tobin's Q	Coef	Prob	Coef	Prob	Coef	Prob
Age	,043	0,000	,043	0,000	,042	0,000
Constanta	- 6.01	0,000	-5,937	0,000	- 5.93	0,000

Source: processed secondary data, 2023

Table 4 shows the panel data regression equation model formed after estimating the selected fixed effect model between total ESG performance before being moderated by the CSR sustainability committee and Tobin's Q as follows;

$$Tobin's\ Q\ = -6.01 - .053 Envscore + .146\ CR\ - .021 DER\ + .194\ Size - .043\ Age$$

$$Tobin's\ Q\ = -5.937 - .010\ Socscore + .146\ CR\ - .021 DER\ +\ .191 Size\ - .043\ Age$$

$$Tobin's\ Q\ = -5.93 - .049\ Govscore + .144\ CR\ - .019\ DER\ - .191\ Size + .042\ Age$$

Based on the panel data regression equation that has been formed, the resulting coefficient value, if there is no change after being moderated by the CSR sustainability committee with the control variables CR, Size and Age, all probability values for the control variables are > 0.10, so they are not significant in the regression model, however Thus the control variable DER <0.10, so it is significant, therefore the resulting Tobin's Q value is equal to– 0.053 for environmental performance, 0.146 for social performance and – 0.049 for governance performancealso influenced by changes in the DER variable.

b. ESG performance moderated by market performance (Tobin's Q)

Table 5, ESG Performance Regression Model after being moderated by the Sustainability Committee on Market Performance (Tobin's Q)

Tobin's Q	Coef	Prob	Coef	Prob	Coef	Prob
Environment score *CommCSR	.138	0.389				
Social score*CommCSR			,085	0.656		
Governance score*CommCSR					,198	0.431
CR	.136	0.047	.143	0.035	,142	0.036
DER	-.021	0.189	-.019	0.208	-.019	0.209
Size	,180	0,000	,186	0,000	,185	0,000
Age	.041	0,000	.0418	0,000	,042	0,000
Constanta	-559.0	0,000	-5,798	0,000	-5,743	0,000

Source: processed secondary data, 2023

Table 5 shows the panel data regression equation model that was formed after estimating the selected fixed effect model between total ESG performance after being moderated by the CSR sustainability committee against Tobin's Q as follows;

$$Tobin's\ Q\ = -559.0 + .138\ Env * CommCSR +\ .136\ CR - .021DER\ \ .041Size\ +\ \ .041\ Age$$

$$Tobin's\ Q\ = -5.798 + .085\ Soc * CommCSR + .143CR - .019\ DER - .186\ Size\ - .0418\ Age$$

$$Tobin's\ Q\ = -5.743 + .198\ Gov * CommCSR\ +\ .142\ CR\ - .019\ DER + .185\ Size + .042\ Age$$

Based on the panel data regression equation that has been formed, the resulting coefficient value, if there is no change after being moderated by the CSR sustainability committee with the control variables CR, Size and Age, all probability values for the control variables are > 0.10, so they are not significant in the regression model, however Thus the control variable DER <0.10, so it is significant, therefore the resulting Tobin's Q value is equal to 0.138 for environmental performance, 0.085 for social performance and 0.198 for governance performance also influenced by changes in the DER variable.

DISCUSSION

H_1: ESG performance has a positive and significant effect on accounting performance (ROA)

Based on table 2, the environmental performance probability value is (0.005=0.05), the social performance probability value is (0.018<0.05) and the governance performance probability value is (0.204>0.05). Based on the probability value of environmental and social performance, it has a positive and significant effect on accounting performance (ROA). These results support the research (Ihsani et al., 2023), (Kim and Li, 2021), (Velte and Stawinoga, 2017), (Wang and Sarkis, 2017), and (Qiu et al., 2016), However, governance performance has a positive and insignificant effect. This result is in line with the research results (Endrikat et al., 2021), (Zhang et al., 2020), and (Velte and Stawinoga, 2020a).

Environmental disclosure is a corporate social responsibility to gain legitimacy from the social groups in the community where the company was founded and as an effort to maximize the company's financial assets in the long term. In this way, companies can pay more attention to society's social norms and values, which is expected to make the company more legitimate. Thus, companies use social and environmental disclosure as a (social) legitimacy tool to create the impression that the company operates in a way that meets social and environmental expectations.

The results of this research are in line with the views of stakeholder theoryinterestwhich states that by considering the interests of each stakeholder, including in this case environmental and social aspects, the company will have a competitive advantage that can improve the company's financial performance. The results of this research indicate that the direction of the coefficient with a positive sign can have a good influence on the company's financial performance as proxied by ROA. Thus, companies use social and environmental disclosure as a (social) legitimacy tool to create the impression that the company operates in a way.

H_2: CSR sustainability committee moderates total ESG performance positively and significantly on accounting performance (ROA)

Based on table 3, the probability value obtained after being moderated by the environmental performance CSR sustainability committee is (0.001<0.05), the probability value for social performance is (0.004<0.05) and the probability value for governance performance is (0.798>0.05). Based on the probability value, the committee sustainability CSR negatively and significantly moderates environmental performance on accounting performance (ROA), supported by research (Endrikat et al., 2021), Velte and Stawinoga, (2020a), and Baraibar-Diez and Odriozola, (2019), CSR sustainability committee moderates social performance positively and significantly on accounting performance (ROA) supported by (Zhang et al., 2020), Velte and Stawinoga, (2020a),Baraibar-Diez and Odriozola, (2019), and Biswas et al., (2018), while the CSR sustainability committee moderates governance performance positively and is not significant, supported by research (Zhang et al., 2020),Endrikat et al., (2021), and Velte and Stawinoga, (2020a).

The results of this research show that the CSR sustainability committee strengthens social performance and is significant. This is in line with companies that have a CSR sustainability committee which will reduce information asymmetry for the company, because the CSR sustainability committee though negatively moderates environmental performance because it will incur large costs, but is positive for social and governance aspects accounting performance (ROA). Thus, companies use social and environmental disclosure as a (social) legitimacy tool to create the impression that the company operates in a way.

H_3: ESG performance has a positive and significant effect on market performance (Tobin,s Q)

Based on table 4, the environmental performance probability value is (0.758>0.05), the social performance probability value is (0.951>0.05) and the probability value of governance performance is (0.663>0.05). Based on the probability value, environmental, social and governance performance has a negative and insignificant effect on market performance (Tobin's Q). This result is in line with the research results (Ruan and Liu, 2021), Velte and Stawinoga, (2017), and Nollet et al., (2015). Find ESG has no significant effect on financial performance (Tobin's Q). The results of this research show that energy sector companies focus more on asset returns than market performance. Thus, companies use social and environmental disclosure as a (social) just legitimacy tool to create the impression that the company operates in a way that meets social and environmental expectations.

H_4: CSR sustainability committee moderates total ESG performance positively and significantly on market performance (Tobin,s Q)

Based on table 5, the probability value obtained after being moderated by the environmental performance CSR sustainability committee is (0.389>0.05), the probability value for social performance is (0.656>0.05) and the probability value for governance performance is (0.431>0.05). Based on the probability value, the committee sustainability CSR moderates environmental, social and governance performance positively and is not significant to market performance (Tobin's Q). This result is in line with the research results (Ruan and Liu, 2021), Velte and Stawinoga, (2020b), Xie et al., (2019), and Liao et al., (2015). The results of this research show that CSR sustainability committee the company plays a positive role in market performance, but not significantly. The energy sector companies focus more on asset returns than market performance. Thus, companies use social and environmental disclosure as a (social) just legitimacy tool to create the impression that the company operates in a way that meets social and environmental expectations.

CONCLUSION

Based on the research results, conclusions were show that before being moderated by the CSR sustainability committee at energy sector companies in Indonesia environmental and social performance has a positive and significant effect on accounting performance (ROA), but governance performance has a positive and insignificant effect, then environmental, social and governance performance has a negative and insignificant effect on market performance (Tobin's Q). While the CSR sustainability committee moderates environmental performance negatively and significantly on accounting performance (ROA), the CSR sustainability committee moderates social performance positively and significantly on accounting performance (ROA), while the CSR sustainability committee moderates governance performance positively and not significantly, then CSR sustainability committee moderates environmental, social and governance performance positively and is not significant to market performance (Tobin's Q). The energy sector companies focus more on asset returns than market performance. Thus, companies use social and environmental disclosure as a (social) just legitimacy tool to create the impression that the company operates in a way that meets social and environmental expectations.

REFERENCE

Baraibar-Diez, E., Odriozola, M.D., 2019. CSR committees and their effect on ESG performance in UK, France, Germany, and Spain. Sustainability (Switzerland) 11. https://doi.org/10.3390/su11185077

Bătae, O.M., Dragomir, V.D., Feleagă, L., 2021. The relationship between environmental, social, and financial performance in the banking sector: A European study. J Clean Prod 290. https://doi.org/10.1016/j.jclepro.2021.125791

Biswas, P.K., Mansi, M., Pandey, R., 2018. Board composition, sustainability committee and corporate social and environmental performance in Australia. Pacific Accounting Review 30, 517–540. https://doi.org/10.1108/PAR-12-2017-0107

Buallay, A., 2020. Sustainability reporting and firm’s performance: Comparative study between manufacturing and banking sectors. International Journal of Productivity and Performance Management 69, 431–445. https://doi.org/10.1108/IJPPM-10-2018-0371

Daniel-Vasconcelos, V., 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, 434–456. https://doi.org/10.1108/RAUSP-02-2022-0063

Endrikat, J., de Villiers, C., Guenther, T.W., Guenther, E.M., 2021. Board Characteristics and Corporate Social Responsibility: A Meta-Analytic Investigation. Bus Soc 60, 2099–2135. https://doi.org/10.1177/0007650320930638

Freeman, R., 2004. The Stakeholder Approach Revisited. Zeitschrift für Wirtschafts- und Unternehmensethik 5. https://doi.org/10.5771/1439-880X-2004-3-228

Giannopoulos, G., Kihle Fagernes, R.V., Elmarzouky, M., Afzal Hossain, K.A.B.M., 2022. The ESG Disclosure and the Financial Performance of Norwegian Listed Firms. Journal of Risk and Financial Management 15, 237. https://doi.org/10.3390/jrfm15060237

Ihsani, A.N., Nidar, S.R., Kurniawan, M., 2023. Does ESG Performance Affect Financial Performance? Evidence from Indonesia. Wiga : Jurnal Penelitian Ilmu Ekonomi 13, 46–61. https://doi.org/10.30741/wiga.v13i1.968

Kim, S., Li, Z., 2021. Understanding the impact of esg practices in corporate finance. Sustainability (Switzerland) 13. https://doi.org/10.3390/su13073746

Liao, L., Luo, L., Tang, Q., 2015. Gender diversity, board independence, environmental committee and greenhouse gas disclosure. British Accounting Review 47, 409–424. https://doi.org/10.1016/j.bar.2014.01.002

Lu, Y., Abeysekera, I., Cortese, C., 2015. Corporate social responsibility reporting quality, board characteristics and corporate social reputation: Evidence from China. Pacific Accounting Review 27, 95–118. https://doi.org/10.1108/PAR-10-2012-0053

Melinda, A., Wardhani, R., 2020. The Effect of Environmental, Social, Governance, and Controversies on Firms' Value: Evidence from Asia. pp. 147–173. https://doi.org/10.1108/s1571-038620200000027011

Nollet, J., Filis, G., Mitrokostas, E., 2015. Corporate social responsibility and financial performance: A non-linear and disaggregated approach. Econ Model 52. https://doi.org/10.1016/j.econmod.2015.09.019

Qiu, Y., Shaukat, A., Tharyan, R., 2016. Environmental and social disclosures: Link with corporate financial performance. British Accounting Review 48, 102–116. https://doi.org/10.1016/j.bar.2014.10.007

Raharjo, Santosa, 2020. STATA 14 untuk Penelitian. Kepel Press, Yogyakarta.

Rahi, A.F., Akter, R., Johansson, J., 2022. Do sustainability practices influence financial performance? Evidence from the Nordic financial industry. Accounting Research Journal 35, 292–314. https://doi.org/10.1108/ARJ-12-2020-0373

Ruan, L., Liu, H., 2021. Environmental, social, governance activities and firm performance: evidence from China. Sustainability (Switzerland) 13, 1–16. https://doi.org/10.3390/su13020767

Sánchez-Infante Hernández, J.P., Yañez-Araque, B., Moreno-García, J., 2020. Moderating effect of firm size on the influence of corporate social responsibility in the economic performance of micro-, small- and medium-sized enterprises. Technol Forecast Soc Change 151. https://doi.org/10.1016/j.techfore.2019.119774

Subramanyam, K.R. and J.J.W., 2017. Financial Report Analysis Book 3. Translated by Dewi Yanti. Salemba Empat, Jakarta.

Usman, B., Nurazi, R., Zoraya, I., Aziza, N., 2023. CSR Performance and Profitability of the Banking Industry in Southeast Asia Nations (ASEAN), Capital Markets Review.

Velte, P., Stawinoga, M., 2020a. Do chief sustainability officers and CSR committees influence CSR-related outcomes? A structured literature review based on empirical-quantitative research findings. Journal of Management Control 31, 333–377. https://doi.org/10.1007/s00187-020-00308-x

Velte, P., Stawinoga, M., 2020b. Do chief sustainability officers and CSR committees influence CSR-related outcomes? A structured literature review based on empirical-quantitative research findings. Journal of Management Control 31, 333–377. https://doi.org/10.1007/s00187-020-00308-x

Velte, P., Stawinoga, M., 2017. Integrated reporting: The current state of empirical research, limitations and future research implications. Journal of Management Control 28, 275–320. https://doi.org/10.1007/s00187-016-0235-4

Wang, Z., Sarkis, J., 2017. Corporate social responsibility governance, outcomes, and financial performance. J Clean Prod 162, 1607–1616. https://doi.org/10.1016/j.jclepro.2017.06.142

Xie, J., Nozawa, W., Yagi, M., Fujii, H., Managi, S., 2019. Do environmental, social, and governance activities improve corporate financial performance? Bus Strategy Environ 28, 286–300. https://doi.org/10.1002/bse.2224

Zhang, F., Qin, X., Liu, L., 2020. The interaction effect between ESG and green innovation and its impact on firm value from the perspective of information disclosure. Sustainability (Switzerland) 12. https://doi.org/10.3390/su12051866