

Influence of the Quality of Sustainable Reports, Company Performance on the Quality of Assurance of Sustainable Reports Moderated by Green Governance Where Quality Assuror is a Control Variable in Banking Companies on the Indonesia Stock Exchange

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Abstract: *The purpose of this study is to determine the relationship between variables on the quality of assurance sustainability reports moderated by green governance on the quality of assurance sustainability reports of banking companies listed on the Indonesian stock exchange. The findings of this study are that SRQ have a significant positive effect on QASR, Company performance does not have a significant effect on QASR, GCG does not have a significant effect on QASR, GCG does not moderate SRQ on QASR, and finally, GCG does not moderate Company Performance on QASR. The originality of this research is to link the accuracy of determining the material topic in the company's sustainability report and Green governance as a moderating variable to the quality of assurance of the sustainability report.*

Keywords: Sustainability Report, Sustainability Report Assurance, Green Corporate Governance, and Company Performance

1. Introduction

On July 18, 2017, the chairman of the board of commissioners of the Financial Services Authority Mr. Muliaman D Hadad signed the Financial Services Authority Regulation Number 51/POJK.03/2017 concerning the implementation of sustainable finance for financial service institutions, issuers, and public companies. The POJK stipulates that financial service institutions, issuers, and public companies are required to make sustainability reports in their annual reports.

Since the year 2000 the sustainability report has been practiced globally, in the year 2014 there were 86 companies use the GRI as guidelines of sustainability report in Indonesia (Caesaria & Basuki, 2017). The GRI give a guidelines for the company to disclose their environmental, social and governance activities in their sustainability report. Environmental, social, and governance have become a lot of attention by stakeholders (Issa & Zaid, 2023). The stakeholders and shareholders attention in ESG have been response by IFRS foundation by issuing IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures" as global standard of sustainability disclosure. The sustainability report is become a global issue, many entities have automatically disclosed their actions and sustainability reports in their annual reports. Some of companies

engage the assurator to assure their sustainability report. The investor is not only interest to ESG activities of the company but also economic performance of the company. There is positive influence between economics, environment and social to the company market performance. (Zaid & Issa, 2023).

The Global Reporting Initiative (GRI) defines assurance of sustainability reports as "processes intended to produce published findings on the quality of the report and the data it contains" (Bucaro, Jackson & Lill, 2020). Similar to auditing financial information, and due to stakeholders' demands for greater credibility of sustainability information, assurance is seen as a crucial component of social and/or environmental information released, as it is subject to external review. In this regard, assurance may help to ensure the credibility and transparency of such information (Wargenau, & Che, 2004). In summary, the voluntary demand for assurance is, to some extent, intended to boost the reliability of sustainability information (Chouaibi & Hichri, 2021) and to stimulate a productive and constructive dialogue with the company's stakeholders (Akhmetshin et al., 2018).

To protect the interests of stakeholders, consultants, accountants, and environmental organizations create an assurance report related to the sustainability report, most of which refers to AA1000 AS published by AccountAbility and the International Standard on Assurance Engagement (ISAE3000) published by the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC).

When disclosing their sustainability reports, companies themselves are given the freedom to determine the material topics that serve as references for disclosing their sustainability reports. In the Global Reporting Initiative Standard (GRI Standard) there are no rules regarding the determination of material topics. The GRI Standard only provides a reference that companies must provide a balanced and fair representation of the organization's positive and negative contributions to sustainable development goals. The gaps in the GRI standard were filled in by SASB in the SASB materiality map, which identifies a company's material topics based on the company's business.

In Indonesia, the companies that care about Environment, Social, and Governance (ESG) participate in the SRI-KEHATI index (Sustainability Responsibility Investment – Indonesian Biodiversity). From 2010 to 2019 the SRI-KEHATI index had better stock movements compared to the IHSG and LQ45. The purpose of this study is to identify and examine the relationship between the quality assurance of sustainable reports and the quality of sustainable reports and Company Performance that moderated by Green Governance where quality assurer is a control variable in banking companies on the Indonesia Stock Exchange.

2. Literature Review

Virtue Ethics Theory

Virtue Ethics Theory is a concept issued by The Greek Philosopher Aristotle's against his belief in the concept of individual character which states that "...individual character and integrity established a concept of living your life according to a commitment to the achievement of a clear deal – what person would I like to become and how do I go about becoming that person". The priority theory is the basis for taking the hypothesis that ethical and socially responsible behavior of individuals and corporations on the environment and not only the economy affects corporate governance.

Virtue ethical theory tries to explain how corporations run their business and are responsible for each stakeholder because the company as an entity is like an individual who must have social values that will be considered by every related party, namely stakeholders who have an interest in the company. So that every action and business behavior can provide accountability written in the sustainability report, not only in activities and efforts but also responsible for providing appropriate disclosures and reports so that every stakeholder can benefit from these reports and corporate activities.

Signaling Theory

This theory was first discovered by Michael Spence (1973) in his research entitled Job Market Signaling. Spence said the following:

“A good firm can distinguish itself from a bad firm by sending a credible signal about its quality to capital markets. The signal will be credible only if the bad firm is unable to mimic the good firm by sending the same signal. If the cost of the signal is higher for the bad type than that of the good type firm, the bad type may not find it worthwhile to mimic, and so the signal could be credible”

Signaling theory is used to ascertain whether the company's performance and quality assurors provide a signal to the quality of assurance in sustainable reports.

Double Materiality Concept

The term "materiality" is crucial in finance and refers to the information that companies must provide to investors. Specifically, information is considered material if its omission or misstatement could influence decisions made by users based on financial information about a specific reporting entity (IASB, 2010). Companies that provide ESG data to investors based on this definition of materiality generally focus on factors that may affect the company financially, namely the risks and opportunities that ESG factors may create. This concept of materiality aligns with the notion of financial materiality and primarily targets investors.

However, stakeholders, such as governments, employees, customers, NGOs, and communities, are also concerned with the external impact of companies on society and the natural environment. When companies provide information on their external impacts, they respond to the need for stakeholder materiality. Although stakeholder materiality is mainly aimed at stakeholders, many investors have started to use this information in their investment decisions. As a result, financial materiality and stakeholder materiality have been referred to as "double materiality" (Delgado-Ceballos et al., 2023).

The double materiality concept will be use to ensure whether companies in Indonesia are aware not only with the financial materiality but also stakeholders materiality. The financial variables in this research will show us the influence of non-financial that impacting financial variables so that we can know is there any relation between the Company's business activities that concern to the financial performance will impact to the Company's stakeholders.

Sustainability Reporting

The interest of investors and wider stakeholders to environment, social and governance give the company pressure to implement and running the business that concern to those issues. The government as a regulator issues a regulation to response global issues related to environment, social and governance that require the listed company to issue sustainability report. According to the POJK No. 51 year 2017 Sustainability Report is a report announced to the public that

contains the economic, financial, social and environmental performance in running a sustainable business (Peraturan Otoritas Jasa Keuangan nomor 51 /POJK.03/2017, 2017). In Indonesia not only listed company issues the sustainability report but also some of Government Companies (BUMN) issue the sustainability report. The company that has pressure from stakeholders regarding environmental, social and governance issues have higher quality of sustainability report than other firms (Rudyanto & Siregar, 2017).

Global Reporting Initiative (GRI) Standard

The Global Reporting Initiative (GRI) is an independent international non-profit organization. GRI helps businesses, governments and other organizations understand and communicate business impact on critical sustainability issues through the GRI Sustainability Reporting Standards.

The GRI Sustainability Reporting Standards (GRI Standards) are used by organizations around the world to communicate to stakeholders about their impact on the economy, environment and/or society. Use of the GRI Standards helps organizations disclose this information in a consistent and aggregated manner. GRI also helps promote greater organizational transparency and accountability.

Company Performance

Company performance is an assessment of how effectively the company is achieving its objectives and realizing its goals. This assessment evaluates a company's overall proficiency and productivity in utilizing its resources to generate profits, create value, and sustain growth. According to the Caesaria and Basuki (2017) economics, environmental, and social aspect have positive significant influence to the company market performance in Indonesia stock exchange but according to Needles et al. (2016) information in the sustainability report and integrated report do not meet the high financial performance company. There is a gap in research regarding to the influence of sustainability information and company performance in the previous research.

Green Corporate Governance

Green corporate governance encompasses the strategies and regulations that companies put in place to incorporate environmental sustainability and accountability into their governance structures and decision-making processes. This requires the implementation of eco-friendly practices, policies, and strategies that foster sustainability, reduce environmental risks, and increase the long-term worth of the company. Companies that embrace green corporate governance strive to attain sustainable growth, minimize their environmental impact, abide by environmental regulations, and help to create a sustainable and resilient future. Many companies perceive environmental management as an unnecessary and even obstructive burden to corporate development and growth due to the conflict between environmental regulations and business performance (Mary-Anne, Dannielle & Warren, 2017). Nevertheless, businesses can use green innovation to enhance their efficiency and counterbalance the cost of environmental management. Environmental information disclosure enables stakeholders to be aware of the effects of their company on society and the environment. If they can access more information about the company (i.e. increased information transparency), they can reduce their adverse selection risk, which is beneficial for the company. The company can benefit from reduced financing costs and increased competitive advantage. In other words, higher quality information disclosure is beneficial to the relationship between businesses and stakeholders. This will encourage businesses to invest more in green management and voluntarily reveal green management information (Khan et al., 2021).

Sustainability Assurances

Sustainability assurance, also referred to as sustainability auditing or sustainability verification, is a process conducted by independent third-party auditors or assurance providers to evaluate and confirm an organization's sustainability performance and reporting. The goal is to give stakeholders, including investors, regulators, customers, and the general public, assurance that the company's sustainability claims are accurate, dependable, and in line with accepted standards and best practices. One of the benefits of sustainability assurance is that it verifies the accuracy of corporate social responsibility (CSR) reporting to stakeholders, grants social legitimacy to a company's activities, and encourages the company to act responsibly (Wargenau, & Che, 2004). There are two professional can provide assurance service for sustainability report such as accountant and consultant. Accountant refer to International Standard on Assurance Engagement 3000 and consultant refer to AA1000 standard.

International Standard on Assurance Engagement 3000

This International Standard on Assurance Engagements (ISAE) addresses assurance engagements other than audits or reviews of historical financial information, which are covered by International Standards on Auditing (ISAs) and International Standards on Review Engagements (ISREs), respectively.

Assurance engagements encompass both attestation engagements, in which a party other than the practitioner evaluates the subject matter against criteria, and direct engagements, in which the practitioner evaluates the subject matter against the criteria. This ISAE includes requirements, application materials, and other explanatory information specific to reasonable and limited assurance attestation engagements. This ISAE may also be applied to reasonable and limited assurance direct engagements, adapted and supplemented as necessary in the engagement circumstances.

The AccountAbility Standard Board

AccountAbility is a consulting and sustainability standards firm that works with private, governmental, and multilateral organizations to promote responsible business practices and enhance long-term performance. Since its establishment in 1995, AccountAbility has assisted companies, non-profits, and governments in incorporating accountability and ethics related to environmental, social, and governance issues into their organizational values and principles. AccountAbility's work is based on the AA1000 Series of Standards, which are based on the principles:

- Inclusivity - People should have a say in decisions that impact them.
- Materiality - Decision makers must identify and explain important sustainability topics.
- Responsiveness - Organizations must act transparently on the topic of material sustainability and related impacts.
- Impact - Organizations must monitor, measure and be accountable for how their actions impact the broader ecosystem.

The AccountAbility Standards Council is responsible for approving standards strategies and overseeing the ongoing development of standards used by institutions globally. The Board is made up of individuals from a variety of sectors, including the public and private sectors, civil society, and the standards community, to ensure broad representation. AA1000 using by the consultant to assess the sustainability reporting according to their four principles.

Hypothesis Development

The effect of sustainability reporting quality (SRQ) on Quality Assurance Sustainability Report (QASR). The sustainability report discloses all environmental, social and corporate governance activities provided to investors and stakeholders using applicable reporting standards, such as the GRI standard, SASB standard and POJK 51 which are the standard references for companies listed on the Indonesian stock exchange. The assurer who provides assurance services on reports regarding the implementation of inspections and evaluations of whether the sustainability report has disclosed information in accordance with applicable standards. According to Simnett, Vanstraelen and Chua (2009) the credibility sustainability report will impact to the quality of sustainability assurance report, it does not matter whether the assurance provider comes from the auditing profession. From this explanation, the hypothesis developed is as follows:

Ha1: The quality of sustainability reports has a positive effect on the quality of assurance on the sustainability reports of banks listed on the IDX.

The effect of company performance (ROA) on quality assurance sustainability reporting (QASR)

There are different ways to measure company performance. A common categorization has been to divide performance into financial and non-financial performance. According to Chen (2015) the sustainable improvement practices had a positive impact on company performance. Some environmental and social improvement practices had a direct and positive correlation with product and process innovation. According to Rabadán, González-Moreno and Sáez-Martínez, (2019) the conditions that largely benefit company performance are R&D spending and development of technology and eco-innovation that influence the quality of sustainability activities and reporting. From this explanation, the hypothesis developed is as follows:

Ha2: The Company's performance has a positive effect on the quality of assurance for sustainable banking reports listed on the IDX.

The effect of green corporate governance (GCG) on quality assurance sustainability reporting (QASR)

The green corporate governance involves adopting environmentally responsible policies, procedures, and behaviors to minimize negative impact on the environment and promote sustainable practices. According to Gutterman (2020) a good corporate governance concern to the sustainability company that influence to the proportion of sustainability's work with such wider societal concerns. According to Chen (2015) the firm's sustainability assurance and its choice of the accounting profession are positively associated with board independence and the activity of the sustainability committee. From this explanation, the hypothesis developed is as follows:

Ha3: Green Governance has a positive effect on the quality of assurance in sustainable banking reports listed on the IDX.

The green corporate governance moderates the quality of sustainability reports on the quality of assurance for sustainable reports

According to Gao et al. (2023) Corporate governance has a positive influence on companies' sustainability report assurance decisions. A good corporate governance will concern to the company's sustainability activities and will impact to the quality of sustainability reporting and indirectly impact to the quality of assurance for sustainability reports. From this explanation, the hypothesis developed is as follows:

Ha4: Green Governance strengthens the positive influence of the quality of sustainability reports on the quality of assurance for sustainable reports of banks listed on the IDX.

The green corporate governance moderates the company’s performance on the quality of assurance for sustainable reports

According Porter and Van Der Linde (2017) Companies that practice green corporate governance seek to achieve sustainable development and company performance. The good sustainability development will impact to the company’s sustainability report and indirectly impact to the quality of assurance for sustainability report. From this explanation, the hypothesis developed is as follows:

Ha5: Green Governance strengthens the positive influence of the company's performance on the quality of assurance of sustainable banking reports listed on the IDX.

3. Method

Research Design

The research design used is quantitative research which is research that uses quantitative methods, namely research methods that aim to describe social phenomena or phenomena quantitatively or analyze how social phenomena or phenomena that occur in society are interconnected with each other. The level of data analysis used is company data using cross-sectional regression.

Data Collection Strategies and Methods

The data used is secondary data originating from the Indonesia Stock Exchange, by conducting structured observations for all financial statements of companies listed on the Indonesian stock exchange related to sustainability reports, financial statements, and sustainable assurance reports. Data collection was carried out for 2015 to 2021 with a total population of 42 banking companies listed on the Indonesian stock exchange.

Table 1: Research Samples

Description	Amount
Number of Banks listed on the Indonesia Stock Exchange	42
Number of Banks listed on the IDX that do not have complete 2015 – 2021 data	6
Number of selected samples	36

Source: Secondary Data processed

Research Variables and Definition of Operational Variables

Research Variables

The variables in this study consisted of:

- a. **Dependent Variable**
 The dependent variable is a variable that is influenced by the independent variable. The dependent variable in this study is Quality of Assurance of Sustainability Reports (QASR) as Y.
- b. **Independent Variable**
 The independent variable is a variable that can affect the dependent variable. The independent variables of this study are Quality of Sustainability Report /SRQ (X_1) and Company Performance / CP (X_2).
- c. **Moderating Variable**
 The moderating variable is a variable that will strengthen or weaken the influence of the independent variable on the dependent variable. In this study, the moderating variable is the Green Governance (GCG).
- d. **Control Variable**
 In this study, the control variable is Quality Assurer (QA).

Table 2: Definition and Measurement of Variable

No	Variables	Dimension	Indicator	Scale
1	Sustainability report quality (QSR) – Independent Variable	Non – Finance	GRI 101, 102, 103 (Universal standard) GRI 200, GRI 300, GRI 400 (Topic-Specific Standard)	Ratio
2	Company performance (CP) – Independent Variable	Finance	<ul style="list-style-type: none"> • Return on Assets • Loan to Deposit Ratio • Capital Adequacy Ratio 	Ratio
3	Green Corporate Governance (GCG) – Moderating Variable	Non – Finance	Environmental Protection (EP) Energy Saving Carbon (ESCR) Sustainability development	Ratio
4	Sustainability Assurance Quality (QASR) – Dependent Variable	Non – Finance	AA1000AS & ISAE3000 Assurance Statement Disclosure Index: <ol style="list-style-type: none"> 1. Assurance practitioner characteristics (0-3) 2. Representation by the Responsible Party (0-1) 3. Nature and extent of the planning process (0-12) 4. Formal requirements (0-4) 5. Particular conclusion on the specific accounting system (0- 2) 6. Assurance form and criteria (0-5) 7. Comments and advices (0-2) 	Ratio
5	Assurer quality (QA) – Control Variable	Non – Finance	Big four accounting firm MNC Accounting firm MNC Consultant Local Consultant	Ordinal

Panel Data Regression Analysis

Multiple linear regression analysis is a form of regression analysis used in research to determine the nature and extent of the effects of two or more independent variables on the dependent variable. The multiple linear regression analysis employed in this study was conducted using EViews 9 software. This study employed panel data regression to determine which approach was most suitable for estimating panel data.

The following multiple linear regression equation is formulated as follows:

Equation 1:

$$Y = \beta_0 + \beta_1 QSR + \beta_2 CP + \beta_3 GCG$$

Equation 2:

$$Y = \beta_0 + \beta_1 QSR + \beta_2 CP + \beta_3 GCG + \beta_4 (QSR \times GCG) + \beta_5 (CP \times GCG) + \varepsilon$$

Y = Quality assurances sustainability reporting

X1 = Quality sustainability reporting

X2 = Company performance

X3 = Green Corporate Governance

This study employs moderating variables, moderated regression analysis (MRA) is a type of multiple linear regression that has a regression equation that includes interaction elements, which are new variables that are created through multiplication (Ghozali & Ratmono, 2013). Between two or more variables that are not related. This study employs Moderated Regression Analysis (MRA) as it involves a moderator variable, requiring the use of a panel data regression equation for the moderator variable.

4. Results

Descriptive Statistical Analysis

Descriptive statistics are employed in this study to illustrate the state of the data. This is a summary of the descriptive analysis of the Quality Assurance Sustainability Reporting (dependent variable) and the Sustainability Reporting Quality, Company Performance (ROA, CAR & LDR) (independent variables), as well as the moderating variable, Green Corporate Governance (GCG). The descriptive analysis results can be displayed in the following table:

Table 3: Descriptive Statistical Analysis

	Mean	Maximum	Minimum	Std. Deviation	Obs
QASR	0.126273	0.600000	0.000000	0.239290	161
SRQ	0.265093	0.730000	0.000000	0.188720	161
ROA	0.014161	0.610000	-0.730000	0.088059	161
CAR	0.204163	0.420000	0.080000	0.051181	161
LDR	2.007019	96.46000	0.490000	10.16964	161
GCG	0.341304	0.600000	0.000000	0.161203	161
QASSURER	0.176832	1.000000	0.000000	0.299692	161

Source: Data processed with EViews

Description:

- QASR = Quality assurances sustainability reporting
- SRQ = Quality sustainability reporting
- ROA = Return on Assets
- CAR = Capital Adequacy Ratio
- LDR = Loan to Deposit Ratio
- GCG = Green Corporate Governance
- QASSURER = Quality of Assurer

The summary of the result of hypothesis testing is in Table 4.

Table 4: Summary of Hypothesis Test Results

Variable	Coeff.	T-Stat	Prob	
SRQ	0.193247	1.896346	0.0598	**
ROA	0.258255	1.445662	0.1504	
CAR	-0.288337	-0.469557	0.6394	
LDR	0.072244	0.555103	0.5797	
GCG	-0.117694	-0.734089	0.4640	
SRQ*GCG	-0.237247	-0.952733	0.3423	
ROA*GCG	-0.310110	-1.311487	0.1917	
CAR*GCG	1.873922	0.894275	0.3726	
LDR*GCG	-0.205489	-0.553286	0.5809	
QASSURER	0.699050	11.78648	0.0000	**
C	-0.059386	-0.790838	0.4303	
R-Squared		0.783921		
Adjusted R-Squared		0.769515		
F-Statistic		54.41893		
Prob. (F-Statistic)		0.000000		

Information:

** affect the significance level of 5% or 0,05

Source: Processed

5. Discussion

Effect of Sustainability Reporting Quality (SRQ) on Quality Assurance Sustainability Reporting (QASR)

The first hypothesis is Sustainability Reporting Quality (SRQ) has a significant positive effect on Quality Assurance Sustainability Reporting (QASR). The results of the t- statistical test show that Sustainability Reporting Quality has a significant positive effect on Quality Assurance Sustainability Reporting. These findings suggest that the quality of the sustainability report is directly proportional to the quality of the assurance of the sustainability report. This is because the assurance service of the sustainability report captures the reliability data in the sustainability report, and the assurer documents it in the assurance statement of the sustainability report. This result confirms with the result of Boiral, Heras-Saizarbitoria and Brotherton (2019) that conclude assurance service improve the sustainability reporting quality and the good quality of sustainability reporting impact to the findings that stated in the assurance statement in the sustainability report. The finding and recommendation are indicating the quality of the assurance of sustainability report. The good quality of sustainability report will disclose the balance information whether positive or negative impact of the Company's sustainability activities that will be captured by assurer (accounting firm or consulting firm) when they conducting assurance service to the Company.

The quality of sustainability report is not only indicated that all requirement in the criteria of disclose standard (GRI, SASB or POJK 51 or other standards) should be completed. The good quality of sustainability report should be disclose the actual Company's sustainability activities with the balance information, validated data and information. The balance of information that disclose in the sustainability means that the Company inform the negative and positive impact of the Company's sustainability activities. The validated data and information mean that all information that disclose in the sustainability report is valid and supported by data and evidences that capture during the assurance services that conducted by assurer.

Effect of Company Performance (ROA) on Quality Assurance Sustainability Reporting (QASR)

The second hypothesis is that Company Performance (ROA) does not affect Quality Assurance Sustainability Reporting (QASR). The results of the t-statistical test indicate that Company Performance (ROA) has no significant effect in a positive direction on Quality Assurance Sustainability Reporting (QASR). This proves that there is no relationship between Company performances as measured by ROA on the quality of sustainability report assurance. This result confirms that the company's performance ROA does not influence the company's sustainability activities, this condition may be impacted because the Company is not aware yet that the Company should invest in sustainability activities not only to achieve its financial target. This result reflects that companies in Indonesia not aware yet and not give good attention yet to the stakeholders' interest because ROA has no significant effect on Quality Assurance Sustainability Reporting. The result conclude that double materiality concept is not implemented yet in the company's activities.

Effect of Company Performance (CAR) on Quality Assurance Sustainability Reporting (QASR)

The second hypothesis is that Company Performance (CAR) does not affect Quality Assurance Sustainability Reporting (QASR). The results of the t-statistical test indicate that Company Performance (CAR) has no significant effect in a negative direction on Quality Assurance Sustainability Reporting (QASR). This proves that there is no relationship between Company

performances as measured by CAR on the quality of sustainability report assurance. CAR analysis is carried out to find out whether capital adequacy can influence the company's sustainability activities so that sustainability reports and the quality of assurance reports on sustainability reports can have an indirect positive influence. Based on this research, it is concluded that the company's capital adequacy does not guarantee that sustainability activities can run well, which ultimately has an impact on the quality of sustainability reports and sustainability report assurance. If we refer to this result, we conclude that financial performance cannot give signal to the reader regarding to the performance of sustainability activities because there is no significant effect financial performance to the Quality Assurance Sustainability Reporting (QASR).

Effect of Company Performance (LDR) on Quality Assurance Sustainability Reporting (QASR)

The second hypothesis is that Company Performance (LDR) does not affect Quality Assurance Sustainability Reporting (QASR). The results of the t-statistical test indicate that Company Performance (LDR) has no significant effect in a positive direction on Quality Assurance Sustainability Reporting (QASR). This proves that there is no correlation between Company performances as measured by LDR on the quality of sustainability report assurance. Loan to deposit ratio is the ratio of the amount of credit to the total funds received. The general term commonly used is the ratio of loans to deposits to assess bank liquidity. Based on the objective of this ratio and the results of this research, it is concluded that the amount of credit received by the bank does not affect the company's sustainability activities so that it indirectly affects the quality of the sustainability report assurance.

Effect of Green Corporate Governance (GCG) on Quality Assurance Sustainability Reporting (QASR)

The third hypothesis is that Green Corporate Governance (GCG) does not affect Quality Assurance Sustainability Reporting (QASR). The results of the t-statistical test show that Green Corporate Governance (GCG) has no significant effect with a negative direction on Quality Assurance Sustainability Reporting (QASR). This proves that there is a relationship between GCG and the quality of sustainability report assurance. GCG has no effect on the quality of the sustainability assurance report, indicating that the GCG implemented in the company does not meet the needs for good sustainability reporting so that the impact of green governance does not have a significant impact on sustainability activities. This indicates the failure of implementing GCG on sustainability activities because the ultimate goal of GCG is to improve sustainability activities starting from the corporate governance level.

Effect of Sustainability Reporting Quality (SRQ) on Quality Assurance Sustainability Reporting (QASR) moderated by Green Corporate Governance (GCG)

The fourth hypothesis is that Green Corporate Governance (GCG) moderates Sustainability Reporting Quality (SRQ) against Quality Assurance Sustainability Reporting (QASR). The probability value of Moderation 1 is SRQ moderated by GCG is 0.3423 or greater than 0.1, this means that GCG does not moderate SRQ to QASR. This result confirming the previous result that GCG is not influence Quality Assurance Sustainability Reporting. If we analyze the result of financial performance is not influence the sustainability activities it is mean that all effort from management that reflects of company's corporate governance is not support sustainability activities and finally, we conclude that companies in Indonesia is only concern to the shareholders interest not all of stakeholders' interest can be cover by management.

Effect of Company performance (ROA, CAR, and LDR) on Quality Assurance Sustainability Reporting (QASR) moderated by Green Corporate Governance (GCG)

The fifth hypothesis is that Green Corporate Governance (GCG) moderates Company performance (ROA) on Quality Assurance Sustainability Reporting (QASR). The probability value of Moderation 2 is ROA moderated by GCG is 0.1917 or greater than 0.1, this means that GCG does not moderate ROA on QASR.

The fifth hypothesis is that Green Corporate Governance (GCG) moderates Company performance (CAR) on Quality Assurance Sustainability Reporting (QASR). The probability value of Moderation 3 is CAR moderated by GCG is 0.3726 or greater than 0.1, this means that GCG does not moderate CAR against QASR.

The fifth hypothesis is that Green Corporate Governance (GCG) moderates Company performance (LDR) on Quality Assurance Sustainability Reporting (QASR). The probability value of Moderation 4 is LDR moderated by GCG is 0.5809 or greater than 0.1, this means that GCG does not moderates the LDR against QASR

6. Conclusion

The conclusion of this study is to expand research on Quality Assurance Sustainability Report by identifying the effect of Sustainability Reporting Quality, Company Performance, and the mediating effect of Green Corporate Governance. The results of this study are that SRQ have a significant positive effect on QASR, Company performance does not have a significant positive effect on QASR, GCG does not have a significant positive effect on QASR, GCG does not moderate SRQ on QASR, and finally, GCG does not moderate Company Performance on QASR.

The results show that the company's performance cannot provide a signal to the reader or analysis to conclude that good performance in finance cannot directly influence the company's sustainability activities and quality of sustainability reporting, including the assurance of sustainability reports. The result also shows us that the concept of double materiality that should cover not only shareholder interest but also stakeholder interest has not been implemented in Indonesia.

The Company focuses on shareholder interests by chasing financial performance as a primary business concern. In virtue of virtue ethical theory, it tries to explain how corporations run their businesses and are responsible for each stakeholder. Thus, every action and business behavior can provide accountability written in the sustainability report, not only in activities and efforts, but also responsible for providing appropriate disclosures and reports so that every stakeholder can obtain the benefit from these reports and corporate activities. The management has not yet implemented virtue ethics for stakeholders because they are only concerned with shareholders' interests.

We recommended that banking companies not only focus on generating profits and company performance but also how to increase the sustainable activities reported in the sustainability report and to improve the quality of the sustainability report each company should conduct an assurance engagement with a consultant to be able to assess the company's sustainability report. This research was taken from 2015 to 2021 using different GRI standards and the readiness of companies in that period which still did not care enough about sustainability reports and sustainable assurance reports. We hoped that in the future research on quality analysis of

sustainable assurance reports will increase, not only in the banking industry but also in the other industry.

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Conflict of Interest Statement

The authors declare that there is no conflict of interest regarding the publication of this study.

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