International Journal of Accounting and Finance in Asia Pasific (IJAFAP) **Vol. 6 No. 1, pp. 70-81, February, 2023**
P-ISSN: 2684-9763 /E-ISSN: 2655-6502
https://ejournal.aibpmjournals.com/index.php/IJAFAP

The Impact of Sustainability Corporate Governance on Corporate Environmental Disclosure

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ARTICLE INFORMATION

Publication information

Research article

HOW TO CITE Fitriasari, R. (2021). The Impact of Sustainability Corporate Governance on Corporate Environmental Disclosure. *International Journal of Accounting & Finance in Asia Pasific, 6*(1), 70-81.

DOI: https://doi.org/10.32535/ijafap.v6i1.2176

Received: 18 December 2023
Accepted: 26 January 2023
Published: 20 February 2023

ABSTRACT

The goal of this research is to assess the influence of Chief Sustainability Officers (CSOs) and Environmental Committees (ECs) on Corporate Environmental Disclosure (CED) in firms in Mineral and Coal Industry sector. This study, using purposive sampling, involved 75 sample companies of the said companies listed on the Indonesia Stock Exchange between 2015 and 2019. Based on the analysis, it was found that Chief Sustainability Officers (CSOs) and Environmental Committees (ECs) have no significant influence on Corporate Environmental Disclosure (CED). This research implies that companies can consider Corporate Environmental Disclosure necessary to show stakeholders their awareness of broader interests and accountability through behaving socially responsibly. This research's samples were limited to corporations engaged in the Mineral and Coal Industry and registered in the Indonesia Stock Exchange. This empirical focused on the influence of Chief Sustainability Officers (CSOs) and Environmental Committees (ECs) on Corporate Environmental Disclosure (CED) in sustainability reports which are still rare among Indonesian business entities, especially those operating in Mineral and Coal Industry, using the control variables of Firm size, Leverage, and ROA.

Keywords: Chief Sustainability Officer (CSO), Corporate Environmental Disclosure (CED), Environmental Committee (EC)

INTRODUCTION

Corporate social responsibility has developed quite rapidly. According to Pflieger, Fischer, Kupfer, and Eyerer (2005), environmental conservation by a company benefits the company itself. Shareholders and stakeholders are interested in supporting firms that carry out environmental management responsibly. As stated by Sari and Wardani, (2021) Corporate governance is used to ensure that shareholders and bondholders get a return from the company over the activities carried out by managers. An international survey by KPMG (Klynveld Peat Marwick Goerdeler), (2013) shows that the ratio of top companies that publish CSR reports was growing and had reached almost three-quarters (71 percent) of the top-100 corporations in 41 states (N100) in 2013 (KPMG, 2013), increasing from 64 percent of N100 companies in 2011 (KPMG, 2011). The results of the KPMG survey show that of the 250 largest global companies that issued CSR reports in the world (G250), 59 percent pledged such data to outer parties, and two-thirds of this number involved public accounting firms to underwrite their CSR reports (KPMG, 2013). Other evidence on sustainability reporting growth was remarkable (Branco, Delgado, Gomes, & Eugénio, 2014). Dhaliwal *et al*. (2012), using 7,108 sustainability reports from 31 countries and 1,297 companies during the 1994-2007 period as the sample, reported a positive trend in the publication of such report, from under a hundred reports in the mid-1990s to a thousand in 2007.

CSR shows that it is necessary to build corporate responsibility upon the triple bottom line, which includes social, environmental, and financial aspects. Www.ncsr.org.id has formulated the triple bottom line where the firms’ activities are related to humans and their surroundings, namely community (people), economic value and profit (profit), and environment (planet). With the triple bottom line, corporate social responsibility is not faced with one bottom line only, namely the company's value, which is shown by pecuniary conditions, but also through social and environmental issues (Daniri, 2008).

The importance of undertakings and disclosure of Corporate Social Responsibility (CSR) has also received the attention of the regulators by issuing regulations regarding the provisions for the philanthropic action disclosure by public companies as stipulated by Law number 40 of 2007 regarding Limited Liability Companies. According to article 66 paragraph 2 letter c, companies shall announce the implementation of Social and Environmental Responsibility in their annual reports, in addition to financial reports. Article 74 mentions the necessity for companies carrying out business activities in natural resources and any dealings from which they are derived to perform Social and Environmental Responsibility. Thus, CSR is an obligation every company shall meet.

CSR is inseparable from Good Corporate Governance (GCG). The General Guidelines for Good Corporate Governance in Indonesia suggesting the implementation of corporate governance to apprehension and accountability to the community and environment (Komite Nasional Kebijakan Governance, 2006). In addition, Law no. 40 of 2007 also requires companies to have Good Corporate Governance, including environmental responsibility. Implementing Good Corporate Governance in companies aims to promote recognition and corporate social responsibility towards the sustainability of people and the environment, especially those around the company.

The demands to provide sheer information, responsible organizations, and good corporate governance progressively require companies to supply particulars about their community events. The community requires knowledge about how far companies have implemented their efforts to ensure that the rights of the community to live safely and

peacefully, the rights of employees to live in prosperity, and their right to consume food safely can be fulfilled.
Corporate governance practices that manage and monitor sustainability issues have been developed by many companies (International Federation of Accountants [IFAC], 2012). Previous studies have discussed how boards of directors in corporate governance in play their roles in sustainability reports as they had been critical to the governance, whose importance stems from the establishment of corporate strategy and goals setting as well as from the participation of corporate resource planning and management (Nekhili & Gatfaoui, 2013). Peters and Romi (2015) discussed the effects of Chief Sustainability Officers (CSOs) and Environmental Committees (ECs) on CSR Assurance.

The necessity of discretionary disclosures in yearly reports, for example environmental disclosures, to show stakeholders about recognition towards broader interests and accountability by behaving socially responsible was stated by Sun, Salama, Hussainey, and Habbash (2010). The more forms of responsibility the company undertakes to its surroundings, the more valuable the company's name among people. In addition, Hackston & Milne (1996) provided empirical evidence on environmental and social disclosure practices in New Zealand firms and examined several potential relationships between firm characteristics and social and environmental disclosures.

Environmental disclosures reveal information about activities carried out by companies in preserving the environment, and they are attached to their annual reports. (Suratno, Darsono, & Mutmaina., 2006). Zeghal and Ahmed (1990) identified that environmental reporting includes, among others, control over pollution, environmental damage prevention or repair, nature preservation, and other similar actions related to the environment. Such disclosure is also a form of corporate social responsibility.

Environmental disclosure provides several benefits which can interest shareholders and stakeholders (Pflieger, Fischer, Kupfer, and Eyerer, 2005). Corporate environmental disclosure serves as a medium to communicate reality for economic, social, and political decision making. The public can monitor the activities of corporations using the disclosure written in their report. With such reporting, the company gains attention, trust, and support from the community, thus able to continue to exist (Brown and Deegan, 1998). Environmental responsibility is also a response to the needs of various interest groups, such as trade unions, environmental activists, religious circles, and other groups (Guthrie and Parker, 1990).

Corporate environmental disclosure is still voluntary, unaudited, and unregulated (Mathews, 1985). However, many institutions have offered models that serve as guidelines, including the Global Reporting Initiative (GRI) suggesting aspects in environmental concern that should be disclosed in companies' yearly reports. The thirty items recommended by GRI comprise 9 primary aspects, which are materials, energy, water, biodiversity, emissions and waste, products and services, compliance with regulations, transportation, and the overall costs incurred to preserve the environment.

Based on the above discussion, the objective to be achieved by this study is to find out whether Chief Sustainability Officers (CSOs) and Environmental Committees (ECs) affects Corporate Environmental Disclosure (CED) in public companies engaged in the mineral and coal industry, which was abbreviated as Minerba in 2012-2017. This research was expected to increase companies' acknowledgment on the significance of carrying out accountability towards environment. In addition, it would provide empirical evidence of the application of Legitimacy Theory and Upper Echelon Theory to companies in Indonesia and would be a reference for further research.

LITERATURE REVIEW

In this study, two main theories were used, namely Legitimacy Theory and Upper Echelon Theory, which would be described as follows

Legitimacy Theory

According to legitimacy theory, organizations should explore ways of ensuring the modesty of their activities and respecting local norms (Deegan, 2002). Deegan (2002), based on the theory's perspective, revealed that a company voluntarily reports its activities based on the community's expectation. This theory is built upon a notion that a “social contract”, a measure to explain the social expectation to organization’s operation, does exist. Deegan (2002) stated the straightforward manifestations of the contract are legally required, while its implied form is community expectations that are unstated in legal regulations. Organizational legitimacy is perceivable as anything given by the society to companies and something sought by companies from society. Legitimacy Theory explains that an organization carrying out operational activities shall show behavior complying with social values (Guthrie & Parker, 1989). The theory, being commonly acceptable for environmental disclosure explanation, suggests the idea that environmental disclosure is a function describing to which extent companies are facing societal and political pressure for their performance regarding the environment. Hence, they strive to supply data about it (Burgwal & Vieira 2014).

Organizations pursue balance of values with their community, and failure to do so will be regarded as a failure to carry out the social contract, leading to a negative public opinion about the organization. Further, their failure to provide for the community can violate the contract, causing, for example, customers reduce their demand for the company's products or services and suppliers their supply. This situation is known as a legitimacy gap. In responding to it, organizations shall do their best by, among others, providing sufficient satisfactory disclosures about their environmental performance (Burgwal & Vieira 2014).

Research by Velte and Stawinoga (2020) revealed that the presence of CSR committees and CSOs helps companies improve their CSR reporting performance to external parties. The study assumed that CSR committees and CSOs support CSR report preparation and assessment. It indicates that the committee is not just a symbolic act of management; instead, they significantly improve the quality of CSR reports.

Kanashiro and Rivera (2019) suggested different information by saying that CSOs are prone to be functioned as a symbolic tool to fulfill company obligations. The attention of CSOs more to the demands of stakeholders indicates that the policy taken by the firms focuses more on fulfilling the demands of stakeholders instead of fulfilling the company's ethical obligations.

Upper Echelon Theory

It is asserted by Upper Echelon Theory that top managers have a critical role in formulating organizational strategies and policies which reflect their values and characteristics. Hambrick and Mason (1984) observed the characteristics of top managers that can influence the determination of organizational policies, such as cognitive understanding, age, education, and experience. This theory functions to express the attention paid by top managers to environmental aspects that is manifested in organizational decisions (Hambrick and Mason in Fu et al., 2019)

Companies' boards of directors are the target of research that carries this theory because the composition of top managers plays a role in creating a coherent policy (Velte and Stawinonga, 2020). Velte and Stawinoga (2020) concluded that companies that included CSOs on their boards of directors could overcome social responsibility issues more effectively than those who did not.

Several studies broadened the understanding of this theory. Peters, Romi, and Sanchez (2019) revealed that positioning CSOs in the top management reflects the company's symbolic dedication to environmental care rather than a real and substantive commitment. This statement is corroborated by Kanashiro and Rivera (2019), who said that the existence of CSOs provides low environmental performance in high pollutant-producing industries. Furthermore, their research indicated that CSOs tend to enhance companies' images as environmentally friendly companies. However, another insight was provided by Wiengarten, Lo, and Lam (2015), who informed that the formation of CSOs can increase performance in financial domain. This study also explained some variables used. The literature review, including the development of research hypotheses, is as follows

Sustainability Officer

A Sustainability Officer or a CSO is mandated to manage everything related to corporate social and environmental responsibility. Fu, Tang, Chen (2019), Kanashiro and Rivera (2019), and Miller and Serafeim (2014) formulated that CSOs are of the top-level management that generally take care of socio-environmental performance for the sake of the organizations. CSOs are positioned on par with top-level managers at the C-suite level. Fu, Tang, and Chen (2019) added that the scope of CSOs varies in each company depending on the degree of a company's concern for environmental issues.

The emergence of CSOs is a company's response to increasing environmental opportunities and risks due to technological developments and social disruption (Miller and Serafeim, 2014). The emergence of CSOs among the top managers shows the company's persistence in upgrading the life of its surroundings. The general role of CSOs includes formulating, executing, and supervising the company's sustainability strategy (Fu, Tang, & Chen, 2019). The existence of CSOs is vital for companies to introduce authority and knowledge to their external and internal processes that affect environmental performance (Kanashiro and Rivera 2019).

So many dynamics appeared in research on CSOs because of the lack of previous literature on the topic. The existence of CSOs is considered to have no prominent performance. Fu, Tang, and Chen (2019) said that CSO is more directed at tackling activities that harm the environment rather than increasing social responsibility activities. Kanashiro and Rivera (2019) revealed that CSO performance is more optimal when faced with strict environmental policies and regulations.

Corporate Social Responsibility Officer (CSO)

CEOs with the responsibility of handling financial, marketing, and operational matters, as well as the more recent aspect of sustainability processes are required to be able to address complexity and uncertainty problems (Nath & Mahajan, (2008) in Kanashiro, 2019). It has been found that they are effective in enhancing corporate innovative and differentiative capacity (Nath and Mahajan, 2008 in Kanashiro, 2019), promoting changes of strategies (Zhang 2006 in Kanashiro, 2019), and improving measures for social purposes (Kang, 2015; Mazutis, 2013, in Kanashiro, 2019).

Previous research examining the relationship between CSOs and some sustainability outcomes showed CSOs are top executive managers primarily responsible for overseeing the company's environmental strategy. CSOs differ from environmental managers; they are managers with intermediate positions who take care of a specific area or certain line of production. However, at the C-suite level, they are on the highest spot in the hierarchy who report directly to the board of directors and CEO (Kanashiro, 2019). According to Miller and Serafeim (2014), CSOs might operate in separate areas although keep following the company sustainability phases. Further, Strand (2014) found that companies under crises in environmental processes can recruit CSOs to regain their legitimacy. Other studies have also indicated that CSOs appointment might bring higher financial boost for the company (Wiengarten *et al*., 2015). However, the relationship between the presence of CSOs and corporate environmental performance have not been empirically studied. CSOs hold the highest relevancy in terms of executive positions for sustainability issues (Rivenburgh, 2010; Galbraith, 2009; Deutsch, 2007, in Peters and Romi, 2015). CSOs represent relatively new positions within the company's management team that reflect a shift in the power of decision and the investment in economic areas, not to mention their representation for influential internal stakeholders in terms of initiatives and commitments for sustainability. One of their tasks is ensuring sustainability considerations (including strategic initiatives and reporting decisions) across the organization, executives, and the Board of Directors are well implemented. CSOs are important players in the assurance area, as reflected in the findings of O`Dwyer *et al*. (2011) in Peters and Romi (2015), that this position was filled by practitioners to influence the development and legitimacy of new assurance services. Lubin and Esty (2010 in Peters and Romi, 2015) argued that CSOs help CEOs and their teams project goals and professionalize the way environmental and social visions are aligned with the strategies of the organization’s business. Rodrigue *et al.* (2013) in Peter and Romi (2015) found no relationship between CSO and environmental performance. Peter and Romi (2015) found that companies that employ CSOs and exhibit poor environmental performance are more likely to report sustainability results without guarantees.

Hypothesis 1: There is a positive relationship between the presence of CSOs and the tendency to provide environmental disclosure information

Environmental Commitee

Michals (2009) in Liao, Luo, and Tang (2015) showed that companies now appoint certain committees to control issues about the environment from the perspective of risks, strategic opportunities, and commitment to stakeholders. Since management is frequently hesitant in providing data about environment, board oversight is critical in the active monitoring for the operation legality and environmental reputation of the company (Gregg, 2009 in Liao et al., 2015). An environmental committee is established to systematically and progressively plan, implement, and review policies and activities regarding sustainability. Its constituents tend to consider the cons and pros of de-carbonization measures to diminish fossil fuel burning and promote investment in practicable reduction efforts and carbon-neutral products (Dietz, Anderson, Stern, Taylor, & Zenghelis, 2007). The committee can increase employees' consciousness about how their work can affect the environment and how they can reduce negative impacts of their operations. They have the power to make progressive targets and determine what kind of reward, either monetary or non-financial, required to galvanize employees into action and promote changes that enhance the organization's resilience.

In summary, it is commonly believed that environmental committees play a crucial role in minimizing risks triggered anthropogenic global warming to the environment (Dietz *et al*., 2007, in Liao et al., 2014).

The environmental committees, in regards to environmental disclosure, have analogous roles with the audit committees, that is ensuring appropriate disclosures of financial accounting. They are believed to be the proxy for the board's vision about environmental accountability including adequate communication with external stakeholders (Neu, Warsame, and Pedwell, 1998, in Peter and Romi, 2015). They allow a company to compile, note, and consider the emission of GHG (greenhouse gas) confidently to show the significance of its reporting (Michelon & Parbonetti, 2012 in Peter and Romi, 2015).

Hypothesis 2: There is a positive relationship between the existence of Environmental Disclosure and the tendency to provide environmental disclosure information.

RESEARCH METHOD

This study examined the influence of the existence of Chief Sustainability Officers and Environmental Committees on environmental disclosure based on the positivism methodology. The population in this study was companies listed on the Indonesia Stock Exchange because these companies shall submit annual reports to stakeholders, enabling the researchers to obtain data on their annual reports. The data used in this research was the Sustainability Reports of 2015-2019 obtained from the websites of the companies engaged in the Mineral and Coal Industry.

The sampling technique used in this research was purposive sampling with year-based measurement criteria to determine whether the companies in each sustainability report had the independent variables Chief Sustainability Officer and Environmental Committee or an equivalent position using a dummy variable. Then, for the measurement of the dependent variable, the levels of disclosure of Corporate Social Responsibility in the companies' annual reports were stated in the form of Corporate Social Disclosure Indexes (CSDi). The social disclosure standards used in this study were specific disclosure standards according to the Global Reporting Initiative (GRI) G4. Disclosure indicators consist of Economy, Environment, Employment, Human Rights, Society, and Product Responsibility. Based on the environmental field, the indicators used for this research were only one category, namely environmental performance indicators, comprising 34 indicators.

Measurement of CSR disclosure was done by observing the presence or absence of standard disclosure items found in the annual reports. If the information item was disclosed in an annual report, it was given a score of 1. Otherwise, it was given a score of 0. The CSDi calculation using the ratios carried out in the study was using the following equation:

$$CSD_i = \frac{\sum X_{ij}}{n_j}$$

Note:
CSD_i : CSR Disclosure Index
X_{ij} : Total Company Disclosure, $n \leq 34$, X score of 1 = disclosed; score of 0 = not disclosed.
n : Number of environmental indicator items in GRI 4, $n = 34$

This study adapted the control variables used in previous studies to strengthen the testing of this research. The control variables used were ROA, Leverage, and Firmsize. The methods used in analyzing the data were descriptive statistics, multiple regression analysis, classical assumption test, and hypothesis testing. Multiple regression analysis was performed using the following regression equation:

$$CED = \beta 0 + \beta_1 CSO + \beta 2EC + \beta 3FIRMSIZE + \beta 4\ LEVERAGE + \beta 4ROA + €$$

Keterangan :
CED = Corporate Environmental Disclosure proxied by CSR Disclosure Index
CSO = Chief Sustainability Officer, Dummy Variable: 1= if available, 0 = if unavailable
EC = Environmental Committee, Dummy Variable: 1= if available, 0 = if unavailable
FIRMSIZE = Logarithm of Total Assets: LN(total asset)
LEVERAGE = DER Ratio (Debt/Equity)
ROA = Profitabilty Ratio (EBIT/Total Asset)

RESULTS

Descriptive Statistics Test

The descriptive statistical test results imply that Corporate Environmental Disclosure (CED) has the minimum, maximum, and mean values of 0.04, 0.99, and 0.3149. The findings of this data indicated that the sample companies have an average of 0.3149 in disclosing environmental performance categories. In addition, there were companies disclosing their environmental performance almost completely, as indicated by the variable CED's maximum value of 0.99. For the independent variables Chief Sustainability Officer (CSO) and the Environmental Committee (EC) calculated using dummy variables, namely the scores of 0 and 1 for those not disclosed and those disclosed, respectively, the test results found that the variables CSO and EC had minimum values of 0, indicating that there were several indicators that were not disclosed by the companies. In addition, there was no high heterogeneity in the independent variables, as shown by the average value, which was still higher than the standard deviation value.

Table 1. Descriptive Statistics

Statistics	Minimum	Maximum	Mean	Std. Deviation
CED	0.04	0.99	0.3149	0.17556
CSO	0.00	1.00	0.8133	0.39227
EC	0.00	1.00	0.8800	0.32715
Firmsize	1.67	28.82	16.3599	6.21910
Leverage	0.01	0.82	0.2668	0.19761
ROA	-0.38	2.70	0.1879	0.42905

Source: Data processed, 2022

Furthermore, this study used three control variables, namely Firmsize, Leverage, and ROA. *First*, in the variable Firmsize, the minimum and maximum values were 1.67 and 28.82, respectively, meaning that there were very large companies and small ones in terms of total assets. The average value of 16.36 showed that there were many companies whose total assets were quite high. *Secondly*, in the variable of Leverage, the highest and lowest values are 0.01 and 0.82, indicating that there were companies that had very small debt ratios and those having high debt ratios. Thirdly, ROA has the negative minimum value of -0.38, meaning that some companies experienced losses.

On the other hand, the maximum value for ROA was 2.70, which was quite high. In addition, there was no heterogeneity when viewed from the average value, which was still higher than the standard deviation value.

Correlation Test

Table 2. Pearson Correlation Test

	1	2	3	4	5	6
CED	1					
CSO	-0.089	1				
EC	0.020	0.244*	1			
Firmsize	-0.298**	-0.167	-0.050	1		
Leverage	-0.241*	0.207	0.031	0.283*	1	
ROA	0.030	0.019	0.074	-0.267*	-0.089	1

Notes: CED, Corporate Environmental Disclosure of companies engaged in the Mineral and Coal Industry; CSO, Chief Sustainability Officer; EC, Environmental Committee; Firmsize, firm size; Leverage, debt ratio seen in Debt Equity ratio; ROA, Return On Assets.
** Correlation is significant at the 0.01 level (2-tailed), *Correlation is significant at the 0.05 level (2-tailed).
Source: Data processed, 2022

The results of Pearson's analysis show that the independent variables Chief Sustainability Officer (CSO) and Environmental Committee (EC) failed to prove the correlation with Corporate Environmental Disclosure (CED). It means that the control variables Firmsize and Leverage had proven the correlation with Corporate Environmental Disclosure (CED) with values of -0.298 and -0.242 at the respective significance levels of 0.01 and 0.05. The results had a negative sign, meaning that the lower Firmsize and Leverage, the greater the company's concern and motivation to disclose its environmental performance. Vice versa, companies, which is still small, both in size and leverage, need to announce their environmental performance to get a better image in the public's view and to make many stakeholders and shareholders interested in it.

DISCUSSION

Hypothesis Testing

The results of multiple linear regression testing using the level of significance of 5% indicated that the independent variables Chief Sustainability Officer (CSO) and Environmental Committee (EC) failed in proving their significant effect on Corporate Environmental Disclosure (CED) with values of 0.336 and 0.709, respectively. These findings indicated that, although Chief Sustainability Officers (CSOs) and Environmental Committees (ECs) do exist, the performance disclosure levels of companies are not necessarily affected. The existence of CSOs and ECs is considered having no prominent performance. As stated by Fu, Tang, Chen (2019), CSOs are more directed at tackling activities that harm the environment rather than increasing social responsibility activities. In addition, Peters, Romi, and Sanchez (2018) revealed that the presence of CSOs in the top management tends to be the embodiment of company's symbolic dedication to environmental care rather than a real and substantive commitment. This statement is corroborated by Kanashiro and Rivera (2019) that the presence of CSO provides low environmental performance in high pollutant-producing industries. Furthermore, their research indicated that CSOs tend to enhance the company's image as an environmentally friendly company.

These findings were in line with Kanashiro and Rivera's research (2019) which explained that the role of CSOs is prone to being functioned as merely a symbolic tool to fulfill company obligations because CSOs pay more attention to the demands of stakeholders. Thus, policies taken by the organizations are measures to fulfill stakeholders' request instead of ethical obligations.

Table 3. Hypothesis Testing

Model	B	Std. Error	T	Z
CSO	-0.053	0.054	-0.969	0.336
EC	0.023	0.062	0.375	0.709
Firmsize	-0.008	0.004	-2.341	0.022
Leverage	-0.125	0.108	-1.159	0.251
ROA	-0.025	0.048	-0.528	0.599
(Constant)	0.510	0.090	-0.528	0.599

Source: Data processed, 2022

Among the control variables Firmsize, Leverage, and ROA, only Firmsize has succeeded in proving a significant influence on Corporate Environmental Disclosure (CED), indicating that company size could control the influence of the independent variables on Corporate Environmental Disclosure (CED). Meanwhile, other control variables, namely leverage and ROA, failed to prove an influence on Corporate Environmental Disclosure (CED), which means that Leverage and ROA could not control the influence of the predictor variables on Corporate Environmental Disclosure (CED).

CONCLUSIONS

The findings above signify the empirical verification concerning relationship between the presence of Chief Sustainability Officers (CSOs) and Environmental Committees (ECs) and the Corporate Environmental Disclosure (CED) of Mineral and Coal Industry companies listed on the Indonesia Stock Exchange in 2015-2019. They also show that Chief Sustainability Officers (CSO) and Environmental Committee (EC) failed to provide a significant influence on Corporate Environmental Disclosure (CED). It was likely to happen because the presence of CSOs and ECs was considered having no prominent performance and that CSOs and ECs were more focused on tackling activities that harm the environment rather than increasing social responsibility activities. The results regarding the control variables indicated that large companies were more aware of and prioritizing the disclosure of their environmental performance. Meanwhile, the variables Leverage and ROA failed to prove an influence on Corporate Environmental Disclosure (CED).

ACKNOWLEDGEMENT
N/A

DECLARATION OF CONFLICTING INTERESTS
The authors declared no potential conflicts of interest.

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