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The influence of good corporate governance, social responsibility, and big four public accounting firms on the disclosure of sustainability reports

Mutiara Fatmawati[1], Tri Siwi Nugrahani[2*], Valsa Ayunda Tisya[3], Tasrim[4]

[1,2]Department of Accounting, Faculty Business and Law, Universitas PGRI Yogyakarta, Indonesia
[3,4]Magister Management, Faculty Business and Law, Universitas PGRI Yogyakarta, Indonesia
*corresponding author: trisiwi@upy.ac.id

Abstract

This study aims to examine the influence of corporate governance (board of directors, independent board of commissioners, audit committee), social responsibility, and big four public accounting firms on the disclosure of sustainability reports on 184 non-cyclical consumer sector companies listed on the Indonesia Stock Exchange (IDX) in 2019 – 2024. Sustainability reports are an important tool for companies to show their commitment to the sustainability of the company that compiles annual financial statements and sustainability reports as a requirement for research samples. The research analysis was by multiple linear regression. The results of the study show that corporate governance in the form of an audit committee affects the disclosure of sustainability reports, social responsibility and the big four Public Accounting Firms have a positive effect on the disclosure of sustainability reports. These findings support the institutional theory, that social pressures in the form of corporate social responsibility practices and auditors' reputations are more supportive of the openness of sustainability disclosures.

Keywords: Corporate Governance, Social Responsibility, Big Four KAP, Sustainability Report

INTRODUCTION

The company has the goal of maximizing profit or profit, but this achievement cannot be separated from the company's social pressure on environmental awareness, especially in the era of globalization because the company must disclose activities related to environmental activities and social responsibility so that the company also needs to balance the achievement of profitability with the disclosure of social and environmental responsibility(Ardiani et al., 2022; Sriningsih & Wahyuningrum, 2022) which can be reviewed from the preparation of sustainability reports. Companies can inform the economic, social, and environmental impacts of operational activities through the disclosure of sustainability reports (Pangastuti & Achyani, 2023). Around 94% of the number of companies listed on the IDX in December 2024 compile SR (Putri & Pramudiati, 2019). The disclosure of sustainability reports in Indonesia has an increasing trend from year to year, although the increase in the number of sustainability report issuances is not always followed by the level of the quality of the reporting (Putri et al., 2023).

The government in Indonesia has issued several regulations and guidelines for the preparation of sustainability reports (Purbandari & Suryani, 2021). One of them is OJK Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainability Finance for Financial Services Institutions, Issuers, and Public Companies (Financial Services Authority, 2017). Moreover, the sustainability report standard will also be enforced starting January 2027 (IAI, global 2024). Disclosure of a complete and quality sustainability report, namely reporting social responsibility in its sustainability report (Setiani, 2020) which cannot be separated from corporate governance and company performance by implementing the Good Corporate Governance (GCG) structure (Ardiani et al., 2022).

The implementation of good corporate governance in this study was measured by the board of directors, the independent board of commissioners, and the audit committee. The implementation of corporate governance makes the company more transparent and reveals more information and is highly dependent on the function of the board of directors who are trusted as the party fully responsible for the company's operations (Lindrawati & Ardiani, 2022; Krisyadi & Elleen, 2020). Meanwhile, the independent board of commissioners plays an important role in overseeing the management of the company in accordance with applicable regulations, this function affects the quality of sustainability reports through the encouragement of wider disclosure of information (Muanifah et al., 2023). The disclosure of sustainability reports will be ensured by the internal audit committee that it is in accordance with compliance with sustainability reporting regulations and standards through monitoring, risk evaluation, information reliability, and improvement recommendations as well as monitoring the implementation of follow-up by management in sustainability disclosure (Putri & Putikadea, 2025).

Corporate sustainability is demanded by social responsibility to the community in responding to social and environmental impacts arising from the company's operational activities, which are increasingly becoming the main benchmark in evaluating the company's sustainability performance (Nugrahani et al., 2022). Companies not only focus on creating added value for products to meet the needs of the community, but are also required to be more creative in showing commitment to various social issues (Tusiyati, 2019). Social responsibility is considered a sustainable commitment to doing business ethically that can improve the quality of life of local and global workers, potentially improving the performance and long-term value of the company (Indilla & Yuliani, 2024).

The implementation of quality sustainability reports is measured by the implementation of disclosure of 71 items based on the Financial Services Authority Regulation (POJK) Number 51 of 2017. In addition, the disclosure of social responsibility and the implementation of good corporate governance as well as the implementation of external auditors of companies, namely the use of the services of the big four Public Accounting Firms (KAP), are also able to affect the disclosure of sustainability reports. The Big Four public accounting firms are: Deloitte, Ernst & Young (EY), PricewaterhouseCoopers (PwC), and Kylnveld Peat Marwick Goerdeler (KPMG). The use of the services of the big four KAP professionally guarantees assurance in the sustainability report published by the company (Prinitasari et al., 2024). The big four KAP is assumed to conduct audits with higher quality compared to the non-big four KAP (Pontoh et al., 2021). Pressure from auditors is the reason for companies to consider issuing quality sustainability reports with broader information disclosure (Fajarini & Wahyuningrum, 2022; Situmorang & Bimo, 2023).

Sustainability reports in Indonesia are expressed as a form of compliance with norms and building public trust so that companies are going concerned, this refers to institutional theory (Scott, 2008). Institutional theory is used to explain actions and decision-making in public organizations. According to institutional theory in the practice of sustainability reporting, it is explained that organizations that prioritize legitimacy will have a tendency to try to adapt to external expectations or social expectations in which the organization is located (Fitrianto, 2015).

The case that occurred in Indonesia in 2021 was that non-cyclical companies PT Sekar Laut and PT Siantar Top polluted the environment by dumping liquid waste into the river which caused an unpleasant odor and triggered protests from local residents (Pangastuti & Achyani (2023), the same thing happened to non-cyclical companies (Sofa & Respati, 2020). According to Wijaya & Novianto (2024), sustainability reports prepared based on POJK 51/OJK.3/2017 are still "green-washing", meaning that reporting is done solely to fulfill the points required in OJK regulations. This phenomenon shows that some companies are less concerned about environmental issues caused by company operational activities (Pangastuti & Achyani, 2023).

Based on previous phenomena and studies related to the disclosure of sustainability reports, it was found that several problems still need to be tested, namely related to the disclosure of sustainability reports based on the POJK index No. 51 of 2017 and using an institutional theoretical approach, because this approach is the most appropriate. Therefore, the formulation of this issue is: is there an influence of corporate governance, social responsibility and the application of the **Big Four**

Public Accounting Firms on the disclosure of sustainability reports? This study is discussed with an introduction, literature review and hypothesis development, research methods and conclusions.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Institutional Theory

Institutional theories were formed in the 1880s in the social sciences and applied in the fields of economics, political science and sociology, but these theories do not touch on the substance of organizations. Further developments, during the 1970s, the theory began to be applied in organizations as institutions, encompassing environmental, operational, cultural and social (Scott, 2014). Institutional theory emphasizes the importance of the role of symbols in order for an organization to gain social legitimacy, organizations are required to follow formal procedural structures and provisions in order to maintain legitimacy (Scott, 1987). This newer perspective is known as "Neo-Institutional Theory" or "Institutional Theory" and continues to be used today, Institutional theory states that companies in a given environment tend to be structured and similar to established companies, meaning that most companies that are in the same environment, tend to have similar characteristics (Dimaggio & Powell, 1983). According to Deegan, (2009) that companies that deviate from the institutionalized norms may have problems in achieving and maintaining legitimacy. Legitimacy refers to social acceptance gained through an organization's adherence to institutionally recognized rules, norms, and expectations (Lammers & Garcia, 2017).

Sustainability Report Disclosure

Sustainability Report (SR) is company information related to social, economic, and environmental development presented separately from the annual report (Aprilia & Sarumpaet, 2023). According to Elkington (1997), the term sustainability report is synonymous with the "triple bottom line", which means that companies are required to consider three important aspects, namely profit, people, and the environment to ensure operational sustainability (Indilla & Yuliani, 2024). The purpose of the preparation of the Sustainability Report (SR) is to inform stakeholders about the company's economic, social, and environmental performance (Annisa & Riesmiyantiningtias, 2023). According to the Financial Services Authority Regulation (POJK) Number 51/03/2017 concerning the preparation of sustainability reports, the implementation of sustainable finance is the implementation of sustainable finance to realize sustainable development that is able to maintain economic stability and is inclusive and requires a national economic system that prioritizes economic, social, and environmental aspects consisting of 71 items (Nugrahani et al., 2023a).

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

The board of directors as one of the corporate governance structures tasked with maintaining the company's business continuity, including in the preparation of sustainability reports that also contain corporate social responsibility activities (Purbandari & Suryani, 2021). The effective performance of the board of directors can improve the implementation of good corporate governance practices, thereby increasing the transparency of company information submitted through sustainability reports (Nioko & Hendrani, 2024). According to Octora & Amin (2023) and Suharyani et al., (2019), proving that the size of the board of directors is large will affect the number of social responsibility disclosures, the diversity of board members' backgrounds and extensive experience can strengthen the ability in the SR drafting process thereby encouraging transparency.

In accordance with institutional theory that companies seek to gain legitimacy where the Board of Directors carries out strategic functions and responds to external pressures that can influence the disclosure of sustainability reports, the proposed hypothesis 1 is:

H1: The board of directors has a positive effect on the disclosure of the sustainability report

The Influence of Independent Commissioners on the Disclosure of Sustainability Reports

Good corporate governance certainly has an independent commissioner who is tasked with monitoring the activities of company managers in order to increase the company's transparency to the public (Ardiani et al., 2022). The large number of members of the board of commissioners can increase the company's attention to management pressure to expand the disclosure of economic, social, and environmental activities in sustainability reports (Ardiani et al., 2022; Pangastuti & Achyani, 2023). The independent board of commissioners is tasked with being a supervisory manager who is able to increase the reliability of the disclosure of the sustainability report presented, which means that the independent commissioner has a positive effect on the disclosure of the sustainability report (Barus et al., 2024; Octora & Amin, 2023; Prinitasari et al., 2024).

In accordance with institutional theory that companies prioritize legitimacy by having Independent Commissioners who function as supervisors and encourage transparency to increase disclosure of sustainability reports, the proposal for hypothesis 2 is:

H $_2$: Independent commissioners have a positive impact on sustainability report disclosure

The Influence of the Audit Committee on the Disclosure of the Sustainability Report

In addition to the board of directors, and independent commissioners, the audit committee is also part of the company's governance. The audit committee is formed by the board of commissioners to assist in supervising the implementation of the duties of the board of directors and management in accordance with the principles of good corporate governance (Susadi & Kholmi, 2021). The audit committee is tasked with ensuring that financial statements are presented reasonably in accordance with the high applicable accounting principles, so the supervision carried out will be better and the disclosure of social information will be wider (Dewi & Pitriasari, 2019). The audit committee encourages the effective implementation of sustainability reports, the increasing number of audit committee members who actively encourage the intensity of communication and exchange ideas in solving problems faced by the company, meaning that the audit committee has a positive effect on the disclosure of sustainability reports (Heriansyah & Faradiza, 2023; Lisnawati et al., 2024; Susadi, 2021; Pontoh et al., 2021).

In accordance with institutional theory, companies need to pay attention to legitimacy by having an Audit Committee whose function is to monitor and ensure the disclosure of sustainability reports, the proposed hypothesis 3 is:

H $_3$: The Audit Committee has a positive effect on the disclosure of sustainability reports

The Influence of Social Responsibility on the Disclosure of the Sustainability Report

Social responsibility in Indonesia is regulated in accordance with the Limited Liability Company Law Number 40 of 2007, companies must carry out social and environmental responsibilities, especially for companies engaged in the natural resources sector (Annisa & Riesmiyantiningtias, 2023). Social responsibility programs arise because they can increase the positive image of the company. Social responsibility activities include social, economic and environmental aspects as company performance related to social responsibility (Nugrahani et al., 2023a).

Several studies have found that social responsibility programs can improve people's quality of life, preserve and protect the environment, and prioritize the value of social justice (Humaira & Cupian, 2023; Setyawan et al., 2023). The disclosure of social responsibility indicates that the company communicates all environmental and social aspects due to the company's economic activities voluntarily. The wider the disclosure of social responsibility means that the company will be better at carrying out its social and environmental responsibilities (Totanan et al., 2022).

In accordance with institutional theory, companies need to pay attention to legitimacy and external pressure by having social responsibility activities that can increase sustainability report disclosure, the proposal for hypothesis 4 is:

H4: Social responsibility has a positive effect on sustainability report disclosure

The Influence of the Big Four FAF on the Disclosure of the Sustainability Report

Auditors play a role in influencing and directing clients to implement good and developing accounting practices such as social and environmental disclosures (Sriningsih & Wahyuningrum, 2022). High-profile companies with large asset scales are prioritized using the Big Four KAP

(Lisnawati et al., 2024). Auditors in the big four PAF are professionally influential in guiding companies to ensure assurance in the published sustainability reports (Sriningsih & Wahyuningrum, 2022).

In accordance with institutional theory that companies that have external pressure seek to gain legitimacy by having a Big Four PAF has international audit standards and a high reputation to influence the disclosure of sustainability reports, the proposal for hypothesis 5 is:

H $_5$: The Big Four Public Accounting Farm has a positive effect on the disclosure of sustainability reports.

When the hypothesis framework is described as follows:

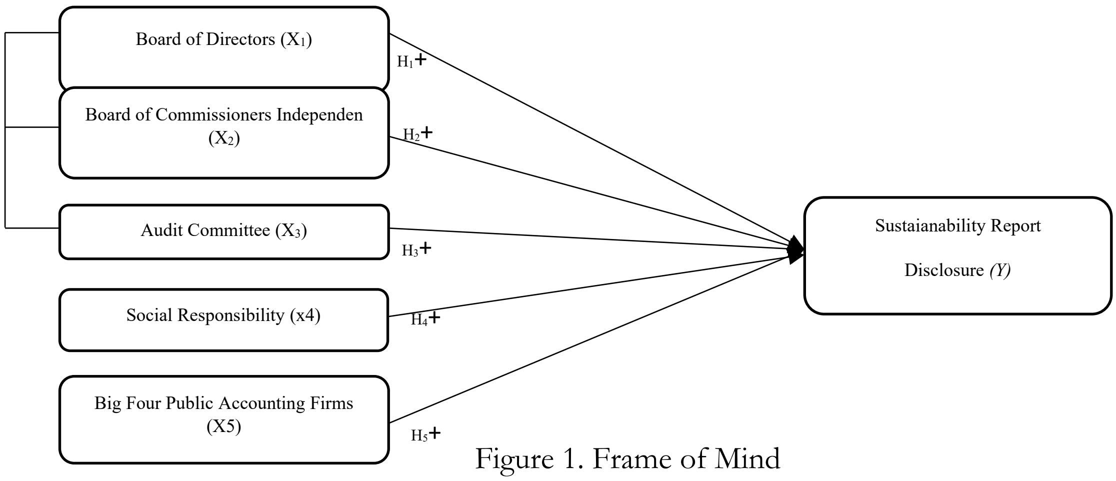

Figure 1. Frame of Mind

METHODS

Research Sample

Table 1. Determination of Research Sample

Information	2019	2020	2021	2022	2023	2024	Total
Number of non-cyclical consumer sector companies listed on the IDX	78	87	98	113	125	129	630
Number of non-cyclical consumer sector companies that do not issue AR and SR	63	57	9	9	12	19	169
Number of non-cyclical consumer sector companies issuing AR and SR	15	30	89	104	113	110	461
Number of non-cyclical consumer sector companies that do not meet the sample criteria	1	2	4	3	4	1	15
Number of companies not audited by the Big Four PAF	4	10	49	63	68	68	262
Number of non-cyclical consumer sector companies that meet the sample criteria	10	18	36	38	41	41	184

Source: Indonesia Stock Exchange

A total of 184 observations of companies listed on the Indonesia Stock Exchange as research samples were determined using purposive sampling with the following criteria: 1) non-cyclical consumer sector companies listed on the IDX (Indonesia Stock Exchange) for the period 2019 – 2024; 2) Companies reporting annual financial statements and sustainability reports; 3) The company is audited by the Big Four Public Accounting Firms.

Variables and Measurements

There are two types of variables used, namely dependent variables and independent variables. The definition and measurement of each variable is presented in Table 2 as follows

Table 2. Variable Definition and Measurement

Variabel	Definition	Measurement
GCG (Board of Directors/BD)	The board of directors is the party appointed to manage the company's operations and represents shareholders, having an important role in strategic decision-making, including in sustainability policies (Ardiani et al., 2022)	Board of directors = ∑ Members of the board of directors in the company (Prasetyo & Sari, 2023)
GCG (Independent Board of Commissioners/ IBC)	An independent board of commissioners is a party that has no affiliation with other parties in the business, tending to encourage information disclosure by the board of directors to optimize the company's image (Octora & Amin, 2023).	Independent Board of Commissioners = ∑ Independent Commissioners / Total Members of the Board of Commissioners (Octora & Amin, 2023)
GCG (Audit Committee/AC)	The audit committee is a committee under the board of commissioners that has responsibility for the internal supervision of the company to be able to improve the disclosure of relevant information including sustainability reports (Retnaningrum & Alexander, 2024).	Audit Committee = ∑ Members of the Corporate Audit Committee (Retnaningrum & Alexander, 2024)
Social Responsibility (SR)	Disclosure of company performance on information related to social activities and the company's concern for social issues (Financial Services Authority, 2017)	Social responsibility = ∑ items disclosed/number of items (8) overall social responsibility. Score 1 if there is disclosure, score 0 if there is none (social aspect item 1 and social performance 7) (Nugrahani et al., 2023b)
Big 4 PAF (Public Accounting Firm)	The Big Four auditors are large global audit firms consisting of Delloite, PwC, EY, and KPMG that have a high reputation and audit quality (Lee et al., 2024)	Scores 1 to 4 are for companies audited by the big four KAP . 1= Delloite; 2= PwC; 3= EY; 4= KPMG (Revenue and global scale of each KAP)
Sustainability Report Disclosure (SRD)	The number of SR information disclosures disclosed by the company compared to the total SR items according to POJK No. 51/03/2017 (Nugrahani et al., 2023b)	SR disclosure = ∑ items disclosed/ number of SR disclosure items (Financial Services Authority, 2017)

Data Analysis

Multiple Regression Analysis was used to test this study. The researcher also used a classical assumption test consisting of an outlier, a normality test, a multicollinearity test, and a heteroscedasticity test. All of these assumptions are fulfilled. Hypothesis testing uses a significance level of 5% as the interpretation of the research results.

RESULT AND DISCUSSION

Data Descriptive Statistics

Table 3 shows the descriptive statistics of the research variables presented as follows:

Table 3. Descriptive Statistics

	n	Minimum	Maximum	Mean	Std. Deviation
BD	184	2,0000	12,0000	5,717391	2,2510524
IBC	184	0,2500	0,8750	0,431538	0,1219158
AC	184	2,0000	5,0000	3,059783	0,3165938
SR	184	0,5000	1,0000	0,975543	0,0721431
Big4 PAF	184	1,0000	4,0000	2,918478	0,6766083
SRD	184	0,7606	1,0000	0,932406	0,0517741

Source: Secondary data processed, 2025

Based on Table 3, it can be seen that the board of directors has a minimum value of 2, namely the FKS Food Sejahtera company in 2023-2024 in the processed food sub-sector; plantations and food crops of Duta Intidaya Tbk in 2021-2024; and Diamond Food Indonesia Tbk in 2020-2023; and retail company Sawit Sumbermas Sarana Tbk in 2024; while the maximum value of 12 is owned by the company Indofood CBP Sukses Makmur Tbk in 2024 and body care products PT. Unilever Indonesia Tbk in 2022. The average independent board of commissioners has a minimum score of 43%; and the lowest 25% of cigarette sub-sector companies, namely HM Sampoerna Tbk in 2024 and plantations and food crops, namely Sawit Sumbermas Sarana Tbk in 2019 and 2020. The highest proportion rate of 87.5% is owned by a company in the body care product sub-sector, namely Unilever Indonesia Tbk in 2021. The audit committee's variables show that the average is close to the minimum number of ideal provisions with the lowest number of 2 people owned by the alcoholic beverage sub-sector company, namely Multi Bintang Indonesia Tbk in 2023, while the highest number of 5 people, namely the fish, meat, and poultry sub-sector, namely Malindo Feedmill Tbk from 2022 to 2024.

The average social responsibility disclosure is very high, at 97%, meaning that most sample companies have disclosed social responsibility. The lowest disclosure was 50% for a company in the plantation and food crops subsector, namely PT. Austindo Nusantara Jaya Tbk in 2019-2020. However, companies have now increased their social responsibility disclosure, with 100% of companies in the plantation and food crops subsector, namely Astra Agro Lestari Tbk in 2024 and FKS Multi Agro Tbk in 2021-2024, disclosing social responsibility activities. All sample companies use the services of Big Four Public Accounting Firms.

Some of the sample companies have disclosed sustainability information quite completely and evenly, because 93% on average companies have disclosed sustainability reports. A total of 76.06% of the SR level is owned by companies in the plantation and food crops sub-sector, namely Astra Agro Lestari Tbk in 2019 and Austindo Nusantara Jaya Tbk in 2021, while the achievement of 100% SR disclosure was carried out by PT. Unilever Indonesia Tbk in 2023 -i 2024.

Hypothesis Test Results

Table 4. Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		T	sig.	Result
	B	Std. Error			
(Constant)	0,419	0,059	7,149	0,000	
BD	0,000	0,001	-0,278	0,782	H1 = Not Supported
IBC	-0,062	0,028	-2,247	0,026	H2 = Not Supported
AC	0,034	0,010	3,234	0,001	H3 = Supported
SR	0,383	0,045	8,567	0,000	H4 = Supported
Big4 PAF	0,023	0,005	4,457	0,000	H5 = Supported
F Count =	18.003				
Sig. F =	0.000				
Adjusted R2 =	0.317				

Source: Secondary data processed, 2025

Based on Table 3 above, the t-value (significance) of the board of directors is -0.278 (0.782) > 0.05 which means that the results of the hypothesis test are not supported so that the board of directors has no effect on the disclosure of the sustainability report, meaning that the size of the board of directors in a company, does not affect the company to improve the information on the disclosure of the sustainability report. These results are consistent with previous studies by Rachmadanty & Agustina (2023); Nioko et al., (2024) that the number of members of the board of directors does not affect the disclosure of sustainability reports because the main focus of the board of directors is strategy and preparation of financial statements, besides that the responsibility for disclosing sustainability reports has been held by certain parties and the function of the board of directors is limited to supervisors. These results are supported by institutional theories that the disclosure of sustainability reports is driven more by external pressure to gain legitimacy, rather than internal factors. In contrast to the findings of Octora & Amin (2023); Ludianah et al. (2022); Putri & Pramudiati (2019) which shows that the board of directors has a positive effect on the disclosure of sustainability reports. The study was unsuccessful.

The results of the second hypothesis test showed a t-value (significance) of the independent board of commissioners of -2.247 (0.026). The hypothetical direction is opposite to the findings, so although it is significant but if the direction is the opposite, then the hypothesis is not supported which means the independent board of commissioners does not affect the disclosure of the sustainability report. These results are in line with the research of Fajarini & Wahyuningrum (2022); Posadas et al. (2022) that an independent board of commissioners has a negative effect on the disclosure of sustainability reports. An independent board of commissioners with a small number is considered more effective in carrying out the supervisory function of the company's operations, including the disclosure of sustainability reports because coordination is more directed. These results are not in line with the research of Suharyani et al., (2019); Octora & Amin, (2023) who stated that an effective independent board of commissioners can improve the reliability of information and support oversight in the disclosure of the sustainability reports presented. This study is consistent with the studies of Ardiani et al., (2022) and Pangastuti & Achyani (2023) which resulted in large independent boards of commissioners not necessarily influencing the disclosure of sustainability reports widely because weak oversight functions lack motivation for companies to inform social and environmental activities.

The third hypothesis test showed a t-value (significance) of 3.234 (0.001) < 0.05 which means that the third hypothesis is supported that the audit committee has a positive and significant effect on the disclosure of sustainability reports, meaning that the existence of the audit committee encourages compliance with sustainability report reporting standards. The results of the study show that the audit committee strengthens corporate governance and responds to regulatory pressures and seeks to increase legitimacy so that the audit committee increases SR disclosure. The results of the study are in line with the research of Purbandari & Suryani (2021) and Lisnawati et al. (2024) that the larger the number of audit committees, the supervisory capacity for the implementation of good corporate governance will increase, which in turn will also encourage the implementation of sustainability reports more effective. This study proves with an institutional theoretical approach that audit committees are bound by the standards and ethics of financial supervision and governance, normously encouraging and ensuring that corporate reporting not only meets technical standards, but also social and environmental responsibilities. The results of the study are not in line with the research of Dewi & Pitriasari, (2019) and Hapsari et al., (2023) that the audit committee has no effect on the disclosure of sustainability reports.

The results of the fourth hypothesis test showed a t-value (significance) of social responsibility of 8.567 (0.000) < 0.05, meaning that the research hypothesis was supported which proved that social responsibility had a positive and significant effect on the disclosure of sustainability reports. The results of the study show that the company has implemented social responsibility and sustainable practices as a legitimacy strategy. These results are in line with the research of Nugrahani et al. (2023); Humaira & Cupian (2023); and Setyawan et al. (2023) that social responsibility has a positive effect on sustainability report disclosure. The higher the disclosure of social responsibility, the higher the quality of the sustainability report (Nugrahani et al., 2023a). The results of the study support the institutional theory that companies have faced external pressures according to norms in carrying out social responsibilities that can affect the practice of disclosing SDGs in sustainability reports (Setyawan et al., 2023). According to Deegan (2002), companies express social responsibility in response to pressure to gain legitimacy and maintain long-term sustainability. These results are not in line with the research of Prinitasari et al., (2024) which has a negative effect on the disclosure of sustainability reports.

The results of the fifth hypothesis test showed a t-value (significance) of the Big Four PAF 4,457 (0,000) < 0.05. The results prove that big-four public accounting firms have a positive and significant effect on the disclosure of sustainability reports, meaning that companies audited by big four public accounting firms tend to be more complete in disclosing sustainability report information. The results of the study are consistent with the study of Pasko et al. (2023) that companies audited by the big four PAF have higher disclosures than non-big four, because big-four public accounting firms are known to have high auditing standards and global reputations, so companies with the services of big-four public accounting firms more encouraged to convey sustainability information more complete and accurate. The results of the study support the institutional theory that the existence of the Big Four PAF can increase public trust which is able to improve the practice of sustainability report disclosure. The use of the services of well-known public accounting firms such as the big four encourages companies to conform to professional standards and practices, resulting in broader and more transparent disclosure of sustainability reports. These results are not in line with the study by Fajarini & Wahyuningrum, (2022) which failed to prove that the big four PAF has a high quality of sustainability report disclosure, and also the study by Lisnawati et al., (2024) which tested that there is no difference in companies in disclosing sustainability reports from reports audited by the big four and non-big four PAF.

CONCLUSION

Based on the results of the analysis, this study produced several findings that corporate governance in the form of a board of directors has no effect on the disclosure of sustainability reports, which means that the existence of a board of directors does not always encourage companies to be more active in disclosing sustainability reports, because the main focus of the board of directors is more focused on the company's financial aspects. Thus, corporate governance in the form of an independent board of commissioners has a negative influence on the disclosure of sustainability reports, this result shows that the existence of independent commissioners who should play a role in supervising sustainability practices does not encourage disclosure disclosure which can be caused by weak supervisory roles or lack of attention to non-financial aspects. Only the audit committee, as corporate governance, has a significant positive effect on the disclosure of sustainability reports. The results show that the more active and strong the role of the audit committee, the greater the company's drive to disclose sustainability reports in a transparent and accountable manner.

In addition to corporate governance, corporate social responsibility has a positive effect on the disclosure of sustainability reports, which means that the more complete the disclosure of social responsibility activities, shows that companies tend to be more open and encouraged to communicate sustainability information to the public. In addition, the use of big four public accounting firms has a positive effect on the disclosure of sustainability reports, which means that companies audited by big four public accounting firms tend to have better sustainability reporting quality and have a higher level of compliance with sustainability report disclosure standards.

The study was limited to companies with a non-cyclical consumer sector that are likely to show different results if done in other sectors. Further research needs to test other sectors whether the results are consistent or not. In addition, there is still a possibility that other variables that can affect the quality of sustainability reports, such as shareholding or company reputation as factors that can affect the disclosure of sustainability reports.

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