

The Role of Company Size as a Moderator in the Relationship of Governance, Green Financing, and Profitability to Sustainability Reporting Disclosure in the Financial Sector

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Growing pressures from stakeholders for transparency is driving the need for financial sector firms to enhance the Sustainability Reporting Disclosure (SRD). Although differences in disclosure continue to coexist within the context of identical regulation, this issue implies some research questions and gaps: what are the determinants of these differences in the two countries? This is the premise upon which this work seeks to explore the impact of board size, gender diversity, Green Financing, and Return on Assets (ROA) on SRD, and the moderation effect of company size. Applying quantitative method, this research analyses secondary data collected from financial sector companies which were listed in the BEI during 2019–2023. The direct and interaction effects are estimated using moderation regression. The results indicated that board size, gender diversity, and Green Financing have significant positive influence on SRD, however, ROA to SRD is positive but insignificant. Finally, firm size moderated the effect of board size, gender diversity, and Green Financing on SRD, while it did not moderate the effect of ROA and SRD. The results of this study support the stakeholder theory that environmental governance and performance are expected to improve the quality of sustainability disclosure in organization when scaled up. The originality of the paper lies in the simultaneous combination with respect to controls, Green Financing, profitability and the moderation of company size in the distinctive context of regulated industries.

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INTRODUCTION

Over the past few years, sustainability reporting, namely sustainability reporting disclosure (SRD), has become a global issue due to the rising demands of stakeholders to be transparent and accountable (Ardiana, 2021; Hidayah et al., 2019; Masila et al., 2024). In the Indonesian context, particularly in the financial sector, which substantially contributes to the national economy progress, there has been growing interest in sustainability reporting (Chiputra et al., 2023; Hidayah et al., 2021). But the inequality of SRD provision among companies listed on the Indonesia Stock Exchange, has not been resolved. While some firms tout an emerging enthusiasm for disclosing sustainability information, employees at others -- particularly those with poor sustainability records -- say otherwise. They regard SRD not as a serious way of gaining public trust but as just another law--imposed formality. This is a chink in the theory of sustainability — what sustainability principles say should happen versus how things really happen on the ground. Several factors that may be associated with the amount of SRD have been reported in earlier studies. The latter involves board size, female directorships, green financing and profitability (ROA). In addition, we find that the production effect coefficients resulting from gender diversity for completeness are positive. Work by Ben-Amar et al. (2015) symbiosis ternary board gender diversity enhances the monitoring of non-financial disclosure.

Meanwhile, a study by Acar & Temiz (2020), and Herbohn et al. (2014) found that good Green Financing has a positive correlation with sustainability disclosure. On the other hand, ROA reflects a company's financial capabilities, which enable the allocation of resources to support sustainability reporting (Buallay, 2019; Hidayah et al., 2021). However, the differing findings from several previous studies suggest an inconsistency in the relationship between variables, indicating the need for more in-depth research with a more up-to-date approach and context. Furthermore, one variable that has not been widely studied as a moderator is the size of the company. Some literature suggests that large companies tend to have greater resources, more complex organizational structures, and higher external demands to undertake comprehensive sustainability reporting (Landrum & Ohsowski, 2017; Mio et al., 2021). So it becomes vital to identify whether the size of a company intensifies or lessens (under SRD) relationship between board characteristics and company performance This research is firmly grounded in Stakeholder Theory. This approach asserts that a corporation has responsibilities not only to its owners, but also towards all related parties such as workers, consumers, government authorities, people in society and nature itself. Seeing the financial reports and annual reports of both France's Danone group and Unilever PLC, one finds that it is easier to report on social and environmental responsibilities. The reason behind this should be pursued from the angle of Stakeholder Theory. This theory generates the most comprehensive result, when they tried the approach used in this study on many sample cases. Furthermore, with these points being firmly established: (1) Is there an influence of board size on Sustainability Reporting Disclosure in financial sector companies listed on the IDX in 2019–2023? (2) Is there an effect of Gender Diversity on Sustainability Reporting Disclosure in financial sector companies listed on the IDX in 2019–2023? (3) Is there an effect of Green Financing on Sustainability Reporting Disclosure in financial sector companies listed on the IDX in 2019–2023? (4) Is there an effect of ROA on Sustainability Reporting Disclosure in financial sector companies listed on the IDX in

2019–2023? (5) Does company size moderate the influence of board size on Sustainability Reporting Disclosure? (6) Does the size of the company moderate the influence of Gender Diversity on Sustainability Reporting Disclosure? (7) Does the size of the company moderate the influence of Green Financing on Sustainability Reporting Disclosure? (8) Does the size of the company moderate the influence of ROA on Sustainability Reporting Disclosure?

The problem formulation of the study is followed by aims to examine the influence of board size, gender diversity on boards, green finance and Return on Asset (ROA) levels reporting vitality financial companies listed in Indonesia registered stock exchange (IDX) the period 2019–2023, as well as look for a state of affairs with company size as moderation variable this relationship is emphasized in these four variables and sustainability disclosures. The contribution of this study is to alert business people, company management and the regulators concerning the significance of board characteristics and company performance that influence sustainability transparency, as well as the practical implications. The findings of this study can be used by regulators, including the OJK, to formulate more robust sustainability reporting regulations and guidelines that will fit the interests of stakeholders. Theoretically, the present study provides a contribution by extending the applicability of the Stakeholder Theory to explain the factors of SRD in developing countries financial sector and it also tests the moderation role of company size not yet fully explored in this context. The novelty of this research is the concurrent examination of independent and moderation research in the Indonesian financial industry using the latest data in 2019–2023. Moreover, the research adds to the literature about sustainability reporting and the implications of reporting in post-pandemic times and the rising demands from global capital market players to adopt ESG principles.

LITERATURE REVIEW

Stakeholder theory is the primary conceptual framework in this study because it provides an in-depth understanding of how and why companies must be accountable not only to shareholders, but also to all parties interested in or affected by the company's activities (Gilbert & Rasche, 2007). In this context, Sustainability Reporting Disclosure (SRD) is a form of corporate accountability to stakeholders (Karaman et al., 2018; Mion & Aduai, 2019). Financial sector companies, which play a central role in driving the national economy, are expected to serve as role models in implementing sustainability practices. Therefore, stakeholder theory is seen as relevant to explain the relationship between company characteristics and the level of disclosure of sustainability information.

In explaining the variables used, the size of the board of directors is often linked to the ability to oversee and make strategic decisions, including those related to sustainability reporting. Larger boards are considered to be able to provide a greater diversity of perspectives and discussion capacity, which theoretically improves the quality and intensity of SRD disclosure (Jizi et al., 2021). Gender diversity in board structures is also considered important, as several studies have shown that the presence of women on boards increases sensitivity to social and environmental issues, thereby encouraging higher information disclosure (Amorelli & Sánchez, 2019; Nugroho et al., 2019). On the other hand, Green Financing represents the extent to which a company is responsible for the ecological impact of its activities. The better a company's Green Financing, the more likely they are to want to publicize these achievements through sustainability reports as a form of social legitimacy. Furthermore, a company's

profitability, as measured by Return on Assets (ROA), reflects its efficiency and financial strength in carrying out its operations. Financially healthy companies tend to have the resources and motivation to compile comprehensive sustainability reports (Yu & Zhao, 2015).

The role of firm size in this study is considered important as a moderation variable that can strengthen or weaken the relationship between independent variables and SRD. Large companies are generally more exposed to external pressures and have greater capacity in terms of resources, technology, and reporting systems. Therefore, large-scale companies are expected to be better able to respond to stakeholder demands related to sustainability transparency compared to small or medium-sized companies.

Several findings from previous studies corroborate this relationship. Bhat et al., (2023), and Mahmood et al. (2018) found that board size has a positive influence on the level of corporate social responsibility disclosure. Research by Naveed et al. (2021) highlights that gender diversity on the board of directors enhances social and ethical sensitivity in corporate decision-making, aligning with SRD's goals. Sierra-García et al. (2018), and Purwanti et al. (2022) demonstrate that companies with good Green Financing are more transparent in their non-financial reporting. Meanwhile, Dissanayake et al. (2019), and Orazalin & Mahmood (2019) emphasized that companies with high levels of profitability tend to be more proactive in submitting sustainability reports. However, some studies from previous researcher such as Anazonwu et al. (2018), Batubara et al. (2023), and Saepudin (2021) show different results, where some variables such as board size or ROA do not have a significant effect on SRD, especially in the context of developing countries, thus opening up space for further research that considers local institutional, cultural, and regulatory contexts.

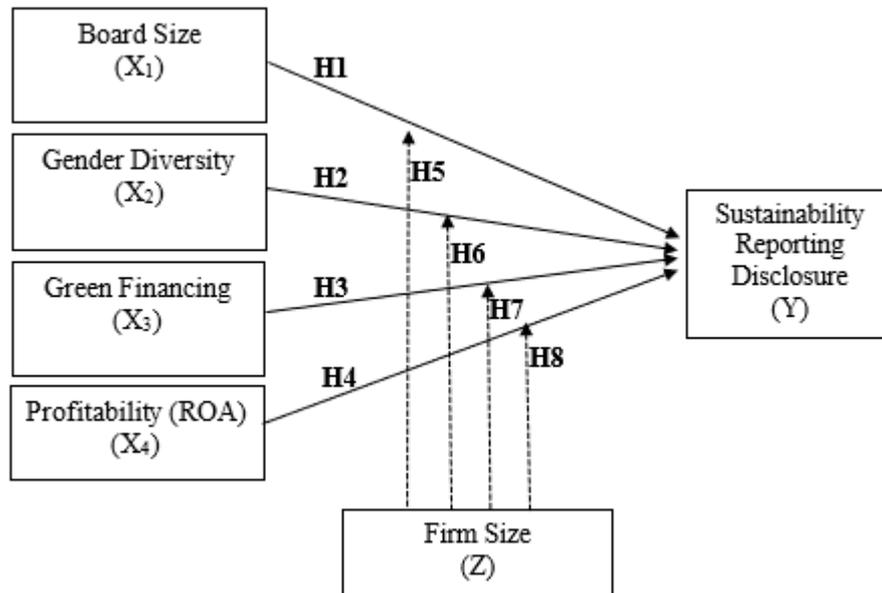
Based on the theoretical foundations and previous empirical findings, this study formulates eight hypotheses that test the influence of board size, gender diversity, Green Financing, and ROA on sustainability disclosure, as well as assess whether company size plays a role as a variable that moderates these relationships. The hypotheses proposed are as follows:

- H1: The size of the board affects Sustainability Reporting Disclosure.
- H2: Gender diversity affects Sustainability Reporting Disclosure;
- H3: Green Financing affects Sustainability Reporting Disclosure;
- H4: ROA affects Sustainability Reporting Disclosure;
- H5: The size of the company moderates the influence of board size on Sustainability Reporting Disclosure;
- H6: The size of the company moderates the influence of gender diversity on Sustainability Reporting Disclosure.
- H7: The size of the company moderates the influence of Green Financing on Sustainability Reporting Disclosure; and
- H8: The size of the company moderates the influence of ROA on Sustainability Reporting Disclosure.

The conceptual model proposed in this study visualizes the direct relationship between the independent variables and SRD, as well as the involvement of moderation variables, specifically firm size (Figure 1). This approach is expected to reveal more thoroughly how the characteristics of corporate governance and performance interact with companies' capacity to disclose their social and environmental responsibilities to the

public. Thus, this study not only contributes theoretically to enriching the literature on the determinants of SRD but also provides practical insights to companies and regulators on the importance of company size in managing and improving the quality of sustainability disclosures. In addition, this approach offers policy implications in encouraging the implementation of more inclusive and effective sustainability reporting, particularly in Indonesia's financial sector, through regulations that are adaptive to the characteristics and scale of companies.

Figure 1. Conceptual Framework of Research



Source: From various sources that have been processed

METHODS

This study employs a quantitative approach with a causal design, aiming to investigate the impact of Board Size (UD), Gender Diversity (GD), Green Financing (EP), and Return on Assets (ROA) on Sustainability Reporting Disclosure (SRD). In addition, this study also analyzes the role of Firm Size (UP) as a moderation variable. The analysis was conducted using the Moderated Regression Analysis (MRA) method to determine if UP influenced the relationship between the independent variables and SRD. The research population includes all financial sector companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. The sample selection was carried out using the purposive sampling method with the following criteria: (1) the company published the complete Annual Report and Sustainability Report during the research period, (2) data related to all research variables were consistently available, and (3) the company did not experience delisting during the research period. Based on these criteria, 45 qualified financial sector companies were identified, resulting in a total of 225 observations over the five-year research period.

The data used in this study is secondary data sourced from the company's Annual Report and Sustainability Report. The sustainability reports analyzed refer to the Global Reporting Initiative (GRI) standards. All data were collected from the IDX's official website and the official websites of each company, and then processed using the

Statistical Package for the Social Sciences (SPSS) software, version 26. The operational definition of this research is as follows:

Table 1. Operational Research Variables

Variable	Abbreviation	Operational Definition	Indicators/Measurements	Scale
<i>Board Size</i>	UD	The total number of members of the board of directors and commissioners in a company at the end of the financial year.	Number of members on the board of directors and the board of commissioners.	Nominal
<i>Gender Diversity</i>	GD	The proportion of female council members to the total council members.	(Number of female board members ÷ total board members) × 100%	Ratio
<i>Green Financing</i>	GF	The company's level of performance in managing environmental impacts is measured through Green Loans.	Green loan ÷ total Loan	Ratio
<i>Return on Assets</i>	ROA	A ratio that shows the company's ability to generate net profit from the total assets it owns.	Net profit ÷ total assets.	Ratio
<i>Sustainability Reporting Disclosure</i>	SRD	The level of disclosure of sustainability information is based on the Global Reporting Initiative (GRI) standards.	The index score is based on the number of GRI items disclosed ÷ the total GRI items.	Ratio
<i>Firm Size</i>	UP	The size of a company is measured by total assets, expressed in natural logarithms.	Ln (Total assets).	Ratio

Source: From various sources that have been processed

The data analysis stage begins with a descriptive statistical test to describe the data characteristics of each variable, including minimum, maximum, average, and standard deviation values. Furthermore, a classical assumption test was carried out, which included a normality test using the Kolmogorov-Smirnov test, a multicollinearity test with the Variance Inflation Factor (VIF) and tolerance value, an autocorrelation test with the Durbin-Watson (DW) test, and a heteroscedasticity test using the Glejser Test. Hypothesis testing was conducted using multiple linear regression analysis to examine the direct influence of independent variables on SRD. The basic regression model equations used are:

$$SRD = \alpha + \beta_1 UD + \beta_2 GD + \beta_3 GF + \beta_4 ROA + e \quad (1)$$

In addition, to test the effect of UP moderation, Moderated Regression Analysis (MRA) was used with the following equations:

$$SRD = \alpha + \beta_1 UD + \beta_2 GD + \beta_3 GF + \beta_4 ROA + \beta_5 UP + \beta_6 (UD \times UP) + \beta_7 (GD \times UP) + \beta_8 (GF \times UP) + \beta_9 (ROA \times UP) + e \quad (2)$$

Model significance testing was conducted using the F-test to assess the simultaneous influence of independent variables on SRD, as well as the t-test to examine the partial influence of each variable. The value of the determination coefficient (Adjusted R²) is used to assess the model's ability to explain the variation in SRD. The results of the analysis are then interpreted to assess the significance of the direct influence and moderation effect, as well as to determine the contribution of each variable to the level of disclosure in the company's sustainability report.

RESULT AND DISCUSSION

Results

The results of the classical assumption test indicate that the regression model used in this study has met all statistical requirements. The normality test, performed using the Kolmogorov–Smirnov method, yielded a significance value of 0.200, which is greater than 0.05. This indicates that the residual is normally distributed, allowing it to be used in regression analysis. The multicollinearity test revealed that all independent variables had a Variance Inflation Factor (VIF) value of less than 10 and a tolerance value of more than 0.10, indicating that there is no high correlation between the independent variables. Furthermore, the autocorrelation test using the Durbin–Watson method yielded a value of 1.865, which falls between the upper limit (dU) and 4 – dU, indicating the absence of autocorrelation in the residuals. The heteroscedasticity test, carried out using the Glejser method, showed that all variables had a significance value above 0.05, indicating that the model was free from heteroscedasticity problems. Thus, all classical assumptions are met, and regression models are suitable for hypothesis testing. The results of the classic assumption test table are as follows:

Table 1. Classical Assumption Test Results

Test Type	Test Method	Result	Criterion	Conclusion
Normality Test	Kolmogorov–Smirnov	Sig. = 0.200	Sig. > 0.05	Normally-distributed residual data
Multicollinearity Test	VIF & Tolerance	All variables: VIF < 10; Tolerance > 0.10	VIF < 10 and Tolerance > 0.10	Multicollinearity does not occur
Autocorrelation Test	Durbin–Watson (DW)	DW = 1.865	dU < DW < 4 – dU	No autocorrelation occurs
Heteroscedasticity Test	Glejser Test	Whole variables: Sig. > 0.05	Sig. > 0.05	Heteroscedasticity does not occur

Source: SPSS Statistical Data Processing Version 26

Furthermore, the results of the multiple linear regression tests showed that the variables of board size (UD), gender diversity (GD), and Green Financing (EP) had a positive and significant effect on sustainability reporting disclosure (SRD), with significance values of 0.012, 0.045, and 0.000, respectively. Meanwhile, return on assets (ROA) has a positive but insignificant effect on SRD with a significance value of 0.083. Simultaneously, the four independent variables had a significant effect on SRD, as evidenced by an F-value of 14.236 and a p-value of 0.000. An Adjusted R² value of 0.412

indicates that the model can explain 41.2% of the variation in SRD, while factors outside of this study model explain the remaining 58.8%. The table of multiple regression test results is as follows:

Table 2. Results of the Multiple Linear Regression Hypothesis Test

Independent Variables	Coefficient (β)	t-count	Sig.	Information
Constant	0,215	–	–	–
Board Size (UD)	0,142	2,552	0,012	Significant
Gender Diversity (GD)	0,128	2,024	0,045	Significant
Green Financing (EP)	0,276	4,152	0,000	Significant
Return on Assets (ROA)	0,097	1,743	0,083	Insignificant
Adjusted R²	0,412			
F-count	14,236		0,000	Significant

Source: SPSS Statistical Data Processing Version 26

Following the table above, the equation from the results of the multiple linear regression test is as follows:

$$SRD=0.215+0.142UD+0.128GD+0.276EP+0.097ROA+e$$

In addition, the Moderated Regression Analysis (MRA) test is used to look at the role of company size (UP) as a moderation variable. The results showed that UP was able to significantly strengthen the influence of UD, GD, and EP on SRD, with significance values of 0.031, 0.047, and 0.018, respectively. However, UP was not shown to moderate the influence of ROA on SRD because its significance value was 0.091 (> 0.05). Overall, the MRA model yielded an Adjusted R² value of 0.456, which is higher than that of the multiple regression model, so it can be concluded that the presence of a moderation variable enhances the model's ability to explain SRD variations. These findings confirm that company characteristic factors, particularly company size, play a significant role in strengthening the relationship between governance and Green Financing in sustainability disclosure among financial sector companies in Indonesia. The table of MRA tests is as follows:

Table 3. Moderate Regression Analysis (MRA) Hypothesis Test Results

Variables & Interactions	Coefficient (β)	t-count	Sig.	Information
Board Size (UD)	0,138	2,452	0,015	Significant
Gender Diversity (GD)	0,124	1,989	0,048	Significant
Green Financing (EP)	0,271	4,026	0,000	Significant
Return on Assets (ROA)	0,092	1,683	0,094	Insignificant

Variables & Interactions	Coefficient (β)	t-count	Sig.	Information
UD × UP	0,119	2,176	0,031	Significant (Strengthening)
GD × UP	0,114	1,999	0,047	Significant (Strengthening)
GF × UP	0,126	2,388	0,018	Significant (Strengthening)
TWO × UP	0,081	1,702	0,091	Insignificant
Adjusted R²	0,456			
F-count	13,624		0,000	Significant

Source: SPSS Statistical Data Processing Version 26

Discussion

The Effect of Board Size on Sustainability Reporting Disclosure

The results of statistical analysis showed that the Board Size variable had a positive and significant influence on Sustainability Reporting Disclosure (SRD) in financial sector companies listed on the Indonesia Stock Exchange (IDX) during the study period. These findings indicate that the larger the number of board members, the higher the level of disclosure of sustainability information that companies disclose. This condition can be explained through stakeholder theory, which emphasizes that companies have a responsibility to meet the information needs of all stakeholders, including investors, regulators, customers, and the public. Boards with more individual members typically have a wider diversity of backgrounds, expertise, and viewpoints, thereby providing more comprehensive oversight and strategic direction for sustainability reporting (Ben-Amar et al., 2015; Cicchiello et al., 2021). This phenomenon aligns with the context described in the introduction, where regulations, such as POJK No. 51, require companies, particularly in the financial services sector, to prepare sustainability reports that contain information on their economic, social, and Green Financing. Companies with larger board sizes have better governance capacity to ensure compliance with these regulations and maintain legitimacy in the eyes of the public, especially in an era of increasing awareness of the Sustainable Development Goals (SDGs) and demands for transparency.

The results of this study are consistent with those of previous studies. Mahmood et al. (2018) found that the number of board members has a positive effect on the breadth of sustainability disclosure due to more effective oversight and decision-making roles. Hu & Loh (2018) also affirm that the existence of a larger board can improve the quality of sustainability reporting through stronger governance mechanisms. Another piece of empirical support comes from the research of Anazonwu et al. (2018), which states that the diversity of perspectives within boards encourages more comprehensive disclosure of information to meet the expectations of stakeholders. Therefore, following the results of this study, it is evident that a larger board size not only reflects higher governance capacity but is also an important factor in encouraging companies to provide broader and higher-quality sustainability disclosures, in line with the principles of stakeholder theory and applicable regulatory requirements.

The Influence of Gender Diversity on Sustainability Reporting Disclosure

The results of the analysis showed that Gender Diversity in the board of directors had a positive and significant effect on Sustainability Reporting Disclosure (SRD) in financial sector companies listed on the Indonesia Stock Exchange during the study period. These findings suggest that the presence of female board members can enhance the quality and breadth of sustainability reporting. This can be explained through stakeholder theory, which emphasizes that companies have a moral and strategic obligation to meet the expectations of various stakeholders. Women board members often bring a more inclusive perspective, are sensitive to social and environmental issues, and are more concerned about the company's reputation in the public eye, thus encouraging more comprehensive disclosure of sustainability information (Manurung et al., 2022; Nugroho, 2020). This phenomenon is relevant to the context described in the introduction, where the increasing role of women in corporate leadership in Indonesia aligns with the gender equality agenda, one of the main goals of the Sustainable Development Goals (SDGs). Additionally, the growing public attention to social and environmental responsibility is encouraging companies to present a positive image through transparent reporting. The presence of women on the board of directors is a crucial driving factor in ensuring that sustainability reporting is not just a formality, but truly reflects the company's commitment.

The findings of this study are consistent with the results of previous studies such as Yasser et al. (2017), and Wu et al. (2021) found that companies with a higher proportion of women on the board of directors tended to have better corporate social responsibility scores. Tingbani et al. (2020) also demonstrate that gender diversity at the leadership level leads to increased disclosure of environmental and social information as a response to stakeholder demands. Research by Jizi et al. (2021), and Nugroho & Chowdhury (2015) also corroborates the evidence that women's representation on boards contributes to the quality of sustainability reporting, especially in countries with growing levels of gender awareness. Therefore, according to the research results, it can be stated that gender diversity not only supports the creation of more inclusive corporate governance but also serves as an essential catalyst in expanding and deepening sustainability disclosure. This aligns with the principles of stakeholder theory, which emphasizes the involvement of all stakeholders and the importance of meeting public expectations through transparency and accountability.

The Effect of Green Financing on Sustainability Reporting Disclosure

The statistical analysis findings indicate that Green Financing has a positive, significant effect to the Sustainability Reporting Disclosure. These results imply that firms with higher quality of Green Financing make more intensive and detailed disclosure on sustainability. Theoretically, these findings are in line with stakeholder theory and the implication that corporate responsibility may be relevant to meeting the expected level of environmental impact management. Through the revelation of good Green Financing, the firm intends to achieve social philosophical legitimacy and gain an increase in level of trust with the society particularly from shareholders, consumers, government, and community residents. The current phenomenon demonstrates that increasing public awareness of environmental issues and pressure from various parties encourage

companies not only to improve their Green Financing but also to report it transparently. Government regulations and global initiatives, such as the Global Reporting Initiative (GRI), have also strengthened the demand for this information disclosure (Refranisa et al., 2025; Tauringana & Chithambo, 2015). Companies with good Green Financing have an incentive to publish these results in sustainability reports as a form of accountability and to differentiate themselves in the market (Clarkson et al., 2011; Cormier et al., 2011; Najuah et al., 2025; Nugroho et al., 2024).

The Influence of ROA on Sustainability Reporting Disclosure

The results from regression analysis show that ROA (Return on Asset) has a positive impact on Sustainability Reporting Disclosure in general but it does not reach statistical significance. This means that a firm's ability to make money, as shown by the ROA on its financial balance sheets and income statement, has not yet brought about any appreciable improvement in corporate practices concerning sustainability reporting. According to stakeholder theory, high performing companies should seek to disclose information transparently to their stakeholders. By so doing, they can be effectively held to account and their legitimacy increased. In this study however, that influence was not statistically significant enough. It appears that factors other than profitability are predominant in motivating companies to adopt sustainable reporting practices. The phenomenon described in the introduction reveals that even some financial sector companies, which achieved very good profits, did not make effective use of this performance to extend their SRD. The average company within these sections already has from 20 to 30% of total lost before tax, and what remains after taxes in net proceeds. part of this performance. This occurs because the reporting flavour is still focussed more on minimum regulatory compliance or the reputation factor other than on using profitability to extend sustainability reports.

These findings align with several previous studies. For example, a study by Sekhon & Kathuria (2019) demonstrated that profitability does not always have a significant impact on the level of CSR or SRD disclosure, particularly in sectors with stringent reporting regulations. Similarly, research by Cormier et al. (2011) states that while high ROA reflects good financial performance, companies do not necessarily channel it into improving the quality of sustainability reporting, as external pressures, governance, or corporate communication strategies often influence disclosure. Thus, referring to the study's results, it can be stated that although ROA shows a positive association with SRD, the effect is not significant in the context of this study. This implies that efforts to improve sustainability disclosure cannot rely solely on profitability, but must also consider other supporting factors, such as management commitment, strong corporate governance, and pressure from regulators and stakeholders.

Company Size Moderates the Influence of Board Size on Sustainability Reporting Disclosure

The results of the moderation test indicated that Company Size enhanced the positive relationship between Board Size and Sustainability Reporting Disclosure. This illustrates that, in larger firms, the extent of sustainability disclosure is more significant with the provision of added horsepower in the form of bigger size of board of director in encouraging the transparency and completeness of sustainability disclosure. These results are conceptually consistent with stakeholder theory – which requires firms to provide

stakeholders with the information they require both from a strategic and a moral perspective. “At clients in big corporations, they're not only growing due to sheer size, there are more stakeholders, and more visibility — they need to connect on a personal level. That would also go along with the trend of large financial companies feeling more external pressure from regulators, investors and the public and banks and brokerages are at a minimum going to face lawsuit activations. Bigger boards of directors at big firms can do more to influence policy, allocate resources, and oversee the deployment of sustainability initiatives. This match between board and company size provides the capacity to implement sustainability reporting in a more uniform and thorough manner.

Several studies support this finding such as Aliyu (2019) found that the positive influence of board size on the level of disclosure of company information becomes stronger in companies with large asset sizes. Similar results were also obtained by Masi et al. (2021), who showed that large companies with more board members have a greater incentive to meet information requests from stakeholders. This is understandable because large companies typically have more adequate financial, technological, and human resources to manage the sustainability reporting process. Therefore, based on the research results, Company Size plays a significant role as a moderating variable in strengthening the relationship between Board Size and Sustainability Reporting Disclosure. The practical implication is that large companies can leverage the presence of a larger board to broaden and deepen the scope of sustainability reporting, thereby improving transparency, reputation, and long-term relationships with stakeholders.

Company Size Moderates the Influence of Gender Diversity on Sustainability Reporting Disclosure

The moderation analysis results revealed that the relationship between GS Level and sustainability reporting between the characteristics was moderated by Company Size strengthening the effect of Gender Diversity on sustainability reporting disclosure among non- executive directors. This implies that gender diversity plays a more prominent role in improving the quality and completeness of sustainability disclosures as firm size increases. In theory, this is consistent with stakeholder theory, which highlights that firms have an ethical and strategic duty to satisfy the expectations of their stakeholders, including a variety of worldviews. Large firms, with wide reach and considerable market power, are under extra pressure to show that they are committed to inclusive and transparent governance practises. The empirical evidence provided in the introduction above vindicates that gender equality has emerged as a global debate and has been on the agenda of commercial companies, especially large companies to improve women’s representation at the board levels. Women board representation can bring value add to the table and improve relationships with environmental, social, and governance considerations. In the case of big companies, this influence is also strengthened by the availability of means to effectively facilitate the implementation and extensive reporting of sustainability practices.

Previous research corroborates these findings. Anazonwu et al. (2018) found that gender diversity within boards has a positive correlation with the level of sustainability disclosure, and this relationship is stronger in large companies that have greater capacity to implement sustainability policies. Similarly, a study by Ben-Amar et al. (2015) shows that large-scale companies tend to be more responsive to stakeholder demands when they

have gender-diverse boards, as they are considered able to incorporate broader perspectives in strategic decision-making. Therefore, the results of this study state that Company Size is a significant moderation variable in strengthening the relationship between Gender Diversity and Sustainability Reporting Disclosure. The practical implication of these findings is that large companies can maximize the benefits of gender diversity on their boards of directors as a strategy to increase transparency, meet stakeholder expectations, and strengthen their sustainability reputation in the eyes of the public.

Company Size Moderates Green Financing Against Sustainability Reporting Disclosure

The results of the moderation test showed that Company Size strengthened the positive influence of Green Financing on Sustainability Reporting Disclosure. This means that in larger companies, the impact of good Green Financing on the level of sustainability disclosure becomes increasingly significant. Theoretically, this aligns with stakeholder theory, which asserts that companies have a moral and strategic obligation to meet the information expectations of their stakeholders. Large companies, with a wide scale of operations, are usually in the greater public spotlight, so that good Green Financing will be increasingly used as a means of strengthening legitimacy through transparent reporting. The phenomenon outlined in the introduction supports this result, where large companies in the financial sector face higher pressure from regulators, investors, and the public to manage environmental impacts responsibly. With greater resources, companies can allocate their budget, technology, and expertise to optimize environmental management and report it comprehensively in their sustainability reports. This is not only a form of accountability, but also a reputation strategy to maintain stakeholder trust.

Previous research corroborates these findings. Clarkson et al. (2011) demonstrate that large companies with good Green Financing are more likely to disclose sustainability information due to their stronger financial capabilities and external incentives. Similar results were also found by Deswanto & Siregar (2018), who explained that the scale of the company plays a role in strengthening the relationship between Green Financing and disclosure levels due to the greater need to maintain social legitimacy. Therefore, based on the results of this study, Company Size is an effective moderating variable in strengthening the relationship between Green Financing and Sustainability Reporting Disclosure. The practical implication is that large companies can leverage the superiority of their resources to ensure that the achievement of Green Financing is followed by broader and more in-depth sustainability reporting, thereby strengthening their position and reputation in the eyes of all stakeholders.

Company Size Moderates the Impact of ROA on Sustainability Reporting Disclosure

The results of the moderation test implied that Company Size did not play a role as significant moderator in the relationship between ROA and Sustainability Reporting Disclosure. In other words, company size has no bearing to what extent incorporation affects the relationship between profitability and sustainability publicity level. This suggests the balance between company size and willingness to make sustainability reports is more likely influenced by a company's level of profitability than by the size of its assets or organization.

Theoretically, stakeholder theory explains that companies with good financial performance will tend to increase transparency to maintain legitimacy in the eyes of stakeholders. However, in the context of this study, these capabilities appear to be equally applicable to companies of different sizes, both large and small. This can be due to companies that have a high ROA, not always owned by companies with significant assets. Still, they have adequate capacity to allocate resources in sustainability reporting activities. The phenomenon in the introduction shows that the pressure from regulators, investors, and the public on sustainability reporting applies to all companies in the financial sector. Relatively uniform regulations make it possible for even small companies to have the obligation and motivation to report their performance, so the role of company size in strengthening the influence of profitability becomes less relevant.

Several previous studies have yielded similar results. For example, a study by Dienes et al. (2016), and Trisnawati et al. (2022) found that company size does not necessarily strengthen the relationship between profitability and sustainability disclosure rates, especially in industries with strict regulations. Other research by Zeng et al. (2022) also suggests that regulatory factors and reporting culture play a greater role than corporate scale in influencing these relationships. Thus, these findings reject the proposed moderation hypothesis and imply that efforts to improve profitability-based sustainability disclosure should be undertaken by all companies, regardless of their asset size. The primary focus should be on optimizing financial performance and compliance with reporting standards, rather than scaling the company.

CONCLUSION

In accordance with the statistical analysis results, this paper found that Board Size, Gender Diversity and Green Financing all have significant effects on Sustainability Reporting Disclosure (Sustainability Reporting Committee) in financial sector companies of Indonesia. It showed that good governance, leadership diversity and Green Financing drives SRD. ROA's effect is positive but not significant, indicating that for periods of time there have always been SRD reporting obligations unaligned with earnings. Second, moderation tests showed that Firm Scale strengthens the influence of Board Size, Gender Diversity, and Green Financing on SRD. However, it did not moderate the effect that the relationship between ROA and SRD. These findings confirm that firm dimensions can amplify the impact of governance factors and Green Financing on sustainability reporting, as well as lead to a higher ROA of SRDis to benefit all firms.

Theoretically, this study expands the application of Stakeholder Theory by asserting that company size can be a significant contextual factor influencing the relationship between governance, Green Financing, and sustainability disclosure. In practical terms, these results can serve as a reference for company management to maximize the role of the board, encourage gender diversity, and improve Green Financing as a strategy to expand SRD. In terms of policy, regulators such as the OJK can consider policies that encourage the strengthening of the board's role and promote gender diversity, especially in large-scale companies.

In addition, this study is restricted to the financial sector of Indonesia, with an observation period from 2019 to 2023. Results cannot therefore be generalized to other sectors or different countries. In addition, This periodical measure of SRD only adopt the GRI standards, other report forms frame which circumstance should be still held in halter

let us take them into account yet. So further researching is suggested to widen the research scope to other industry types, and to consider non-financial black-hole its such as corporate status or sovereignty of institutions, using more detailed content analysis techniques. Regulators and policymakers are expected to incorporate these findings into sustainability reporting guidelines. In contrast, companies are expected to continue improving their governance and reporting capacity, not only for regulatory compliance but also as a long-term sustainability strategy.

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