

**CORPORATE GOVERNANCE AND ESG REPORTING QUALITY
IN THE BANKING SECTOR: EVIDENCE FROM INDONESIA AND
THE UNITED KINGDOM**

A THESIS

Presented as a Partial Fulfilment of the Requirement
to Obtain the Bachelor's Degree in the Accounting Department



by:

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**FACULTY OF BUSINESS AND ECONOMICS
UNIVERSITAS ISLAM INDONESIA
YOGYAKARTA**

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DECLARATION OF AUTHENTICITY

Here I declare the originality of the thesis; I have not presented anyone else's work to obtain my university degree, nor have I presented anyone else's words, ideas or expression without acknowledgement. All quotations are cited and listed in the bibliography of the thesis.

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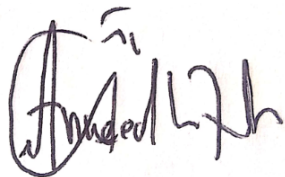
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ABSTRACT

This study investigates the determinants of ESG reporting quality in the banking sector, examining governance mechanisms and the moderating role of institutional context across Indonesia and the United Kingdom. Using panel data from 31 banks (118 firm-year observations, 2020-2024), Fixed-Effects regression was employed to test main effects, while Pooled OLS with interaction terms was used to examine moderation. Research evaluates whether board meeting frequency, audit committee independence score, and audit expertise score influence ESG disclosure, and whether the UK context moderates these relationships. The findings show that higher audit committee quality is associated with better ESG reporting ($\beta = 0.12$, $p < 0.05$), highlighting the value of strong oversight. Audit expertise has a slightly positive effect ($\beta = 0.09$, $p < 0.10$). More frequent board meetings, however, have a significant negative effect ($\beta = -0.11$, $p < 0.10$), which runs counter to the expected positive link and does not support H1. The moderation analysis shows that meeting frequency has opposite effects in the two countries: it is positive in Indonesia but negative in the UK (interaction $\beta = -0.53$, $p < 0.05$). Audit committee quality has a stronger positive effect in the UK (interaction $\beta = 0.50$, $p < 0.10$), while audit expertise has similar effects in both countries. Company size and emissions also play a role in ESG reporting quality. These results add to agency theory by showing that oversight quality matters more than the number of meetings, and to institutional theory by showing that governance varies by context. The study suggests that Indonesian banks should focus on improving committee quality and expertise, while the UK banks should prioritize effective meetings over more frequent ones. Improving governance structures is important to prevent greenwashing and ensure reliable sustainability reporting.

Keywords: *ESG reporting quality, audit committee quality, institutional moderation, banking*

CHAPTER I

INTRODUCTION

1.1 Background

Over recent years, Environmental, Social, and Governance (ESG) factors have experienced a significant transformation, evolving from peripheral concerns regarding corporate responsibility into fundamental components that now substantially influence business valuation, investment decisions, risk assessment frameworks, and regulatory compliance requirements (Gillan et al., 2021). This transformation highlights the growing empirical and theoretical recognition that sustainability performance and disclosure transparency are financially material, directly influencing corporate risk profiles, cost of capital, stakeholder relationships, reputational capital, and long-term value creation potential (Friedman & Miles, 2006). The integration of ESG factors into mainstream investment analysis, exemplified by the exponential growth of assets under management incorporating ESG criteria from \$22.8 trillion in 2016 to over \$35 trillion by 2020 (Global Sustainable Investment Alliance, 2021), demonstrates that sustainability considerations have moved beyond niche ethical investment categories to become fundamental components of fiduciary duty and prudent portfolio management.

With regard to the banking sector specifically, ESG factors have acquired particular strategic and regulatory significance due to financial institutions' unique

dual role as both direct environmental and social actors through their own operational footprints and as critical financial intermediaries whose lending, investment, and risk management decisions fundamentally shape broader economic sustainability transitions (Weber & Feltmate, 2016). Banks' direct ESG impacts encompass operational energy consumption, physical branch infrastructure, workforce diversity and inclusion practices, community development investments, and internal governance structures. However, their indirect impacts through financial intermediation are orders of magnitude larger: lending portfolios financing carbon-intensive industries such as fossil fuel extraction, heavy manufacturing, and transportation infrastructure; investment decisions directing capital toward or away from renewable energy development, sustainable agriculture, and green technology innovation; and risk management frameworks that either internalize or externalize climate-related financial risks, social controversies, and governance failures in client companies (Busch et al., 2021).

The growing demand for credible, comprehensive, and comparable ESG disclosure from banking institutions is driven by regulatory requirements, market expectations, and civil society pressure that have intensified in recent years. First, regulatory frameworks increasingly mandate sustainability reporting and climate risk assessment as integral components of prudential supervision and market conduct oversight (Christensen et al., 2021). The European Union's Sustainable Finance Disclosure Regulation (SFDR) requires financial market participants to disclose how they integrate sustainability risks into investment decisions and how

Their financial products consider adverse sustainability impacts. The United Kingdom's mandatory Task Force on Climate-related Financial Disclosures (TCFD) reporting for listed companies and large financial institutions compels banks to disclose climate governance arrangements, strategic responses to climate risks and opportunities, risk management processes, and quantitative metrics tracking climate exposures. Indonesia's Financial Services Authority (Otoritas Jasa Keuangan, OJK) Regulation No. 51/POJK.03/2017 requires financial institutions to implement and report on sustainable finance action plans, demonstrating that emerging markets are also developing ESG regulatory infrastructure, albeit at varying speeds and enforcement intensities (Khan et al., 2013).

Second, institutional investors managing trillions of dollars under explicit ESG mandates demand comprehensive sustainability information to assess portfolio climate transition risks, evaluate alignment with net-zero emissions commitments, screen investments against ethical exclusions, and engage in active ownership dialogues with investee companies (Krueger et al., 2020). Major institutional investors have increasingly embedded ESG criteria into their investment and voting decisions, reflecting a broader shift in capital market expectations towards sustainable finance (Christensen et al., 2021). These institutional investors increasingly recognize that ESG risks including physical climate risks (extreme weather events, sea level rise), transition risks (policy changes, technological disruption, shifting consumer preferences), social risks (labor controversies, human rights violations), and governance risks (corruption, board ineffectiveness, executive compensation misalignment) are not

merely ethical concerns but material financial risks requiring systematic monitoring and disclosure (Friedman & Miles, 2006). As investors increasingly rely on ESG information for decision-making, banks with poor or unreliable sustainability disclosure may face higher costs of capital, reduced investor appetite, or increased shareholder pressure (Amarna et al., 2024).

Third, civil society organizations, environmental advocacy groups, non-governmental organizations, sustainability rating agencies, and media outlets exert additional pressure on banking institutions through public scrutiny campaigns, reputational challenges, ESG scoring methodologies influencing capital flows, and investigative reporting exposing gaps between sustainability rhetoric and actual practices (Lyon & Montgomery, 2015). Organizations such as Rainforest Action Network, BankTrack, ShareAction, and Carbon Tracker systematically monitor and publicize banks' fossil fuel financing, deforestation-linked lending, human rights controversies in project finance, and gaps between stated net-zero commitments and actual lending portfolios. Sustainability rating agencies including Refinitiv (LSEG), MSCI ESG Research, Sustainalytics (Morningstar), S&P Global ESG Scores, and Bloomberg ESG Data Services evaluate banks' ESG disclosure comprehensiveness and performance, assigning scores and ratings that influence investor perceptions, portfolio inclusion decisions, and market valuations (Berg et al., 2022). This multifaceted stakeholder ecosystem creates continuous pressure for banks to maintain credible, transparent, and comprehensive ESG communication strategies.

However, the proliferation of ESG disclosure has been accompanied by growing concerns about reporting quality heterogeneity, comparability challenges, and greenwashing the practice of symbolic sustainability communication that exaggerates environmental or social commitment without corresponding substantive performance improvements or strategic transformations (Lyon & Montgomery, 2015; Testa et al., 2018). Empirical studies document substantial divergence in ESG ratings assigned to identical firms by different rating agencies, with correlation coefficients between major providers ranging only from 0.38 to 0.71, far below the 0.92 to 0.99 correlations observed across credit rating agencies evaluating the same debt securities (Berg et al., 2022). This rating divergence reflects fundamental methodological inconsistencies across providers in scope definition (which ESG issues matter), measurement approaches (how to quantify performance), weighting schemes (relative importance of environmental versus social versus governance dimensions), and data verification procedures (reliance on self-reported versus independently verified information). Such inconsistencies create information asymmetries and evaluation uncertainties that undermine the credibility and decision-usefulness of ESG disclosure even when firms provide extensive sustainability reporting.

In the banking sector specifically, academic research and investigative journalism have documented numerous instances of potential greenwashing where sustainability reports emphasize selective positive achievements while omitting or minimizing adverse environmental and social impacts. Examples include banks prominently featuring renewable energy project finance in sustainability reports

while continuing substantial fossil fuel lending without comparable disclosure; disclosing aggregated green finance volumes without specifying proportions relative to total lending or detailing climate impact methodologies; adopting sustainability reporting frameworks selectively to highlight favorable performance dimensions while excluding unfavorable metrics; and announcing ambitious net-zero emissions commitments without publishing credible interim targets, transition pathway details, or accountability mechanisms (Weber, 2014; Christensen et al., 2021). These greenwashing practices erode stakeholder trust, create information asymmetries that prevent efficient capital allocation toward genuinely sustainable institutions, expose investors to unquantified climate transition risks, and ultimately undermine the broader sustainable finance agenda's credibility.

Corporate governance mechanisms have become increasingly recognized as a potentially significant factor in determining ESG disclosure quality within this context, providing a framework through which stakeholders can evaluate the credibility and reliability of sustainability information disclosed by companies (García-Sánchez et al., 2021). From an agency theory perspective developed by Jensen and Meckling (1976), effective governance mechanisms reduce information asymmetry between management (agents possessing superior information about corporate operations and performance) and stakeholders (principals relying on disclosed information for decision-making) by constraining managerial opportunism in reporting practices and ensuring that disclosed information reflects actual organizational performance rather than selective impression management or symbolic communication strategies (Eisenhardt, 1989).

In the non-financial reporting context, managers may face incentives to engage in strategic sustainability disclosure that emphasizes positive ESG achievements, generating reputational benefits while omitting adverse impacts, costs, or strategic tradeoffs creating agency problems parallel to those extensively documented in financial reporting domains such as earnings management and financial statement fraud (Christensen et al., 2021).

The audit committee, serving as the specialized governance mechanism within corporate governance structures charged with overseeing the integrity of financial reporting, the effectiveness of internal controls, and the quality of external audits, plays a particularly significant role in ensuring the credibility of ESG (Pozzoli et al., 2022). Committee members with financial and auditing expertise possess the technical competence necessary to evaluate complex sustainability metrics, assess the appropriateness of ESG reporting methodologies and assumptions, identify potential reporting irregularities or material omissions, and challenge management assertions with informed professional skepticism (DeZoort & Salterio, 2001). In the rapidly evolving ESG disclosure landscape, where sustainability reporting increasingly incorporates quantitative performance metrics, financial materiality assessments, climate-related financial risk disclosures following TCFD recommendations, integrated reporting frameworks explicitly linking sustainability performance to financial value creation, and sustainability-linked financial instruments such as green bonds requiring verification of environmental use-of-proceeds, audit committee financial expertise

becomes particularly valuable for scrutinizing the reliability, completeness, and decision-usefulness of reported ESG information (Abbott et al., 2004).

Similarly, audit committee independence, measured through the proportion or count of committee members who maintain no material financial, family, or employment ties with management and thus can exercise objective judgment free from conflicts of interest, is theoretically expected to improve ESG disclosure quality. This is because independent members are more likely to challenge questionable management assertions, demand additional evidence for sustainability claims, and focus on long-term stakeholder needs rather than short-term managerial reputation concerns (Klapper & Love, 2004). Independent audit committee members, not dependent on management for career growth, ongoing business relationships, or personal financial gain, are better equipped to ensure balanced ESG disclosures that transparently report both successes and difficulties, resist management pressure to hide unfavorable sustainability information, and apply rigorous disclosure standards similar to those used in financial reporting oversight (Pozzoli et al., 2022).

Despite extensive academic research examining corporate governance effects on financial reporting quality, earnings management, restatement likelihood, and audit quality, empirical evidence on governance determinants of ESG disclosure quality remains comparatively limited, fragmented across diverse methodological approaches and theoretical frameworks, and characterized by

several important gaps (Alareeni & Hamdan, 2020). First, prior research predominantly examines diversified industry samples or manufacturing sectors, with limited focused attention on the banking sector despite its unique ESG profile combining direct operational sustainability impacts with substantial indirect impacts through lending and investment intermediation, its heightened regulatory scrutiny under evolving climate risk assessment frameworks, and its systemic importance as a potential amplifier or constraint on broader economic sustainability transitions (Weber & Feltmate, 2016). Second, while existing governance-ESG studies examine broad board characteristics such as independence, size, gender diversity, and CEO duality (Gillan et al., 2021; Garcia-Sanchez et al., 2021), they provide limited granular evidence on audit committee-specific mechanisms particularly the separate and joint effects of financial expertise, structural independence, and comprehensive quality measures in shaping ESG reporting behavior (Pozzoli et al., 2022). Third, cross-country institutional context effects on governance-ESG relationships remain underexplored, with previous studies focusing on single countries (Khan et al., 2013) or pooled developed market samples (Pozzoli et al., 2022), providing limited empirical evidence on whether governance mechanisms operate universally or whether their effects are contingent on institutional maturity, regulatory stringency, stakeholder expectations, and enforcement capacity differences between emerging and developed markets.

1.2 Problem Formulation

The proliferation of ESG disclosure in global banking has not been accompanied by commensurate improvements in reporting quality or stakeholder confidence. Several empirical patterns motivate this research. First, substantial heterogeneity in ESG reporting practices exists among banks within the same regulatory jurisdiction, suggesting that firm-level factors, potentially including governance quality, systematically influence ESG disclosure beyond regulatory compliance. Second, greenwashing concerns persist despite regulatory mandates, with banks' sustainability narratives emphasizing selective achievements while omitting adverse impacts. Third, governance research on ESG disclosure has produced mixed findings, with the audit committee's role specifically remaining underexplored. Fourth, institutional context effects on governance-ESG relationships are theoretically predicted but empirically underexamined.

These empirical patterns and theoretical gaps motivate the following research questions:

1. Does board meeting frequency enhance ESG reporting quality in the banking sector?
2. Does audit committee's expertise score improve ESG disclosure quality?
3. Does audit committee independence score improve ESG disclosure quality?
4. Does the UK institutional context moderate the relationship between governance mechanisms and ESG reporting quality in the banking sector?

1.3 Research Objectives

This study aims to empirically examine the determinants of ESG reporting quality in the banking sector with the following specific objectives:

1. To test the effect of board meeting frequency on ESG reporting quality in publicly listed banks.
2. To analyze the effect of audit committee expertise on ESG reporting quality.
3. To examine the effect of audit committee independence on ESG reporting quality.
4. To examine whether UK institutional context characterized by more stringent regulatory framework and institutional pressures moderates the relationship between governance mechanisms and ESG reporting quality.

1.4 Benefits of the Study

1.4.1 Theoretical Contributions

This research contributes to multiple theoretical frameworks. For agency theory, it refines the understanding of monitoring mechanisms that reduce information asymmetry in non-financial reporting by demonstrating that oversight quality (audit committee expertise and independence) matters more than oversight quantity (meeting frequency). In signaling theory, findings identify which governance structures function as credible ESG commitment signals rather than cheap talk. For greenwashing

literature, the study provides empirical evidence on specific governance mechanisms that constrain symbolic sustainability reporting. In institutional theory, cross-country analysis reveals whether governance-ESG relationships are universal or contingent on the institutional development stage.

1.4.2 Practical Contributions

a. Regulators and Policymakers: Findings inform governance regulation design by identifying which audit committee attributes (expertise versus independence versus meeting activity) most effectively enhance ESG disclosure credibility. Results suggest governance quality requirements may be more effective than disclosure mandates alone for ensuring substantive sustainability transparency. Cross-country findings guide whether universal or context-tailored governance standards are appropriate.

b. Investors and ESG Analysts: Results enable governance-adjusted ESG assessment strategies that evaluate disclosed ESG scores alongside audit committee characteristics to identify credible versus potentially greenwashed sustainability reports. Findings clarify which governance indicators signal genuine ESG commitment versus symbolic compliance.

c. Banking Institutions: Evidence guides governance reform priorities for banks seeking to enhance ESG disclosure credibility and

stakeholder trust. Results indicate whether investments in audit committee expertise recruitment, independence expansion, or meeting frequency increases deliver highest returns to ESG reporting quality.

1.5 Thesis Organization

This thesis is organized into five chapters:

Chapter I – Introduction presents the research background, problem formulation, objectives, and contributions.

Chapter II – Literature Review and Hypothesis Development presents theoretical foundations (agency theory, stakeholder theory, signaling theory, institutional theory), integrates existing empirical findings, identifies research gap, and develop four research hypotheses with theoretical justifications.

Chapter III – Research Methodology explains the quantitative panel data research design, sample selection, variable measurement (ESG quality from Refinitiv, governance mechanisms, controls), and fixed-effects panel regression methodology with cluster-robust standard errors.

Chapter IV – Results and Discussion present descriptive statistics, classical assumption tests, main regression results testing H1-H3 via fixed-effects models, subsample analysis testing H4 via country-specific regressions, comprehensive interpretation of governance effects and control variables, and theoretical synthesis.

Chapter V – Conclusion and Recommendations summarize main findings (audit committee governance enhances ESG quality; meeting frequency shows negative effect; institutional context moderates governance pathways), discusses theoretical and practical implications, acknowledges limitations, and proposes future research directions.

CHAPTER II

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Agency Theory

Agency theory, originating from Jensen and Meckling's (1976) seminal contribution, provides the foundational theoretical framework for understanding corporate governance's role in ensuring reporting quality. The theory frames the corporation as a network of contractual agreements between principals (shareholders) and agents (managers), wherein information asymmetry and divergent objectives generate agency costs that diminish firm value (Eisenhardt, 1989). Managers, possessing superior information about firm operations and performance, may engage in opportunistic behavior, including selective disclosure, earnings management, or empire building, that benefits private interests at shareholders' expense.

In the context of ESG reporting, agency problems manifest through management's incentives to engage in symbolic sustainability communication rather than substantive performance improvement. Managers may strategically emphasize positive ESG achievements while omitting adverse impacts, adopt vague qualitative sustainability narratives that resist external verification, or allocate resources to visible ESG initiatives generating reputational benefits without addressing material environmental or social risks (Christensen et al., 2021). These behaviors create information asymmetry, preventing stakeholders

from accurately assessing true sustainability performance and associated financial risks.

Corporate governance mechanisms, particularly board oversight and audit committee scrutiny, function as monitoring devices that reduce agency costs by constraining managerial opportunism and aligning disclosed information with actual performance (Fama & Jensen, 1983). Independent boards and audit committees, free from management influence and possessing technical expertise to evaluate complex disclosures, can challenge sustainability claims, demand supporting evidence, and enforce transparency standards. The effectiveness of these monitoring mechanisms depends critically on structural attributes: independence ensuring objectivity, expertise enabling technical evaluation, and sufficient size providing collective deliberation capacity (Pozzoli et al., 2022).

Applied to this study's context, agency theory predicts that banks with higher-quality audit committee governance, greater independence, more financial expertise, and higher comprehensive quality scores will exhibit superior ESG reporting quality because effective monitoring constrains managerial tendencies toward selective or exaggerated sustainability disclosure. Conversely, board meeting frequency a behavioral rather than structural governance attribute—may not effectively reduce agency costs if meetings focus on reactive problem-solving rather than proactive ESG oversight, suggesting that governance quality matters more than governance quantity for disclosure outcomes.

2.2 Stakeholder Theory and Signaling Theory

Stakeholder theory (Freeman, 1984) extends agency theory's dyadic principal-agent framework to recognize corporations as embedded in complex networks of relationships with multiple constituencies employees, customers, communities, regulators, environmental advocacy groups whose support is essential for long-term value creation. This perspective suggests ESG disclosure serves not merely to satisfy shareholder information demands but to manage relationships with diverse stakeholders possessing legitimate claims on corporate behavior and accountability (Donaldson & Preston, 1995).

For banks specifically, stakeholder pressures for ESG transparency emanate from regulators mandating climate risk disclosure, depositors concerned about financing environmentally harmful projects, employees seeking socially responsible employers, and communities affected by the environmental and social impacts of lending decisions (Weber & Feltmate, 2016). Stakeholder theory predicts that banks facing more intense stakeholder scrutiny, typically larger institutions with greater visibility, will provide more comprehensive ESG disclosure to maintain legitimacy and stakeholder support (Friedman & Miles, 2006; Khan et al., 2013).

Signaling theory (Spence, 1973) complements stakeholder theory by explaining how firms use costly, difficult-to-imitate actions to credibly communicate private information to external stakeholders amidst information asymmetry. In ESG contexts, firms with genuinely strong sustainability

performance seek credible mechanisms to distinguish themselves from greenwashers engaging in symbolic communication (Connelly et al., 2011). Effective governance structures, particularly independent, expert audit committees, constitute costly signals because they require sustained organizational investment in director recruitment, compensation, and governance infrastructure that firms with weak ESG performance cannot easily replicate symbolically.

Signaling theory thus predicts that audit committee quality (independence, expertise, and comprehensive effectiveness scores) will be positively associated with ESG reporting quality because high-quality committees signal management's commitment to substantive sustainability accountability. In contrast, easily manipulable behavioral signals like meeting frequency may not credibly distinguish genuine ESG performers from greenwashers, as frequent meetings can be convened symbolically without substantive oversight improvement.

2.3 ESG Reporting Quality

ESG reporting quality represents a multidimensional construct encompassing both the breadth of sustainability topics disclosed and the depth, reliability, and decision-usefulness of reported information (Christensen et al., 2021). High-quality ESG disclosure exhibits several characteristics: comprehensive coverage of material environmental, social, and governance issues relevant to the firm's industry and stakeholder concerns; quantified performance metrics enabling temporal comparisons and peer benchmarking; independent assurance providing external verification; integration with financial reporting

demonstrating sustainability-financial linkages; and forward-looking information revealing strategic ESG commitments and transition plans (Busch et al., 2021).

Measurement of ESG reporting quality in academic research employs diverse approaches. Content analysis methodologies score disclosure comprehensiveness across standardized ESG frameworks such as the Global Reporting Initiative (GRI) or Sustainability Accounting Standards Board (SASB) (Michelon et al., 2015). Commercial ESG rating agencies, including Refinitiv, MSCI, Sustainalytics, and Bloomberg ESG, aggregate hundreds of data points into composite scores reflecting both disclosure breadth and perceived quality (Berg et al., 2022). Self-constructed indices tailored to specific research contexts capture dimensions emphasized in particular theoretical frameworks or regulatory requirements.

This study employs Refinitiv ESG scores as the primary quality measure for several methodological advantages: standardized cross-country comparability enabling Indonesia-UK institutional comparisons, transparent scoring methodology documenting data sources and weighting procedures, comprehensive coverage of environmental, social, and governance pillars, and widespread adoption in prior ESG research facilitating result comparability (Gillan et al., 2021). While acknowledging limitations, including potential rating agency biases and divergence across providers (Berg et al., 2022), Refinitiv scores provide a rigorous, consistently-measured proxy for ESG disclosure quality appropriate for large-sample quantitative analysis.

2.4 Corporate Governance and ESG Reporting

Corporate governance structures fundamentally shape ESG disclosure practices by determining oversight intensity, monitoring quality, and accountability mechanisms constraining managerial discretion in sustainability reporting (García-Sánchez et al., 2021). The board of directors, as the apex governance body, exercises strategic oversight, including approval of sustainability strategies, review of ESG performance against targets, and oversight of sustainability reporting processes. Board characteristics, such as independence, expertise, diversity, and meeting frequency, theoretically influence ESG disclosure quality by affecting monitoring effectiveness and stakeholder responsiveness (Elmghaamez et al., 2024).

The audit committee occupies a specialized governance role with specific responsibility for reporting integrity, internal controls, and external audit oversight. In the ESG context, audit committees increasingly assume explicit sustainability reporting oversight functions, including reviewing ESG data collection methodologies, evaluating disclosure completeness against frameworks like TCFD, supervising external ESG assurance engagements, and challenging management's sustainability narratives for consistency with underlying performance (Pozzoli et al., 2022). Committee effectiveness depends critically on member characteristics: financial expertise enabling technical evaluation of complex sustainability metrics, independence ensuring objectivity in challenging management, and sufficient size providing deliberation capacity and diverse perspectives (DeZoort & Salterio, 2001).

Empirical evidence on governance-ESG disclosure relationships remains mixed. Studies generally find positive associations between board independence and sustainability reporting comprehensiveness (Garcia-Sanchez et al., 2021; Pozzoli et al., 2022), though effect sizes vary across institutional contexts and industry sectors. Board diversity, particularly gender diversity, shows positive but sometimes weak ESG disclosure effects, with mixed evidence on underlying mechanisms (Eliwa et al., 2023). Board meeting frequency exhibits inconsistent relationships: some studies report positive effects interpreted as greater oversight intensity, while others suggest null or negative effects indicating reactive governance (Velte, 2021).

Audit committee research specifically reveals that financial expertise and independence enhance financial reporting quality through reduced earnings management and improved disclosure transparency (Abbott et al., 2004). Extending this logic to ESG contexts, recent studies find that audit committee characteristics, independence, expertise, and meeting frequency are positively associated with ESG disclosure quality in European (Pozzoli et al., 2022) and emerging market (Alshdaifat et al., 2025) samples. However, evidence remains limited in banking sectors and cross-country comparative designs, motivating this study's focus.

2.5 Sustainability Reporting Practices

Sustainability reporting has evolved from voluntary philanthropic communication to institutionalized corporate practice driven by regulatory

mandates, investor demands, and stakeholder pressures (Busch et al., 2021). Multiple reporting frameworks guide disclosure structure and content: the Global Reporting Initiative (GRI) provides comprehensive sustainability reporting standards emphasizing stakeholder materiality; the Sustainability Accounting Standards Board (SASB) focuses on financially material ESG issues tailored to industries; the Task Force on Climate-related Financial Disclosures (TCFD) structures climate risk reporting around governance, strategy, risk management, and metrics; and the International Sustainability Standards Board (ISSB) develops global baseline sustainability disclosure standards for capital markets (Christensen et al., 2021).

In banking specifically, sustainability reporting addresses both direct operational impacts (energy consumption, waste generation, workforce diversity, community investment) and substantial indirect impacts through lending and investment portfolios' environmental and social externalities (Weber & Feltnate, 2016). Key ESG topics for banks include climate risk exposure in loan portfolios, sustainable finance commitments (green bonds, ESG-linked lending), responsible banking principles, diversity and inclusion policies, and community development initiatives. Regulatory developments increasingly mandate specific disclosures: EU banks face detailed ESG reporting under the Taxonomy Regulation and SFDR; UK banks must publish TCFD reports; Indonesian banks report under OJK sustainability regulations.

However, sustainability reporting quality varies substantially across banks even within the same jurisdiction. Factors influencing variation include organizational commitment to sustainability strategy versus symbolic communication, governance quality enabling rigorous oversight, stakeholder pressure intensity, and institutional context shaping disclosure norms and enforcement. Understanding which governance mechanisms most effectively enhance reporting quality is essential for regulators designing oversight requirements, investors evaluating disclosure credibility, and banks seeking to improve stakeholder trust.

2.6 Cross-Country Institutional Context

Institutional theory (DiMaggio & Powell, 1983) posits that organizational practices, including disclosure behaviors, are shaped not merely by efficiency considerations but by institutional pressures for legitimacy within regulatory, normative, and cultural environments. Cross-country differences in legal systems, regulatory stringency, enforcement capacity, investor protection, and stakeholder activism create differential institutional pressures influencing corporate ESG disclosure (La Porta et al., 1998). Firms in institutional environments with stronger ESG regulations, more sophisticated investor ESG expectations, and higher reputational costs for inadequate sustainability transparency face greater incentives for comprehensive disclosure.

Indonesia and the United Kingdom represent institutionally distinct contexts along multiple dimensions relevant to ESG reporting. The UK, as a

developed market, exhibits mature corporate governance frameworks including the UK Corporate Governance Code's emphasis on sustainability oversight, mandatory TCFD climate disclosure requirements, an active ESG investor community with sophisticated evaluation capacity, and strong enforcement mechanisms through the Financial Conduct Authority and Prudential Regulation Authority (Busch et al., 2021). Additionally, the UK's net-zero commitment by 2050 and comprehensive climate legislation create policy certainty and transition pathway clarity, incentivizing financial sector ESG transparency.

Indonesia, while rapidly developing ESG regulatory infrastructure, represents an earlier institutional maturity stage. OJK sustainability reporting requirements (Regulation No. 51/POJK.03/2017) mandate disclosure but enforcement capacity and assurance requirements remain developing. Indonesian institutional investors' ESG integration sophistication, while improving, lags developed market counterparts. Carbon pricing mechanisms and climate policy frameworks are less comprehensive than UK equivalents. These institutional differences theoretically predict that UK banks face stronger pressures for high-quality ESG disclosure than their Indonesian counterparts.

However, institutional context effects on governance-ESG relationships may be complex. Rather than uniformly stronger governance effects in developed markets, institutional maturity may moderate which specific governance mechanisms matter most: emerging markets may benefit from establishing basic structural governance capacity (audit committee independence), while mature

markets emphasize enhancing governance quality (expertise depth, comprehensive effectiveness). Testing these contingencies requires cross-country empirical evidence this study provides.

2.7 Previous Research

This section systematically reviews prior empirical studies examining corporate governance and ESG disclosure relationships, organized to highlight key findings, methodologies, and research gaps this study addresses. Table 2.1 synthesizes representative recent studies from top-tier journals published 2021-2025.

Table 2. 1 Summary of Previous Research on Governance and ESG Disclosure

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
1	Karim et al. (2024)	Audit Committee Characteristics and Sustainable Firms' Performance: Evidence from the Financial Sector Bangladesh. Business	26 banks, Bangladesh, 2011-2023	Audit committee size positively affects market valuation. Independence enhances ROA and Tobin's Q. Meeting frequency shows a	Focuses on performance outcomes not reporting quality. Single emerging market. No cross-country comparison

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
		Strategy & Development (Wiley)		negative effect on firm performance	
2	Pozzoli et al. (2022)	The Impact of Audit Committee Characteristics on ESG Performance in the European Union Member States: Empirical Evidence Before and During the COVID-19 Pandemic. <i>Journal of Cleaner Production</i> (Elsevier)	641 listed firms across 13 EU member states, 2018– 2020 (1,923 observations). Panel regression using Refinitiv Eikon data.	Audit committee size, independence, improve ESG scores. Expertise effect varies by country	Excludes UK and focuses solely on developed European markets without emerging market comparison. No banking sector isolation. Limited to 2018–2020 period.
3	Al Naim et al. (2025)	The moderating effect of corporate	Audit committee chair independence	Independent and experienced audit	Single emerging market (Saudi Arabia) with unique Vision

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
		governance reforms on the relationship between audit committee chair attributes and ESG disclosures. Nature Humanities and Social Sciences Communications.	and experience improve ESG disclosures; interlocking negatively affects transparency. Vision 2030 reforms strengthen positive governance effects on ESG disclosure quality..	committee chairs significantly improve ESG disclosures. Interlocking directorships negatively affect transparency. Corporate governance reforms (Saudi Vision 2030, 2017) strengthen the positive effect of independence and experience on ESG disclosures.	2030 regulatory context, limiting generalizability. Focuses on audit committee chair attributes only, not full committee characteristics. No cross-country comparison with developed markets.
4	Abdullah (2024)	Corporate social responsibility	Non-financial firms listed on ADX (Abu	CSR initiatives negatively	Single country (UAE). Non-financial sector

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
		and firm performance from developing markets: The role of audit committee expertise. <i>Journal of Sustainable Futures</i> (Elsevier)	Dhabi), UAE, 2008-2022. Quantitative, panel regression	affect UAE firm's financial performance. Audit committee expertise moderates and strengthens the CSR-financial performance relationship. Audit committee plays essential role in aligning CSR with long-term sustainability objectives.	only. Focuses on CSR-performance link, not ESG reporting quality. No cross country comparison.
5	Ferdous et al. (2024)	Decoding the impact of firm-level ESG performance	US-listed companies (S&P 500), 2002–2021.	ESG performance positively affects	US market only. Examines ESG→disclosure direction, not

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
		on financial disclosure quality. <i>Journal of Business Strategy and the Environment</i> (Wiley)	Fixed effects panel regression with robustness checks).	financial disclosure quality. Managerial competence and strong organizational culture strengthen this relationship. High-quality accounting practices amplify the ESG-disclosure link, while complex financial reporting weakens it.	governance→ESG . No banking sector focus. No cross-country comparison.
6	Elmghaam ez et al. (2024)	ESG disclosure and financial performance of	500 MNEs, 40 countries, 2009-2019. Balanced panel	Board committee indexes moderate ESG disclosure-	Diversified industries, does not isolate banking sector.

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
		multinational enterprises: Moderating effect of board standing committees. <i>International Journal of Finance & Economics</i> (Wiley)	data regression.	performance relationship. Audit committee index negatively affects ESG-accounting performance link, while compensation and nomination indexes show positive effects. Impacts vary by firm size.	Focuses on ESG-performance link, not governance→ESG reporting quality. Does not examine country-level moderation. Committee quality measured as composite index, not individual characteristics.

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
		<i>Management and Governance</i> (Springer)	stakeholder framework.	adoption and quality. Both IR adoption and quality positively affect firm valuation.	frequency evidence inconclusive across reviewed studies.
7	Chen & Dagestani (2023)	Greenwashing behavior and firm value: From the perspective of board characteristics. <i>Journal of Corporate Social Responsibility and Environmental Management</i> (Wiley)	Chinese listed firms, 2010-2020. FE regression	Greenwashing increases firm value through improved disclosure quality. Board diversity (female directors, age, education) inhibits greenwashing, while local directors and political connections promote it.	Manufacturing focus. China only. No audit committee specific analysis

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
8	Eliwa et al. (2023)	Board gender diversity and ESG decoupling: Does religiosity matter? Business Strategy and the Environment (Wiley)	26,176 firm-year observations, 2005-2019. Panel regression	Gender diversity reduces ESG decoupling (talk-action gap). Religious culture strengthens effect. Governance diversity matters for ESG credibility	Does not test expertise or independence. Cultural focus. No banking sector isolation
9	Ma et al. (2025)	ESG disclosures, green innovation, and greenwashing. Sustainable Development (Wiley)	1,270 Chinese listed companies, 2009-2019. Two-way fixed effects and moderating effect models.	Green innovation reduces greenwashing and promotes genuine environmental protection. Effects amplified by financial	Innovation mechanism focus. China only. Limited governance detail

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
				stability, risk-taking, and governance quality.	
10	Ahmad et al. (2021)	Revisiting the impact of ESG on financial performance of FTSE350 UK firms: Static and dynamic panel data analysis. <i>Journal of Cogent Business & Management</i> (Taylor & Francis)	351 firms, 2002-2018. Static and dynamic panel data (GMM).	Total ESG positively affects financial performance. Individual ESG dimensions show mixed results. High ESG firms outperform low ESG firms. Firm size moderates ESG-financial performance relationship	UK only. Performance focus. No cross- country emerging market comparison

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
11	Christensen et al. (2021)	Mandatory CSR and sustainability reporting: economic analysis and literature review (Springer)	Regulatory and literature analysis, multiple jurisdictions. Conceptual/review study, no primary empirical data.	Mandatory CSR reporting has significant capital market effects. Implementation and enforcement challenges affect disclosure quality. Two approaches to sustainability reporting differ in materiality standards and overarching goals.	Regulatory focus. Does not empirically test specific governance mechanisms. Calls for firm-level governance research
12	Amarna et al. (2024)	Effect of environmental, social, and governance disclosure and	177 European companies, 2010-2019. Fixed effect	ESG disclosure reduces cost of debt but increases cost	European banks only. Earnings management focus. Does not detail which

No	Author(s) & Year	Title & Journal	Sample & Method	Key Findings	Gap/ Limitation
		real earning management on the cost of financing. <i>Journal of Corporate Social Responsibility and Environmental Management</i> (Wiley)	panel regression.	of equity. Real earnings management weakens ESG-cost of debt benefit and amplifies negative ESG-cost of equity effect. Investors perceive ESG disclosure skeptically when earnings management is present.	governance mechanisms matter most

2.7.1 Research Gap Synthesis

Systematic review of prior research reveals five interconnected gaps this study addresses:

1. Sectoral Gap: Most governance-ESG studies examine diversified industries or manufacturing sectors. Banking sector with unique ESG

profile combining direct operational impacts and substantial indirect impacts through loan portfolios remains underexplored despite systemic importance and intensifying regulatory ESG requirements (Weber & Felton, 2016). Studies focusing on financial sectors are rare relative to general corporate samples.

2. Governance Mechanism Specification Gap: Prior research examines broad board characteristics (independence, size, diversity) but provides limited evidence on audit committee-specific mechanisms. While Pozzoli et al. (2022) and Alshdaifat et al. (2025) examine audit committees, they focus on developed markets. Audit committee expertise and independence effects in cross-country banking contexts require empirical verification. Additionally, board meeting frequency evidence is mixed (Velte, 2021), necessitating sector-specific resolution.

3. Cross-Country Institutional Gap: Existing studies examining governance-ESG relationships are predominantly single-country analyses (Michelon et al., 2015 on Italy; Eliwa et al., 2023 on multiple countries but limited emerging markets) or developed market samples (Pozzoli et al., 2022 on European Union). Cross country comparisons testing whether governance mechanisms operate differently across emerging versus developed institutional contexts remain limited. While Khan et al. (2013) provide institutional analysis for emerging markets examining corporate governance and CSR disclosures in Bangladesh, their focus on broad board

determinants rather than audit committee-specific mechanism leaves granular governance moderation effects underexplored.

4. Reporting Quality versus Performance Gap: While substantial research examines ESG performance outcomes such as firm value, financial returns, and sustainability ratings (Gillan et al., 2021). Fewer studies investigate the determinants of ESG reporting quality and disclosure credibility specifically (Christensen et al., 2021; Michelon et al., 2015).

5. Greenwashing Mechanism Gap: While recent studies identify greenwashing existence (Chen & Dagestani, 2023; Eliwa et al., 2023; Ma et al., 2025), they provide limited evidence on which specific governance mechanisms constrain symbolic ESG communication. This study explicitly tests whether audit committee expertise and independence reduce greenwashing via enhanced disclosure oversight, contributing mechanism evidence to emerging greenwashing literature.

2.7.2 Positioning of This Study

This research addresses identified gaps through four distinctive features:

- (1) Banking sector focus examining institutions where ESG materiality is particularly high due to climate risk exposure and sustainable finance roles;

(2) Audit committee mechanism specification testing expertise and independence separately with both structural and quality measures, plus board meeting frequency to test oversight intensity effects;

(3) Cross-country institutional comparison contrasting Indonesia (emerging market, developing ESG infrastructure) and UK (developed market, mature frameworks) to test whether governance effects are universal or context-contingent;

(4) Reporting quality emphasis using Refinitiv ESG scores capturing disclosure comprehensiveness and credibility rather than performance outcomes, directly addressing greenwashing concerns.

Collectively, these features position the study to make theoretical contributions to agency theory (monitoring quality versus quantity), signaling theory (credible versus cheap governance signals), greenwashing literature (governance-based constraints), and institutional theory (context-contingent governance effectiveness).

2.8 Hypothesis Development

Based on agency theory, stakeholder theory, and signaling theory discussed previously, this study develops four research hypotheses examining the relationship between corporate governance mechanisms and ESG reporting quality in the banking sector, and testing whether these relationships differ across institutional contexts.

2.8.1 Hypothesis 1: Board Meeting Frequency and ESG Reporting

Quality

Board meeting frequency reflects the intensity of governance oversight exercised by the board over management. From an agency theory perspective, more frequent board meetings indicate greater supervisory engagement, potentially decreasing the degree of information asymmetry and constraining opportunistic disclosure behavior (Jensen & Meckling, 1976). Regular meetings provide formal mechanisms through which directors monitor performance, review strategy, and oversee reporting processes including sustainability disclosures.

In the ESG context, frequent board meetings may enhance disclosure quality through several channels. First, regular meetings create opportunities for board members to request sustainability updates, review ESG metrics, and challenge management's sustainability claims. Second, more frequent oversight may signal stronger commitment to accountability, encouraging management to invest in robust ESG reporting. Third, active board engagement may facilitate timely identification and correction of disclosure deficiencies.

However, it should be noted that the relationship may not be strictly linear excessively frequent meetings could indicate reactive crisis management rather than proactive oversight. Nevertheless, based on the

predominant theoretical expectation that greater oversight intensity enhances reporting quality, the first hypothesis is:

H1: Board meeting frequency has a positive effect on ESG reporting quality.

2.8.2 Hypothesis 2: Audit Committee Expertise and ESG Reporting Quality

The audit committee plays a specialized role in overseeing reporting integrity, internal controls, and external audit processes. Financial and auditing expertise of members constitutes a critical attribute determining committee effectiveness. Members with professional backgrounds in accounting, finance, or auditing possess technical competence to evaluate complex disclosures, identify irregularities, and challenge management assumptions (DeZoort & Salterio, 2001; Abbott et al., 2004).

For ESG reporting, expertise becomes particularly valuable as sustainability disclosures increasingly incorporate quantitative metrics, financial materiality assessments, and integrated frameworks linking ESG to financial outcomes. Expert members can scrutinize ESG data reliability, assess metric consistency, evaluate climate-related financial disclosures completeness, and ensure sustainability-linked instruments are accurately reported.

From agency theory, expertise enhances monitoring credibility by increasing the cost of opportunism management faces greater difficulty concealing poor ESG performance when oversight is conducted by members with technical capacity to detect inconsistencies. From signaling theory, expert committee members signal rigorous ESG scrutiny, enhancing disclosure credibility. Therefore:

H2: Audit committee expertise has a positive effect on ESG reporting quality.

2.8.3 Hypothesis 3: Audit Committee Independence and ESG

Reporting Quality

Audit committee independence represents a fundamental structural attribute of effective governance. Independent members those without financial, family, or employment relationships with management are better positioned to exercise objective judgment, resist managerial pressure, and prioritize stakeholder interests over short-term incentives (Klapper & Love, 2004). Independence creates the arm's-length relationship necessary for credible oversight.

In ESG reporting, independence is critical because sustainability disclosures often involve qualitative narratives, forward-looking statements, and discretionary choices regarding information emphasis or omission. Without independent oversight, management may selectively highlight positive achievements while downplaying adverse impacts,

engage in impression management, or adopt symbolic practices serving reputational purposes without genuine performance improvements. Independent audit committees reduce these risks through objective ESG evaluation and accountability enforcement.

Agency theory predicts independent monitoring reduces information asymmetry and constrains opportunism by aligning disclosed information with actual performance. Independence may be operationalized through structural measures (size and proportion of independent members) and quality measures (comprehensive independence scores). Both dimensions are expected to contribute positively to ESG quality. Therefore:

H3: Audit committee independence has a positive effect on ESG reporting quality.

2.8.4 Hypothesis 4: Cross-Country Institutional Differences

Beyond firm-level governance, institutional context regulatory frameworks, market maturity, stakeholder expectations may systematically influence ESG reporting practices. Indonesia and the United Kingdom represent distinct institutional environments differing along multiple dimensions relevant to sustainability disclosure.

The UK, as a developed economy with mature capital markets, has established comprehensive environmental regulations, stringent

governance standards, and sophisticated ESG investor communities. UK financial institutions operate under FCA and PRA oversight, which have progressively integrated climate risk assessment and sustainability disclosure requirements into banking supervision. In contrast, Indonesia represents an emerging market where sustainability regulation, while advancing rapidly through OJK Regulation No. 51/POJK.03/2017, remains in earlier development stages. Enforcement mechanisms, investor ESG literacy, and civil society pressure may be less developed than in the UK.

From institutional theory, these differences in regulatory stringency, market maturity, and stakeholder expectations are expected to create systematic differences in corporate ESG practices. UK banks, facing more stringent environmental regulations, stronger investor demand for transparency, and greater reputational consequences for inadequate disclosure, are expected to maintain higher ESG reporting quality. This expectation is supported by comparative governance research documenting that firms in developed markets with stronger institutional infrastructures tend to exhibit higher disclosure quality. Therefore:

H4: UK institutional context moderate the relationships between governance mechanism and ESG reporting quality.

2.9 Conceptual Framework

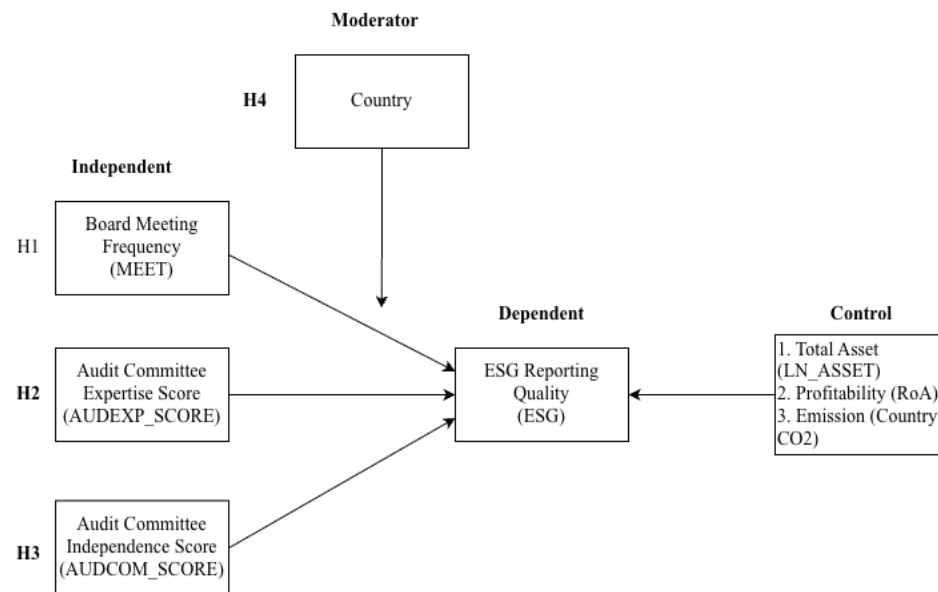


Figure 2. 1 Conceptual Framework

The conceptual framework integrates the four hypotheses into a coherent model illustrating expected relationships between governance mechanisms, institutional context, control variables, and ESG quality. The framework positions ESG reporting quality as the dependent variable influenced by board-level governance (meeting frequency), audit committee expertise), and audit committee independence (size and quality of independent members). Institutional context (country) is incorporated as a potential moderating influence. Control variables, such as firm size, profitability, and country-level CO₂ emissions, isolate governance effects from confounding characteristics.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

This study employs a quantitative, explanatory research design to investigate the relationships between audit committee characteristics, board meeting frequency, and ESG reporting quality in the banking sector. The explanatory nature of the research reflects its primary objective of empirically testing the hypothesized causal relationships among variables, as developed in Chapter II.

The unit of analysis is the bank-year observation. The study focuses on publicly listed banks in Indonesia and the United Kingdom over a five-year observation period (2020–2024). This cross-country longitudinal design enables examination of ESG reporting quality dynamics across institutions and over time, while simultaneously allowing comparison between two institutionally distinct governance environments: an emerging market with a dual-board governance system (Indonesia) and a developed market with a unitary board system (United Kingdom).

Panel data methodology was employed because it offered significant advantages over purely cross-sectional or time-series approaches. By integrating both cross-sectional and temporal dimensions, panel data allow the control of unobserved, firm-specific characteristics that remain constant over time, such as organizational culture, governance philosophy, and long-term sustainability

orientation, which may systematically influence ESG performance (Wooldridge, 2010). This approach improves estimation accuracy and substantially reduces the risk of omitted variable bias.

3.2 Population and Sample

The population of this study comprises all commercial banking institutions publicly listed in Indonesia (Indonesia Stock Exchange/IDX) and the United Kingdom (London Stock Exchange/LSE) that are covered by Refinitiv's ESG database. The banking sector is specifically selected for its systemic importance in the economy and its strategic role in allocating capital toward sustainable economic activities. Banks occupy a unique position as financial intermediaries that can either facilitate or constrain the transition toward sustainable development through their lending, investment, and risk management practices.

The sample is determined using purposive sampling, a non-probability sampling technique applied when specific criteria must be satisfied to ensure the analytical relevance and data quality of the research. The following criteria were applied:

1. The bank must be publicly listed on the IDX/LSE during the observation period (2020–2024).
2. The bank must have annual ESG scores available in the Refinitiv database for at least one year during the observation period.

3. The bank must provide sufficient information to measure all independent, dependent, and control variables.

3.3 Data Sources and Collection Method

This study relies exclusively on secondary data obtained from two reputable databases that provide comprehensive and internationally comparable information for banking sector research.

The primary data source is the Refinitiv Eikon database (now LSEG Data & Analytics), which provides standardized ESG scores, corporate governance indicators, and firm-level financial information. Refinitiv ESG scores are constructed based on a transparent and systematic evaluation methodology that aggregates multiple environmental, social, and governance indicators into a composite score. The database covers thousands of companies globally, including publicly listed banks in Indonesia and the United Kingdom, making it a standard reference in empirical sustainability and governance research (Berg et al., 2022; Michelon et al., 2015). From Refinitiv, the following variables were extracted: ESG reporting quality (ESG score), board meeting frequency (MEET), audit committee independence score (AUDCOM_SCORE), audit expertise score (AUDEXP_SCORE), return on assets (ROA), and total assets (ASSET).

The supplementary data source is the World Bank Open Data portal, which provides standardized macroeconomic and environmental statistics for countries worldwide. The CO₂ emissions intensity variable (EMISSION) is sourced from the World Bank's Environment, Social and Governance (ESG) Data database, which

reports country-level greenhouse gas emissions. This variable captures the broader environmental context in which banks operate and serves as a macroeconomic control variable. Specifically, EMISSION is measured as total national CO₂ emissions in million metric tons of CO₂ equivalent (Mt CO₂e) for each country in each year.

All data were compiled into a structured panel dataset and cross-verified for accuracy and internal consistency prior to statistical analysis. Financial figures across Indonesia and the United Kingdom are standardized through Refinitiv's data normalization procedures to ensure cross-country comparability.

3.4 Variable Definition and Measurement

This study employs one dependent variable, three independent variables, and three control variables. Table 3.1 provides a summary of variable definitions and measurement approaches, followed by detailed explanations of each variable's theoretical justification and operationalization.

Table 3. 1 Summary of Variable Definitions and Measurements

Variable	Measurement	Scale	Source	Role
ESG	Annual ESG composite score from Refinitiv	0–100 (continuous)	Refinitiv Eikon	Dependent

Variable	Measurement	Scale	Source	Role
MEET	Number of board/governance meetings per year	Count (continuous)	Refinitiv Eikon	Independent
AUDCOM_SCORE	Refinitiv audit committee quality/effectiveness score	0–100 (continuous)	Refinitiv Eikon	Independent
AUDEXP_SCORE	Refinitiv audit expertise quality score for committee members	0–100 (continuous)	Refinitiv Eikon	Independent
ROA	Net income divided by total assets	Ratio (continuous)	Refinitiv Eikon	Control
LN_ASSET	Natural logarithm of total assets (in USD)	Continuous	Refinitiv Eikon	Control
EMISSION	Country-level CO ₂ total national CO ₂ emissions.	Continuous	World Bank	Control

3.3.1 Dependent Variable: ESG Reporting Quality (ESG)

ESG reporting quality is proxied by the annual ESG composite score provided by Refinitiv for each bank-year observation. The Refinitiv ESG score is a widely adopted measure in empirical sustainability research because it provides standardized, transparent, and cross-country comparable indicators of ESG disclosure transparency and performance (Berg et al., 2022; Michelon et al., 2015). The score is constructed from over 500 ESG metrics organized across three pillars: environmental (resource use, emissions, innovation), social (workforce, human rights, community, product responsibility), and governance (management, shareholders, CSR strategy), and is normalized to range from 0 to 100, where higher values indicate more comprehensive and higher-quality ESG disclosure.

In this study, ESG reporting quality is not treated as a neutral performance outcome but as a contested construct shaped by internal governance mechanisms and external environmental pressures. The Refinitiv ESG score captures both the breadth of sustainability topics disclosed and the reliability of reported information, making it an appropriate proxy for ESG reporting quality in the context of this research.

3.4.1 Independent Variables: Corporate Governance Mechanisms

Board Meeting Frequency (MEET). Board meeting frequency is measured as the number of annual board or governance-related meetings

reported by the bank. This variable captures the oversight intensity of board activity and reflects the level of monitoring exercised by the board of directors or commissioners over management (Klapper & Love, 2004). In Indonesia's dual-board system, this may refer to Board of Commissioners meetings, while in the UK's unitary board system, it refers to full board meetings. From an agency theory perspective, more frequent meetings indicate greater supervisory engagement; however, the relationship with disclosure quality may be non-linear, as excessively frequent meetings may signal reactive governance rather than proactive oversight (Velte et al., 2021).

Audit Committee Independence Score (AUDCOM_SCORE). The audit committee quality score is a continuous composite indicator provided by Refinitiv that captures the overall effectiveness and quality of the audit committee. This score aggregates information on committee composition, independence, meeting activity, and governance practices into a normalized index ranging from 0 to 100. AUDCOM_SCORE provides a more nuanced, multidimensional assessment of audit committee quality that reflects not only structural independence but also the committee's functional effectiveness in overseeing reporting processes. Higher scores indicate stronger, more effective audit committee governance. This variable is particularly valuable in capturing qualitative governance dimensions that structural indicators alone may miss.

Audit Expertise Score (AUDEXP_SCORE). The audit expertise quality score is a composite indicator from Refinitiv that captures the overall quality and depth of financial and auditing expertise within the audit committee. Similar to AUDCOM_SCORE, this index normalizes multiple expertise-related indicators into a single continuous measure (0–100). It captures not only the presence of expertise but also its depth and relevance to the committee's oversight responsibilities. Higher AUDEXP_SCORE values indicate a more expert committee better positioned to enforce rigorous reporting standards.

3.4.2 Control Variables

Firm Size (LN_ASSET). Firm size is measured as the natural logarithm of total assets converted to U.S. dollars to ensure cross-country comparability. The logarithmic transformation addresses the skewed distribution of asset values across banks of vastly different scales and makes the size-ESG relationship more interpretable. Larger banks are expected to exhibit higher ESG reporting quality due to greater regulatory scrutiny from supervisory authorities, higher visibility among institutional investors with ESG mandates, greater organizational resources to support dedicated sustainability departments, and stronger reputational incentives to maintain comprehensive and credible disclosures (Michelon et al., 2015).

Profitability (ROA). Profitability is measured as net income divided by total assets (Return on Assets). Profitable firms may have greater financial slack to invest in sustainability practices and reporting infrastructure, potentially translating into higher ESG scores. Conversely, poorly performing banks may deprioritize non-financial disclosure under short-term financial pressure. The inclusion of ROA controls for the possibility that ESG quality differences across banks reflect financial capacity differences rather than governance effects.

Country-Level CO₂ Emissions (EMISSION). Country-level CO₂ emissions excluding LULUCF, measured in million metric tons of CO₂, is sourced from the World Bank's World Development Indicators database. This variable captures the national environmental context in which banks operate. Countries with higher per capita emissions may face greater regulatory pressure on financial institutions to disclose and manage environmental risks, potentially driving higher ESG reporting activity. Conversely, high emission levels may reflect lower environmental governance standards in the broader economy, which could be negatively associated with financial-sector ESG quality. Including this variable controls for country-level environmental context that may confound the relationship between firm-level governance and ESG quality.

3.5 Research Model

To test H1-H3, fixed-effects panel regression is employed:

$$ESG_{it} = \beta_0 + \beta_1 GOV_{it} + \beta_2 ROA_{it} + \beta_3 LN_ASSET_{it} + \beta_4 EMISSION_{ct} + \alpha_i + \varepsilon_{it}$$

Where α_i captures firm fixed effects, controlling for time-invariant heterogeneity. Three separate models test MEET, AUDCOM_SCORE, and AUDEXP_SCORE independently.

To test H4, pooled OLS with interaction terms is employed (as country is time-invariant and absorbed by fixed effects):

$$ESG_{it} = \beta_0 + \beta_1 GOV_{it} + \beta_2 COUNTRY_i + \beta_3 (GOV \times COUNTRY)_{it} + \beta_4 ROA_{it} + \beta_5 LN_ASSET_{it} + \beta_6 EMISSION_{it} + \varepsilon_{it}$$

The coefficient β_3 captures the moderation effect, indicating whether the UK institutions strengthen or weaken the relationship between corporate governance and ESG reporting quality. Three models test the moderation of MEET, AUDCOM_SCORE, and AUDEXP_SCORE separately.

3.6 Data Analysis Technique

Analysis proceeds through systematic stages using Stata statistical software:

3.6.1 Descriptive Statistics

Mean, standard deviation, minimum, and maximum are computed for all variables to characterize the sample, reveal dispersion, confirm sufficient variation, and provide a baseline for coefficient interpretation. Country-level comparisons (Indonesia vs UK) identify preliminary ESG and governance differences.

3.6.2 Classical Assumption Tests

Normality of residuals is assessed via the Skewness and Kurtosis Joint Test. Multicollinearity was examined using Variance Inflation Factors (VIF), where a value below 10 indicates acceptable levels of multicollinearity (Hair et al., 2010). Heteroskedasticity tested via modified Wald test. Autocorrelation tested via the Wooldridge test for panel serial correlation. When detected (expected given size heterogeneity and ESG persistence), to address both heteroskedasticity and autocorrelation, standards errors are clustered at the firm level (`vce(cluster COMPANY_ID)`), which produces robust variance estimates that are valid under both violations simultaneously.

3.6.3 Panel Model Selection: Hausman Test

Hausman test compares fixed-effects (FE) vs random-effects (RE). Null hypothesis: unobserved effects (α_i) uncorrelated with independents $\rightarrow$ RE consistent and efficient. Alternative: α_i correlated $\rightarrow$ only FE consistent. Rejection ($p < 0.05$) supports FE. Expected to reject because

Unobserved characteristics (ownership, culture, founding philosophy) likely correlate with governance and ESG. FE controls all time-invariant firm traits, eliminating between-firm variation, focusing on within-firm changes reducing omitted variable bias.

3.6.4 Fixed-Effects Estimation with Cluster-Robust SE

All models were estimated using FE with cluster-robust standard errors (firm level). FE transformation demeans variables within firms, removing α_i , ensuring coefficients reflect within-firm governance-ESG associations purged of stable confounds. Cluster-robust SE accounts for arbitrary within-firm error correlation (heteroskedasticity + autocorrelation), ensuring valid hypothesis tests.

3.6.5 Hypothesis Testing

Hypothesis supported if the coefficient is significant ($p < 0.10$) and directionally consistent with the prediction. Not supported if insignificant ($p \geq 0.10$) or significant opposite direction. Significance notation: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. Economic significance evaluated alongside statistical significance.

CHAPTER IV

RESEARCH RESULTS AND DISCUSSION

4.1 Descriptive Statistics

Descriptive statistics reveal substantial heterogeneity across the sample. ESG scores range from minimal disclosure to comprehensive reporting, with a mean of approximately 67 and a standard deviation of approximately 16. MEET displays notable dispersion reflecting institutional and size variations. Audit committee quality and expertise scores exhibit broad distributions, confirming analytical utility. Control variables show expected patterns: ROA captures profitability variation, including pandemic-period losses; LN_ASSET spans regional to major international banks; EMISSION reflects Indonesia-UK differences in carbon intensity.

4.1.1 Descriptive Statistics

Table 4. 1 Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
ESG	118	66.964	15.684	17.89	90.95
MEET	118	16.805	14.933	4	63
AUDCOM SCORE	118	54.766	17.704	5	68
AUDEXP SCORE	118	47.15	31.772	1.42	71.94
LN ASSET	118	24.353	2.292	19.533	28.742
ROA	118	.014	.02	-.077	.084
EMISSION	118	514.03	191.724	292.419	812.204

4.2 Classical Assumption Tests

To ensure the statistical validity of the panel data regression model, a series of diagnostic test were conducted. These tests confirm the result are not biased by violations of the fundamental assumptions of linear regression.

4.2.1 Hausman Test

The Hausman Test was conducted to determine the appropriate estimation model between Fixed Effects (FE) and Random Effects (RE). As presented in Table 4.2, all three models yield statistically significant results, with probability values of 0.0034, 0.0012, and 0.0040 respectively, all below the 0.05 significance level. Therefore, the null hypothesis stating that individual effects are uncorrelated with the regressors is rejected across all models, confirming that the Fixed Effects model is the appropriate estimator for this study.

Table 4. 2 Hausman Test Results

Model	Chi2(4)	Prob > Chi2	Selected Model
Model 1 (MEET)	15.75	0.0034	Fixed Effects
Model 2 (AUDEXP_SCORE)	18.10	0.0012	Fixed Effects
Model 3 (AUDCOM_SCORE)	15.37	0.0040	Fixed Effects

Source: Stata output, processed by author

4.2.2 Normality Test

The study utilized the Skewness and Kurtosis (Joint) Test to evaluate the distribution of the residuals. The statistical output shows an Adjusted Chi-square value of 3.18 with a probability value of 0.2043. Since the p-value exceeds the 0.05 significance level, the null hypothesis stating that residuals are normally distributed cannot be rejected. This confirms that the residuals in this study are normally distributed.

Table 4. 3 Normality Test Results (Skewness and Kurtosis Joint Test)

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	Adj Chi2(2)	Prob > Chi2
Residuals	118	0.0834	0.7413	3.18	0.2043

Source: Stata output, processed by author

4.2.3 Multicollinearity Test

A Pearson Correlation Matrix was employed to detect potential high linear relationships between independent variables that could bias the coefficients. The highest correlation coefficient between variables is 0.582, observed between AUDEXP_SCORE and EMISSION. This value is well below the critical threshold of 0.80, indicating the absence of serious multicollinearity in the model.

Each independent variable therefore provides distinct information in explaining the variation in ESG reporting quality.

4.2.4 Correlations

Table 4. 4 Correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) ESG	1.000						
(2) MEET	0.263*** (0.004)	1.000					
(3) AUDCOM_SCORE	0.103 (0.266)	-0.379*** (0.000)	1.000				
(4) AUDEXP_SCORE	0.282*** (0.002)	-0.131 (0.158)	0.212** (0.021)	1.000			
(5) LN_ASSET	0.756*** (0.000)	0.066 (0.478)	0.088 (0.344)	0.448*** (0.000)	1.000		
(6) ROA	0.131 (0.156)	0.119 (0.199)	-0.012 (0.895)	-0.026 (0.778)	-0.031 (0.735)	1.000	
(7) EMISSION	-0.057 (0.541)	0.345*** (0.000)	-0.298*** (0.001)	-0.582*** (0.000)	-0.375*** (0.000)	0.165 (0.074)	1.000

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$

4.2.5 Heteroscedasticity Test

The Modified Wald Test was conducted for groupwise heteroskedasticity in the Fixed Effects models. As presented in Table 4.5, the test yields a Chi-square value of 443.19 with 31 degrees of freedom and a probability value of 0.0000, which is below the 0.05 significance level. Therefore, the null hypothesis of homoskedasticity

is rejected, indicating the presence of heteroskedasticity in the model.

To address this issue, robust standard errors clustered by company were applied in all regression estimations to produce unbiased and consistent coefficient estimates.

Table 4. 5 Heteroskedasticity Test Results (Modified Wald Test)

Test	Chi2	df	Prob > Chi2
Modified Wald Test for Groupwise Heteroskedasticity	443.19	31	0.0000

Source: Stata output, processed by author

4.2.6 Autocorrelation Test

The Wooldridge Test was used to assess for first-order serial correlation in the panel data. As presented in Table 4.x, all three models reject the null hypothesis of no first-order autocorrelation, with probability values of 0.0134, 0.0206, and 0.0334, respectively, all below the significance level. This indicates the presence of autocorrelation across all models. Consistent with the heteroskedasticity correction, the application of clustered robust standard errors simultaneously addresses both heteroskedasticity and autocorrelation concerns, ensuring reliable and unbiased estimates.

Table 4. 6 Autocorrelation Test Results (Wooldridge Test)

Model	F-statistic	df	Prob > F	Decision
Model 1 (MEET)	7.135	(1, 24)	0.0134	H0 Rejected

Model 2 (AUDCOM_SCORE)	6.140	(1, 24)	0.0206	H0 Rejected
Model 3 (AUDEXP_SCORE)	5.094	(1, 24)	0.0334	H0 Rejected

Source: Stata output, processed by author

4.3 Regression Results and Discussion

This section presents the results of three Fixed Effects regression model estimated with clustered robust standard errors to address heteroskedasticity and autocorrelation. Each model examines the effect of one corporate governance variable on ESG reporting quality, controlling for firm size (LN_ASSET), profitability (ROA), and carbon emissions (EMISSION).

4.3.1 Model 1: Board Meeting Frequency (MEET)

Table 4.7 presents the regression results for Model 1, which examines the effect of board meeting frequency on ESG reporting quality. The overall model is statistically significant with $F(4,30) = 5.74$ and $\text{Prob} > F = 0.0015$. The within R-squared of 0.1841 indicates that 18.41% of within-group variation in ESG scores is explained by the model.

Board meeting frequency (MEET) shows a negative coefficient of -0.1075 with a p-value of 0.097. While the direction is negative and significant at the 10% level. Firm size (LN_ASSET) is positive and statistically significant ($\beta = 9.848$, $p = 0.040$), indicating that larger banks tend to report higher quality ESG information. ROA and EMISSION are not statistically significant at conventional levels.

The negative direction, despite marginal significance, challenges the assumption that more board meetings automatically improve ESG disclosure quality. In a panel fixed-effects framework controlling for time-invariant bank characteristics, variation in meeting frequency may reflect reactive governance responses to operational challenges rather than proactive strategic oversight. Banks experiencing governance difficulties or performance pressure may convene additional meetings in response to problems, creating a negative association between meeting frequency and ESG outcomes that masks the underlying causal mechanism.

Table 4. 7 Regression Results: Model 1 (Board Meeting Frequency)

Variable	Coefficient	Std. Err.	t	P> t	[95% Conf.	Interval]
MEET	-0.1075	0.0627	-1.71	0.097*	-0.2355	0.0205
LN_ASSET	9.8476	4.5917	2.14	0.040**	0.4701	19.2252
ROA	-28.1730	46.7967	-0.60	0.552	-123.7445	67.3985
EMISSION	-0.0198	0.0117	-1.70	0.100*	-0.0436	0.0040
_cons	-160.4773	113.5694	-1.41	0.168	-392.4170	71.4623
Observations	118			Groups	31	
Within R²	0.1841			F(4,30)	5.74	
Overall R²	0.4752			Prob > F	0.0015	

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$. Robust standard errors clustered by company.

Source: Stata output, processed by author

4.3.2 Model 2: Audit Committee Expertise (AUDEXP_SCORE)

Table 4.8 presents the regression results for Model 3, which examines the effect of audit committee expertise score on ESG reporting quality. The model is statistically significant with $F(4,30) = 4.63$ and $\text{Prob} > F = 0.0050$. The within R-

squared of 0.2326 indicates that 23.26% of within-group variation in ESG scores is explained by the model, the highest among all three models.

Audit committee expertise score (AUDEXP_SCORE) shows a positive coefficient of 0.0921 with a p-value of 0.075, which is significant at the 10% level. This result suggests that greater financial and auditing expertise among audit committee members is positively associated with ESG reporting quality, consistent with the signaling theory argument that expert members signal rigorous ESG scrutiny and enhance disclosure credibility. Firm size (LN_ASSET) is positive and statistically significant ($\beta = 11.705$, $p = 0.019$). Carbon emissions (EMISSION) is negative and significant ($\beta = -0.0215$, $p = 0.040$), suggesting that higher-emission banks tend to report lower ESG scores. ROA is not statistically significant.

Table 4. 8 Regression Results: Model 2 (Audit Committee Expertise)

Variable	Coefficient	Std. Err.	t	P> t	[95% Conf.	Interval]
AUDEXP_SCORE	0.0921	0.0500	1.84	0.075*	-0.0100	0.1942
LN_ASSET	11.7049	4.7149	2.48	0.019**	2.0758	21.3340
ROA	-56.3955	39.3954	-1.43	0.163	- 136.8516	24.0607
EMISSION	-0.0215	0.0100	-2.15	0.040**	-0.0418	-0.0011
_cons	-210.6024	116.9399	-1.80	0.082*	- 449.4255	28.2207
Observations	118			Groups	31	
Within R²	0.2326			F(4,30)	4.63	
Overall R²	0.4893			Prob > F	0.0050	

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$. Robust standard errors clustered by company.

Source: Stata output, processed by author

4.3.3 Model 3: Audit Committee Independence (AUDCOM_SCORE)

Table 4.7 presents the regression results for Model 2, which examines the effect of audit committee independence score on ESG reporting quality. The model is statistically significant with $F(4,30) = 3.94$ and $\text{Prob} > F = 0.0109$. The within R-squared of 0.2150 indicates that 21.50% of within-group variation in ESG scores is explained by the model.

Audit committee independence score (AUDCOM_SCORE) is positive and statistically significant ($\beta = 0.1214$, $p = 0.024$), indicating that banks with higher audit committee independence tend to report higher quality ESG information. This finding is consistent with agency theory, whereby greater independence enhances the monitoring effectiveness of the audit committee. Firm size (LN_ASSET) shows a positive coefficient of 7.978 at 10% level of significance ($p = 0.097$). ROA and EMISSION are not statistically significant.

Table 4. 9 Regression Results: Model 3 (Audit Committee Independence)

Variable	Coefficient	Std. Err.	t	P> t	[95% Conf.	Interval]
AUDCOM_SCORE	0.1214	0.0512	2.37	0.024**	0.0168	0.2260
LN_ASSET	7.9775	4.6597	1.71	0.097*	-1.5389	17.4940
ROA	-22.5008	49.5864	-0.45	0.653	- 123.7698	78.7683
EMISSION	-0.0226	0.0123	-1.83	0.077*	-0.0477	0.0026
_cons	-122.0507	115.2598	-1.06	0.298	- 357.4426	113.3412
Observations	118			Groups	31	
Within R²	0.2150			F(4,30)	3.94	
Overall R²	0.4697			Prob > F	0.0109	

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$. Robust standard errors clustered by company.

Source: Stata output, processed by author

4.3.4 Control Variables

LN_ASSET shows positive and significant effects in Models 1 ($\beta = 9.85$, $p < 0.05$), 23 ($\beta = 11.70$, $p < 0.05$), and 3 ($\beta = 7.978$, $p < 0.10$) indicating that larger banks exhibit higher

ESG reporting quality due to greater resource availability, heightened regulatory scrutiny, and broader stakeholder visibility. ROA demonstrates no significant effects across all three models, indicating that ESG reporting quality is not primarily driven by financial performance but rather by governance structures and institutional pressures. EMISSION shows negative and significant coefficients in Models 1 ($\beta = -0.02, p < 0.10$), 2 ($\beta = -0.05, p < 0.10$), and 3 ($\beta = -0.02, p < 0.10$), suggesting that banks operating in higher-emission environments tend to report lower ESG quality, possibly reflecting less developed environmental governance ecosystems in those contexts.

4.4 Moderation Analysis Results (H4)

Table 4.10 presents pooled OLS moderation regression results testing whether UK institutional context moderates governance-ESG relationship between governance and ESG.

Moderation Effect of COUNTRY_DUMMY on ESG Performance

Table 4. 10 Moderation Regression Results: Effect of UK Institutional Context

Variable	MEET	AUDCOM_SCORE	AUDEXP_SCORE
MEET	0.3801*** (0.0725)		
AUDCOM_SCORE		-0.0639 (0.0917)	
AUDEXP_SCORE			0.1899*** (0.0465)

United Kingdom	12.6165*** (4.7806)	-26.6036 (16.9730)	-10.6530 (100.4163)
United Kingdom × MEET	-0.5343** (0.2495)		
United Kingdom × AUDCOM_SCORE		0.4959* (0.2695)	
United Kingdom × AUDEXP_SCORE			0.0820 (1.4411)
Constant	57.7638*** (2.3462)	68.8303*** (4.8536)	60.2781*** (2.3128)
Observations	118	118	118
R-squared	0.1192	0.0709	0.0943

*Note: Indonesia is the reference category. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.*

Source: Stata output, processed by author

4.4.1 Model 1: Board Meeting Frequency Moderation

Results reveal a striking pattern of reversed moderation that fundamentally challenges assumptions about universal governance effects. In Indonesia serving as the baseline reference category, board meeting frequency positively and highly significantly predicts ESG reporting quality ($\beta=0.3801$, $SE=0.0725$, $p<0.01$), indicating that more frequent board meetings genuinely enhance sustainability oversight and disclosure credibility in emerging market contexts. Each additional board meeting per year is associated with a 0.38-point improvement in ESG score, suggesting that intensive oversight engagement provides meaningful governance benefits where institutional pressures and stakeholder monitoring may be less developed.

However, the UK×MEET interaction term is negative and statistically significant ($\beta=-0.5343$, $SE=0.2495$, $p<0.05$), indicating that UK institutional context fundamentally moderates and indeed reverses the meeting frequency effect. The total effect of meeting frequency in UK context equals the main effect plus the interaction effect: $0.3801 + (-0.5343) = -0.1542$, suggesting that in UK institutional environments, each additional board meeting associates with a 0.15-point decrease in ESG reporting quality, though this combined effect is relatively small in magnitude.

This reversed moderation pattern demonstrates that institutional context does not merely amplify or attenuate governance effects uniformly but can fundamentally transform the directional relationship between governance mechanisms and ESG outcomes. The positive association in Indonesia likely reflects genuine oversight intensification: in emerging markets with developing regulatory frameworks, evolving investor ESG sophistication, and limited external monitoring infrastructure, frequent board engagement represents substantive governance commitment enabling comprehensive review of sustainability initiatives, rigorous challenge of management ESG claims, and proactive attention to stakeholder concerns manifested in reporting quality improvements. The supervisory board structure in Indonesian corporate governance, featuring separate Commissioners and Directors boards, may particularly benefit from frequent meeting activity ensuring adequate coordination and information flow between oversight and executive functions.

4.4.2 Model 2: Audit Expertise Score Moderation

Results reveal universal effects indicating that technical competence transcends institutional boundaries in ways that structural governance quality does not. In Indonesia, audit expertise quality score strongly and highly significantly predicts ESG reporting quality ($\beta=0.1899$, $SE=0.0465$, $p<0.01$), demonstrating that financial and auditing expertise genuinely enhances ESG oversight capacity even in emerging market contexts lacking comprehensive institutional support. Each one-point improvement in expertise quality score associates with 0.19-point ESG increase, a meaningful effect suggesting that professional competence directly enables rigorous evaluation of sustainability disclosure regardless of external governance infrastructure.

Critically, the $UK \times AUDEXP_SCORE$ interaction term is positive but statistically non-significant ($\beta=0.0820$, $SE=1.4411$, $p>0.10$), indicating that UK institutional context does not significantly moderate the expertise-ESG relationship. The large standard error on the interaction term suggests high estimation uncertainty possibly reflecting limited UK sample variation in expertise levels, but the point estimate's positive direction and the main effect's continued significance in UK contexts (total effect = $0.1899 + 0.0820 = 0.2719$, similar in magnitude to Indonesia effect) support the interpretation that expertise effects generalize across institutional environments rather than depending on institutional activation like audit committee structural quality.

This universal effect pattern demonstrates an important distinction between governance mechanisms requiring institutional enablers versus those operating independently of external support. Financial and auditing expertise represents technical human capital directly applicable to ESG oversight tasks: expert committee members possess professional knowledge enabling them to evaluate whether sustainability metrics follow appropriate measurement methodologies, whether ESG data collection processes maintain adequate internal controls, whether climate risk quantification relies on reasonable assumptions, whether sustainability-linked financial instruments comply with stated use-of-proceeds or key performance indicator definitions, and whether integrated reporting appropriately connects sustainability performance to financial value creation narratives. These technical evaluation capabilities do not require regulatory mandates to specify their application, investor pressure to motivate their deployment, or enforcement mechanisms to ensure management responds to expert concerns. Expertise enables direct, informed challenge of management sustainability assertions through professional competence rather than institutional power.

The contrast with audit committee quality moderation reveals that governance mechanisms operate through different pathways: structural governance quality (composition, independence, processes) requires institutional support translating formal authority into actual influence over management behavior, whereas technical expertise creates influence through professional credibility and informed judgment that management must address regardless of

external pressure. Committee members can credibly challenge sustainability reporting through technical questioning of methodologies, assumptions, and data quality even when investor expectations, regulatory guidance, or enforcement capacity remain underdeveloped. This distinction has important implications for governance reform strategies in emerging markets: while building institutional infrastructure supporting structural governance quality may require substantial time and coordinated policy development, recruiting and retaining financially expert audit committee members can generate more immediate ESG governance improvements operating independently of broader institutional development.

4.4.3 Model 3: Audit Committee Independence Moderation

Results demonstrate a positive moderation pattern revealing that structural governance quality requires institutional activation to generate ESG performance benefits. In Indonesia, audit committee quality score does not significantly predict ESG reporting quality ($\beta=-0.0639$, $SE=0.0917$, $p>0.10$), indicating that audit committee effectiveness measured through composition quality, independence features, meeting activity intensity, and governance process rigor fails to translate into enhanced sustainability disclosure in emerging market institutional contexts. This null effect suggests that formal governance structures, even when meeting technical quality standards, may produce only symbolic compliance without substantive oversight improvements when institutional support mechanisms are insufficiently developed.

However, the UK×AUDCOM_SCORE interaction term is positive and marginally statistically significant ($\beta=0.4959$, $SE=0.2695$, $p<0.10$), indicating that UK institutional context activates audit committee quality effects on ESG reporting. The total effect in UK equals $-0.0639 + 0.4959 = 0.4320$, suggesting that each one-point improvement in audit committee quality score associates with a 0.43-point ESG score increase in UK contexts an economically meaningful effect size. This positive moderation demonstrates that institutional maturity does not merely enhance already-positive governance effects but can activate latent governance potential that remains unrealized in less developed institutional environments.

The institutional activation mechanism likely operates through multiple complementary channels. First, mature regulatory frameworks including mandatory TCFD climate disclosure, EU Sustainable Finance Disclosure Regulation for UK subsidiaries of European institutions, and FCA guidance on climate-related financial risk governance create explicit regulatory expectations that high-quality audit committees can operationalize through oversight processes, but which may provide less actionable guidance where regulatory frameworks remain under development. Second, sophisticated institutional investors in UK markets demand comprehensive ESG information, evaluate sustainability disclosure quality rigorously, and engage actively with banks on climate risk governance, creating external pressure that empowers high-quality audit committees to demand management accountability for ESG reporting credibility. Independent committee members can leverage investor expectations to resist

management attempts to minimize unfavorable sustainability information or delay controversial climate risk disclosures. Third, credible enforcement mechanisms, including regulatory supervisory reviews, potential sanctions for inadequate climate risk governance, and reputational consequences through media scrutiny, ensure that audit committee oversight recommendations carry weight, whereas weaker enforcement in emerging markets may allow management to discount committee concerns without meaningful consequences.

Conversely, in Indonesian institutional contexts, audit committees meeting formal quality criteria may exist primarily for regulatory compliance and legitimacy signaling rather than substantive oversight. Without strong investor ESG expectations providing external validation for committee independence, without detailed regulatory guidance specifying committee ESG oversight responsibilities, and without credible enforcement mechanisms ensuring management responds to committee recommendations, structurally high-quality committees may function ceremonially rather than effectively. The finding that formal audit committee quality remains inactive in the absence of institutional support validates institutional theory's prediction that organizational practices require environmental legitimation and resource support to generate performance outcomes (DiMaggio & Powell, 1983). Governance quality alone proves insufficient; institutional infrastructure that provides regulatory mandates, stakeholder pressure, and credible enforcement appears necessary to translate governance potential into actual oversight effectiveness.

4.4.4 Hypothesis 4 Summary

Hypothesis 4 predicted that the UK institutional context, characterized by mature ESG regulatory frameworks, sophisticated investor expectations, and strong enforcement capacity, would moderate governance-ESG relationships, hypothesizing that developed market institutional superiority would uniformly amplify governance effects, enabling higher ESG quality. Empirical results provide partial support for this hypothesis while revealing critically important nuances that substantially refine initial theoretical predictions and challenge simplistic assumptions about institutional advantages.

Rather than demonstrating uniform amplification where UK context strengthens all governance mechanisms proportionally, results reveal three distinct moderation patterns indicating that institutional context creates differential governance effectiveness depending on specific mechanism characteristics. First, board meeting frequency exhibits reversed moderation where UK context transforms a positive governance-ESG relationship in Indonesia into a negative relationship in UK, suggesting institutional maturity changes what behavioral governance indicators signal from proactive oversight commitment in emerging markets to reactive crisis management in mature markets. Second, audit committee quality score demonstrates positive moderation where UK context activates structural governance that remains ineffective absent institutional support, validating institutional theory predictions that formal structures require environmental legitimation to generate performance outcomes. Third, audit

expertise quality score shows universal effects operating similarly across institutional contexts, indicating technical competence constitutes a robust mechanism transcending institutional boundaries unlike structural governance requiring activation.

These differential patterns fundamentally challenge the theoretical assumption that institutional development creates uniform governance advantages and instead demonstrate that institutional context moderates which specific governance mechanisms prove effective, through what operational pathways they influence disclosure behavior, and whether their effects depend on external support or operate independently. UK institutional maturity does not make all governance uniformly better; rather, institutional context shapes governance effectiveness contingently and mechanism-specifically. This finding advances institutional theory beyond simple developed-market superiority narratives toward more nuanced understanding that institutions create differential rather than universal advantages, activate some governance mechanisms while leaving others unchanged, and can even reverse governance implications for behavioral indicators whose meaning depends on institutional interpretation.

The reversed moderation for meeting frequency particularly challenges governance universalism assumptions and suggests that identical governance practices may communicate entirely different underlying organizational realities depending on institutional norms and stakeholder expectations. In emerging markets where baseline governance quality varies substantially and external

monitoring remains limited, frequent meetings credibly signal genuine oversight commitment distinguishing substantive governance from symbolic compliance. In mature markets where minimum governance quality standards are institutionally enforced and stakeholder monitoring is sophisticated, excessive meeting frequency instead signals governance problems requiring unusual intervention. Signaling theory thus requires institutional contextualization: credible signals are institution-dependent, with governance structures communicating commitment in some contexts but dysfunction in others (Abb et al., 2011).

The partial support for H4 with differential moderation patterns rather than uniform effects therefore represents a theoretically important refinement demonstrating that institutional context moderates governance-performance relationships contingently rather than universally, that governance mechanisms operate through different pathways (some requiring institutional activation, others operating independently), and that institutional development creates complex rather than simple governance advantages requiring careful specification of which mechanisms benefit from institutional support and which transcend institutional boundaries through technical credibility.

CHAPTER V

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study investigates internal governance mechanisms and institutional context factors driving ESG reporting quality in the banking sectors of Indonesia and the United Kingdom. Using panel data from 31 banks (118 firm-year observations, 2020-2024), Fixed-Effects regression tests main governance effects while Pooled OLS with interaction terms examines institutional moderation. Table 5.1 summarizes hypothesis testing results.

Table 5. 1 Summary of Hypothesis Testing Results

Hypothesis	Result	Conclusion
H1: Board meeting frequency → ESG (+)	$\beta = -0.11$ (ns)	NOT SUPPORTED
H3: Audit expertise quality score → ESG (+)	$\beta = 0.09^*$ ($p < 0.10$)	SUPPORTED
H2: Audit committee quality score → ESG (+)	$\beta = 0.12^{**}$ ($p < 0.05$)	SUPPORTED
H4: UK institutional context moderates relationships	MEET: $\beta = -0.53^{**}$ AUDCOM: $\beta = 0.50^*$ AUDEXP: $\beta = 0.08$ (ns)	PARTIALLY SUPPORTED (differential patterns)

Notes: $^*p < 0.10$, $^{**}p < 0.05$, $^{***}p < 0.01$. ns = not significant.

Audit expertise quality demonstrates marginal positive association ($\beta = 0.09$, $p < 0.10$), supporting H2. Audit committee quality score emerges as the primary ESG governance driver ($\beta = 0.12$, $p < 0.05$) supporting H3. Confirming that committee effectiveness aggregating composition, independence, activity, and processes enhances sustainability oversight. Board meeting frequency shows no significant

effect ($\beta=-0.11$, ns), suggesting governance quality matters more than quantity.

Moderation analysis reveals complex institutional effects. Board meeting frequency exhibits reversed moderation: positive in Indonesia ($\beta=0.38$, $p<0.01$) but negative total effect in UK due to significant negative interaction ($\beta=-0.53$, $p<0.05$), demonstrating identical governance practices signal commitment in emerging markets versus dysfunction in mature markets. Audit committee quality shows positive moderation: non-significant in Indonesia but activated in UK (interaction $\beta=0.50$, $p<0.10$), validating that structural governance requires institutional support. Audit expertise demonstrates universal effects without significant moderation (interaction $\beta=0.08$, ns), indicating technical competence transcends institutional boundaries. These differential patterns provide partial support for H4 while refining theoretical predictions: UK institutional maturity creates mechanism-specific rather than uniform governance effectiveness.

5.2 Research Implications

5.2.1 Theoretical Contributions

This study refines agency theory by demonstrating monitoring quality (audit committee effectiveness) matters more than monitoring quantity (meeting frequency) for constraining ESG information asymmetry. For institutional theory, findings reveal governance-ESG relationships are contingent on institutional context in complex,

mechanism-specific ways activating structural quality, reversing behavioral indicators, universalizing technical expertise rather than exhibiting uniform developed-market advantages. For signaling theory, results show credible signals are institution-dependent: frequent meetings signal commitment in emerging markets but dysfunction in mature markets where baseline standards are institutionally enforced.

5.2.2 Practical Implications

1. For Indonesian Banks: Prioritize audit committee quality enhancement and expertise recruitment. Maintain relatively frequent board engagement which remains beneficial in Indonesian contexts. Recognize formal governance structures may produce limited ESG benefits without institutional activation, suggesting governance reforms should accompany internal ESG reporting infrastructure strengthening.

2. For UK Banks: Focus on audit committee substantive effectiveness beyond structural compliance. Avoid excessive meeting frequency signaling dysfunction. Leverage institutional advantages mandatory TCFD, sophisticated investors, credible enforcement by ensuring governance structures actively utilize external pressures to drive ESG improvements.

3. For Regulators: Indonesian OJK should implement minimum audit committee quality standards, mandate expertise qualifications, and pursue graduated governance requirements evolving alongside institutional

development. UK FCA/PRA should emphasize effectiveness metrics over structural compliance, monitor excessive meeting frequency as red flags, and demonstrate credible enforcement ensuring governance accountability. Both should recognize context-appropriate governance requirements rather than universal standards.

4. For Investors: Develop governance-adjusted ESG assessment frameworks evaluating audit committee quality alongside ESG ratings. In emerging markets, governance structures meeting formal criteria may not ensure credibility absent institutional support. In developed markets, effectiveness rather than compliance provides more reliable quality signals. Cross-country portfolios should adjust governance evaluation for institutional differences.

5.3 Research Limitations

Several limitations qualify findings. First, sample of 118 observations from 31 banks limits statistical power and generalizability. Second, pooled OLS methodology for moderation testing cannot control firm-level fixed effects, potentially introducing omitted variable bias. Third, exclusive reliance on Refinitiv ESG scores means findings reflect one rating methodology which may not capture all sustainability dimensions. Fourth, observation period (2020-2024) encompasses COVID-19 pandemic potentially introducing unusual dynamics. Fifth, endogeneity concerns remain: reverse causality where ESG performance drives governance improvements cannot be definitively ruled out without

instrumental variables or natural experiments. Sixth, governance mechanisms are measured using composite indicators potentially obscuring which sub-components drive effects. Seventh, only three governance mechanisms examined while numerous other attributes remain unexplored. Eighth, binary institutional comparison (Indonesia versus UK) captures fundamental differences but not finer-grained variation. Ninth, generalizability to other industries, countries, or time periods remains uncertain. Tenth, mediating mechanisms through which governance translates into ESG outcomes are not fully examined.

5.4 Recommendations for Future Research

Future research should pursue several directions. First, mechanism studies investigating why governance operates differently across contexts through qualitative interviews with audit committee members and sustainability officers. Second, longitudinal studies tracking governance reforms and subsequent ESG changes enabling stronger causal inference. Third, expanded geographical scope incorporating Southeast Asia, Latin America, Africa, and additional European markets testing moderation pattern generalizability. Fourth, alternative ESG measures beyond Refinitiv including MSCI, Sustainalytics, controversies, or emissions testing robustness. Fifth, disaggregated pillar analyses examining environmental, social, and governance disclosure separately. Sixth, incorporation of additional variables including assurance quality, sustainability committees, ESG-linked compensation, and enforcement actions. Seventh, experimental or quasi-experimental designs leveraging regulatory reforms or exogenous shocks

strengthening causal identification. Eighth, comparative sector studies examining whether banking findings generalize to other industries. Ninth, temporal analyses investigating whether governance effects evolve as ESG practices mature.

5.5 Policy Recommendations

Financial sector regulators should design context-appropriate governance requirements recognizing institutional maturity differences. Emerging market regulators should implement achievable baseline standards while building long-term institutional infrastructure. Developed market regulators should emphasize substantive effectiveness and credible enforcement. International standard setters (IFRS, GRI, SASB) should recognize governance-ESG linkages by incorporating oversight guidance into disclosure frameworks and developing expertise certification programs. Stock exchanges should require comprehensive governance disclosure, establish minimum quality thresholds, and facilitate best practice dissemination. Policymakers should acknowledge that governance quality alone proves insufficient without institutional support providing regulatory backing, stakeholder pressure, and enforcement credibility.

5.6 Concluding Remarks

This study demonstrates that audit committee quality, rather than meeting frequency, drives ESG disclosure credibility in banking. More importantly, institutional context creates differential governance effectiveness, activating structural quality, reversing behavioral indicators, and universalizing expertise rather than uniform amplification. As financial sectors navigate sustainability transitions,

Evidence-based governance strategies tailored to institutional environments will prove essential for achieving credible ESG commitments, transcending greenwashing. The battle against symbolic communication requires not merely disclosure mandates but a robust governance infrastructure ensuring reported sustainability reflects genuine commitment.

For emerging markets, priorities include building audit committee capacity, recruiting expert members, maintaining intensive oversight, and developing institutional ecosystems supporting governance activation. For developed markets, emphasis should shift toward effectiveness assessment, recognizing excessive meeting frequency signals dysfunction, and leveraging sophisticated environments to demand accountability. Future research extending findings to additional contexts, employing causal methodologies, and examining mechanisms with greater granularity will continue advancing understanding of governance strategies for ESG credibility. This study represents an important step toward evidence-based approaches, but substantial work remains in building infrastructure supporting genuine rather than symbolic sustainability commitment in global financial systems.

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APPENDIXES

APPENDIX A

RESEARCH DATA TABULATION

No	Company	Country	Year	ESG Score	Meetings	Audit Committee Independence Score	Audit Committee Expertise Score	Asset	RoA	Emission
1	Barclays PLC	United Kingdom	2020	84.17	8	63.91	67.58	1899414487677	0.004	319.6964
	Barclays PLC	United Kingdom	2021	86.39	8	65.84	68.46	1880687618538	0.003	337.9148
	Barclays PLC	United Kingdom	2022	88.01	19	66.44	69.19	1831124417831	0.005	324.9949
	Barclays PLC	United Kingdom	2023	89.38	15	67.17	69.82	1872806602178	0.005	304.7866
	Barclays PLC	United Kingdom	2024	86.19	7	68	71.94	1845186430945	0.001	292.4194
2	Close Brothers Group PLC	United Kingdom	2020	64.17	8	63.91	67.58	18581917099	0.006	319.6964
	Close Brothers Group PLC	United Kingdom	2021	65.77	7	65.84	68.46	18102204795	0.008	337.9148
	Close Brothers Group PLC	United Kingdom	2022	66.76	7	66.44	69.19	17394480103	0.006	324.9949
	Close Brothers Group PLC	United Kingdom	2023	69.76	7	67.17	69.82	15424473210	0.014	304.7866
	Close Brothers Group PLC	United Kingdom	2024	70.63	7	68	71.94	16729221402	0.018	292.4194
3	Paragon Banking Group PLC	United Kingdom	2020	61.3	10	63.91	67.58	26787994462	0.011	319.6964
	Paragon Banking Group PLC	United Kingdom	2021	62.68	10	65.84	68.46	25764098725	0.011	337.9148
	Paragon Banking Group PLC	United Kingdom	2022	63.73	10	66.44	69.19	22467220413	0.012	324.9949
	Paragon Banking Group PLC	United Kingdom	2023	57.58	10	67.17	69.82	18585362587	0.011	304.7866
	Paragon Banking Group PLC	United Kingdom	2024	52.57	12	33.96	71.94	20392574231	0.01	292.4194
4	NatWest Group PLC	United Kingdom	2020	82.21	8	63.91	67.58	885756286751	0.007	319.6964
	NatWest Group PLC	United Kingdom	2021	83.53	19	65.84	68.46	881700843930	0.007	337.9148
	NatWest Group PLC	United Kingdom	2022	79.7	11	66.44	69.19	871049416319	0.005	324.9949
	NatWest Group PLC	United Kingdom	2023	78.8	6	67.17	69.82	1057961171616	0.005	304.7866
	NatWest Group PLC	United Kingdom	2024	82.67	6	68	71.94	1093141638295	0.001	292.4194
5	Arbuthnot Banking Group PLC	United Kingdom	2020	34.75	7	27.34	67.58	5916710872		319.6964
	Arbuthnot Banking Group PLC	United Kingdom	2021	22.31	9	29.37	68.46	5529257520	0.009	337.9148
	Arbuthnot Banking Group PLC	United Kingdom	2022	17.89	7	22.65	69.19	4371919192	0.005	324.9949
	Arbuthnot Banking Group PLC	United Kingdom	2023	16.82	7	24.81	69.82	4544229182		304.7866
	Arbuthnot Banking Group PLC	United Kingdom	2024	9.37	9	18.97	71.94	3901631185		292.4194
6	Standard Chartered PLC	United Kingdom	2020	82.93	8	63.91	67.58	849688000000	0.005	319.6964
	Standard Chartered PLC	United Kingdom	2021	90.55	9	65.84	68.46	822844000000	0.004	337.9148
	Standard Chartered PLC	United Kingdom	2022	90.95	10	66.44	69.19	819922000000	0.004	324.9949
	Standard Chartered PLC	United Kingdom	2023	87.66	16	67.17	69.82	827818000000	0.003	304.7866
	Standard Chartered PLC	United Kingdom	2024	88.56	8	68	71.94	789050000000	0.002	292.4194
7	Lloyds Banking Group PLC	United Kingdom	2020	84.08	10	63.91	67.58	1271939964701	0.006	319.6964
	Lloyds Banking Group PLC	United Kingdom	2021	85.72	9	65.84	68.46	1134363818341	0.005	337.9148
	Lloyds Banking Group PLC	United Kingdom	2022	86.46	9	66.44	69.19	1121998192487	0.006	324.9949
	Lloyds Banking Group PLC	United Kingdom	2023	81.47	10	31.77	69.82	1056546301337	0.008	304.7866
	Lloyds Banking Group PLC	United Kingdom	2024	82.54	13	22.72	71.94	1192257322600	0.007	292.4194
8	Bank Danamon Indonesia Tbk PT	Indonesia	2020	75.53	6	58.64	67.58	15061189559	0.017	596.2839
	Bank Danamon Indonesia Tbk PT	Indonesia	2021	61.99	6	61.01	68.46	14375091393	0.017	622.6868
	Bank Danamon Indonesia Tbk PT	Indonesia	2022	59.65	9	61.17	69.19	12703481401	0.017	722.6996
	Bank Danamon Indonesia Tbk PT	Indonesia	2023	61.7	6	62.05	69.82	13488242877	0.008	772.5618
	Bank Danamon Indonesia Tbk PT	Indonesia	2024	66.31	7	67.35	71.94	14308409402	0.005	812.2042
9	Bank Maybank Indonesia Tbk PT	Indonesia	2020	76.44	7	58.64	67.58	12254805594	0.008	596.2839
	Bank Maybank Indonesia Tbk PT	Indonesia	2021	67.49	8	61.01	68.46	11159666775	0.007	622.6868
	Bank Maybank Indonesia Tbk PT	Indonesia	2022	46	10		2.3	10331764729	0.002	722.6996
	Bank Maybank Indonesia Tbk PT	Indonesia	2023	49.39	13	62.05	2.71	11839507158		772.5618
	Bank Maybank Indonesia Tbk PT	Indonesia	2024					12337921083	0.047	812.2042
10	National Westminster Bank PLC	United Kingdom	2020					530850744401		319.6964
	National Westminster Bank PLC	United Kingdom	2021					528847647051		337.9148
	National Westminster Bank PLC	United Kingdom	2022					495335389826		324.9949
	National Westminster Bank PLC	United Kingdom	2023							304.7866
	National Westminster Bank PLC	United Kingdom	2024							292.4194
11	HSBC Holdings PLC	United Kingdom	2020	73.05	11	63.91	67.58	3017048000000	0.008	319.6964
	HSBC Holdings PLC	United Kingdom	2021	69.21	12	65.84	68.46	3038677000000	0.008	337.9148
	HSBC Holdings PLC	United Kingdom	2022	70.15	15	66.44	69.19	2949286000000	0.006	324.9949
	HSBC Holdings PLC	United Kingdom	2023	74.97	12	67.17	69.82	2953792000000	0.005	304.7866
	HSBC Holdings PLC	United Kingdom	2024	81.51	17	68	71.94	2984164000000	0.002	292.4194
12	Bank Negara Indonesia (Persero) Tbk PT	Indonesia	2020	81.79	53	58.64	67.58	70217876756		596.2839
	Bank Negara Indonesia (Persero) Tbk PT	Indonesia	2021	81.18	63	61.01	68.46	70585513868	0.019	622.6868
	Bank Negara Indonesia (Persero) Tbk PT	Indonesia	2022	79.45	57	61.17	69.19	66163627883	0.02	722.6996
	Bank Negara Indonesia (Persero) Tbk PT	Indonesia	2023	80.6	62	62.05	69.82	67707908211	0.018	772.5618
	Bank Negara Indonesia (Persero) Tbk PT	Indonesia	2024	80.27	57	67.35	71.94	63485571581	0.012	812.2042
13	Bank Permata Tbk PT	Indonesia	2020	64.69	5	58.64	67.58	16101149969		596.2839
	Bank Permata Tbk PT	Indonesia	2021	66.12	6	61.01	68.46	16722581812		622.6868
	Bank Permata Tbk PT	Indonesia	2022	53.49	7	61.17	69.19	16390136267		722.6996

	Bank Permata Tbk PT	Indonesia	2023	48.76	3	62.05	2.71	16447652070		772.5618
	Bank Permata Tbk PT	Indonesia	2024					1408305342	0.004	812.2042
14	Bank CIMB Niaga Tbk PT	Indonesia	2020	75.23	8	58.64	67.58	22387850218	0.02	596.2839
	Bank CIMB Niaga Tbk PT	Indonesia	2021	70.26	8	61.01	1.87	21719339591	0.02	622.6868
	Bank CIMB Niaga Tbk PT	Indonesia	2022	62.03	7	61.17	2.3	19707953678	0.016	722.6996
	Bank CIMB Niaga Tbk PT	Indonesia	2023	49.44	8	62.05	2.71	21809611228	0.014	772.5618
	Bank CIMB Niaga Tbk PT	Indonesia	2024					20010228276	0.007	812.2042
15	Bank Artha Graha Internasional Tbk PT	Indonesia	2020					1872367495	0.049	596.2839
	Bank Artha Graha Internasional Tbk PT	Indonesia	2021					1695590192	0.046	622.6868
	Bank Artha Graha Internasional Tbk PT	Indonesia	2022					1634284163	0.061	722.6996
	Bank Artha Graha Internasional Tbk PT	Indonesia	2023					1833531228		772.5618
	Bank Artha Graha Internasional Tbk PT	Indonesia	2024					2174285256		812.2042
16	Bank Pan Indonesia Tbk PT	Indonesia	2020	42.33	6	58.64	1.42	15162123990	0.012	596.2839
	Bank Pan Indonesia Tbk PT	Indonesia	2021	43.37	5	61.01	1.87	14420919130	0.012	622.6868
	Bank Pan Indonesia Tbk PT	Indonesia	2022	50.76	4	61.17	69.19	13648048892	0.013	722.6996
	Bank Pan Indonesia Tbk PT	Indonesia	2023					14348248561	0.01	772.5618
	Bank Pan Indonesia Tbk PT	Indonesia	2024					15531844088	0.014	812.2042
17	Bank JTrust Indonesia Tbk PT	Indonesia	2020					2502094220		596.2839
	Bank JTrust Indonesia Tbk PT	Indonesia	2021					2548510036		622.6868
	Bank JTrust Indonesia Tbk PT	Indonesia	2022					2159806617		722.6996
	Bank JTrust Indonesia Tbk PT	Indonesia	2023					1495970175		772.5618
	Bank JTrust Indonesia Tbk PT	Indonesia	2024					1154195727		812.2042
18	Bank OCBC NISP Tbk PT	Indonesia	2020	64.48	6	58.64	1.42	17464775451	0.04	596.2839
	Bank OCBC NISP Tbk PT	Indonesia	2021	65.34	6	61.01	1.87	16223263332	0.047	622.6868
	Bank OCBC NISP Tbk PT	Indonesia	2022	63.62	6	61.17	69.19	15322747189	0.062	722.6996
	Bank OCBC NISP Tbk PT	Indonesia	2023	69.9	7	62.05	69.82	15045305825	0.055	772.5618
	Bank OCBC NISP Tbk PT	Indonesia	2024					14693532764	0.053	812.2042
19	Bank Mayapada Internasional Tbk PT	Indonesia	2020					9334007147		596.2839
	Bank Mayapada Internasional Tbk PT	Indonesia	2021					9190581098		622.6868
	Bank Mayapada Internasional Tbk PT	Indonesia	2022					8697899904		722.6996
	Bank Mayapada Internasional Tbk PT	Indonesia	2023					8358188421		772.5618
	Bank Mayapada Internasional Tbk PT	Indonesia	2024					6589602920		812.2042
20	Bank Mega Tbk PT	Indonesia	2020					8385052455		596.2839
	Bank Mega Tbk PT	Indonesia	2021					8577433647		622.6868
	Bank Mega Tbk PT	Indonesia	2022					9106999615		722.6996
	Bank Mega Tbk PT	Indonesia	2023					9324869474	0.058	772.5618
	Bank Mega Tbk PT	Indonesia	2024					7991641952	0.055	812.2042
21	Bank Victoria International Tbk PT	Indonesia	2020					1929520774		596.2839
	Bank Victoria International Tbk PT	Indonesia	2021					1924276741		622.6868
	Bank Victoria International Tbk PT	Indonesia	2022					1666045687		722.6996
	Bank Victoria International Tbk PT	Indonesia	2023					1750676705	0.06	772.5618
	Bank Victoria International Tbk PT	Indonesia	2024					1867621615		812.2042
22	Bank Central Asia Tbk PT	Indonesia	2020	83.46	44	58.64	1.42	95190674025	0.038	596.2839
	Bank Central Asia Tbk PT	Indonesia	2021	82.78	44	61.01	1.87	90074663021	0.039	622.6868
	Bank Central Asia Tbk PT	Indonesia	2022	84.56	43	61.17	2.3	91465216629	0.036	722.6996
	Bank Central Asia Tbk PT	Indonesia	2023	86.01	33	62.05	2.71	84467181111	0.032	772.5618
	Bank Central Asia Tbk PT	Indonesia	2024	86.95	30	67.35	4.26	86199626667	0.027	812.2042
23	Bank Pembangunan Daerah Banten Tbk PT	Indonesia	2020					469304847.7		596.2839
	Bank Pembangunan Daerah Banten Tbk PT	Indonesia	2021					441755180.3		622.6868
	Bank Pembangunan Daerah Banten Tbk PT	Indonesia	2022					464057693.5		722.6996
	Bank Pembangunan Daerah Banten Tbk PT	Indonesia	2023					621025333.3		772.5618
	Bank Pembangunan Daerah Banten Tbk PT	Indonesia	2024					380148219.4		812.2042
24	Bank Of India Indonesia Tbk PT	Indonesia	2020					423564745.5		596.2839
	Bank Of India Indonesia Tbk PT	Indonesia	2021					398087824.7		622.6868
	Bank Of India Indonesia Tbk PT	Indonesia	2022					389337994.5		722.6996
	Bank Of India Indonesia Tbk PT	Indonesia	2023					298631126.8		772.5618
	Bank Of India Indonesia Tbk PT	Indonesia	2024					265054377.5		812.2042
25	Bank MNC Internasional Tbk PT	Indonesia	2020					1297166501		596.2839
	Bank MNC Internasional Tbk PT	Indonesia	2021					1178783891		622.6868
	Bank MNC Internasional Tbk PT	Indonesia	2022					1083351301		722.6996
	Bank MNC Internasional Tbk PT	Indonesia	2023					983534035.1		772.5618
	Bank MNC Internasional Tbk PT	Indonesia	2024					829978917.4		812.2042
26	Bank QNB Indonesia Tbk PT	Indonesia	2020					798811249.2		596.2839
	Bank QNB Indonesia Tbk PT	Indonesia	2021					763461188.7		622.6868
	Bank QNB Indonesia Tbk PT	Indonesia	2022					1074017796		722.6996
	Bank QNB Indonesia Tbk PT	Indonesia	2023					1242212421		772.5618

	Bank QNB Indonesia Tbk PT	Indonesia	2024					1303254986		812.2042
27	Bank Mandiri (Persero) Tbk PT	Indonesia	2020	85.35	28	58.64	67.58	150852906277	0.024	596.2839
	Bank Mandiri (Persero) Tbk PT	Indonesia	2021	81.55	29	61.01	68.46	141228934654	0.026	622.6868
	Bank Mandiri (Persero) Tbk PT	Indonesia	2022	82.62	30	61.17	69.19	128014435400	0.022	722.6996
	Bank Mandiri (Persero) Tbk PT	Indonesia	2023	82.39	26	23.49	69.82	121095517754	0.017	772.5618
	Bank Mandiri (Persero) Tbk PT	Indonesia	2024	77.43	27	32.65	71.94	109826536111	0.012	812.2042
28	Bank Raya Indonesia Tbk PT	Indonesia	2020	58.79	58	15	67.58	815967692.2		596.2839
	Bank Raya Indonesia Tbk PT	Indonesia	2021	46.78	47	17.89	68.46	808096280.6	0.002	622.6868
	Bank Raya Indonesia Tbk PT	Indonesia	2022	45.76	9	61.17	2.3	892950534.2		722.6996
	Bank Raya Indonesia Tbk PT	Indonesia	2023					1183615625		772.5618
	Bank Raya Indonesia Tbk PT	Indonesia	2024					1995405432		812.2042
29	Bank Rakyat Indonesia (Persero) Tbk PT	Indonesia	2020	88.75	6	16.82	67.58	123864726352	0.03	596.2839
	Bank Rakyat Indonesia (Persero) Tbk PT	Indonesia	2021	84.54	8	21.1	68.46	127639300422	0.031	622.6868
	Bank Rakyat Indonesia (Persero) Tbk PT	Indonesia	2022	81.02	5	19.9	69.19	119861163508	0.029	722.6996
	Bank Rakyat Indonesia (Persero) Tbk PT	Indonesia	2023	73.34	41	15.06	69.82	117761244491	0.019	772.5618
	Bank Rakyat Indonesia (Persero) Tbk PT	Indonesia	2024	83.66	41	32.65	4.26	114677018803	0.013	812.2042
30	Bank Bumi Arta Tbk PT	Indonesia	2020					508137078.3		596.2839
	Bank Bumi Arta Tbk PT	Indonesia	2021					519100650		622.6868
	Bank Bumi Arta Tbk PT	Indonesia	2022					527548460.7		722.6996
	Bank Bumi Arta Tbk PT	Indonesia	2023					608021765		772.5618
	Bank Bumi Arta Tbk PT	Indonesia	2024					543983214.1		812.2042
31	Bank KB Indonesia PT Tbk	Indonesia	2020					5163163331		596.2839
	Bank KB Indonesia PT Tbk	Indonesia	2021					5476278012		622.6868
	Bank KB Indonesia PT Tbk	Indonesia	2022					5781905043	0.002	722.6996
	Bank KB Indonesia PT Tbk	Indonesia	2023					6260749053	0.001	772.5618
	Bank KB Indonesia PT Tbk	Indonesia	2024					5693630912	0.011	812.2042
32	Bank Woori Saudara Indonesia 1906 Tbk PT	Indonesia	2020					3650269422		596.2839
	Bank Woori Saudara Indonesia 1906 Tbk PT	Indonesia	2021					3561038064		622.6868
	Bank Woori Saudara Indonesia 1906 Tbk PT	Indonesia	2022					3308668423		722.6996
	Bank Woori Saudara Indonesia 1906 Tbk PT	Indonesia	2023					3073794456		772.5618
	Bank Woori Saudara Indonesia 1906 Tbk PT	Indonesia	2024					2710394516		812.2042
33	Bank China Construction Bank Indonesia Tbk PT	Indonesia	2020					2084863953		596.2839
	Bank China Construction Bank Indonesia Tbk PT	Indonesia	2021					1809155310		622.6868
	Bank China Construction Bank Indonesia Tbk PT	Indonesia	2022					1607642339		722.6996
	Bank China Construction Bank Indonesia Tbk PT	Indonesia	2023					1838213895		772.5618
	Bank China Construction Bank Indonesia Tbk PT	Indonesia	2024					1797405484		812.2042
34	Bank Capital Indonesia Tbk PT	Indonesia	2020					1404052517		596.2839
	Bank Capital Indonesia Tbk PT	Indonesia	2021					1251002728		622.6868
	Bank Capital Indonesia Tbk PT	Indonesia	2022					1325313267		722.6996
	Bank Capital Indonesia Tbk PT	Indonesia	2023					1566728632		772.5618
	Bank Capital Indonesia Tbk PT	Indonesia	2024					1440424359		812.2042
35	PT Bank SMBC Indonesia Tbk	Indonesia	2020	63.65	6	58.64	1.42	14984240336	0.015	596.2839
	PT Bank SMBC Indonesia Tbk	Indonesia	2021	54.05	7	61.01	1.87	13085312894	0.011	622.6868
	PT Bank SMBC Indonesia Tbk	Indonesia	2022	52.18	6	61.17	2.3	13438464761		722.6996
	PT Bank SMBC Indonesia Tbk	Indonesia	2023					13467915368	0.022	772.5618
	PT Bank SMBC Indonesia Tbk	Indonesia	2024					13046009829	0.014	812.2042
36	Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk PT	Indonesia	2020	54.02	23	17.89	1.87	13670645929		596.2839
	Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk PT	Indonesia	2021	59.2	19	19.9	2.3	12230950828	0.01	622.6868
	Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk PT	Indonesia	2022					11644156184	0.012	722.6996
	Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk PT	Indonesia	2023					11112708561	0.014	772.5618
	Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk PT	Indonesia	2024					10038034330	0.013	812.2042
37	Bank Tabungan Negara (Persero) Tbk PT	Indonesia	2020	77.02	53	15	1.42	29186731013	0.007	596.2839
	Bank Tabungan Negara (Persero) Tbk PT	Indonesia	2021	74.2	52	17.89	1.87	28499495680	0.008	622.6868
	Bank Tabungan Negara (Persero) Tbk PT	Indonesia	2022	68.04	53	19.9	2.3	25836704915	0.008	722.6996
	Bank Tabungan Negara (Persero) Tbk PT	Indonesia	2023	68.35	56	15.06	2.71	26096021825	0.007	772.5618
	Bank Tabungan Negara (Persero) Tbk PT	Indonesia	2024	63.65	49	9.18	4.26	25727094444	0.005	812.2042
38	Bank Sinarmas Tbk PT	Indonesia	2020	47.7	6	58.64	1.42	3457080982		596.2839
	Bank Sinarmas Tbk PT	Indonesia	2021	47.31	6	61.01	1.87	3418966937		622.6868
	Bank Sinarmas Tbk PT	Indonesia	2022	43.89	7	61.17	2.3	3042120206		722.6996
	Bank Sinarmas Tbk PT	Indonesia	2023	42.36	7	62.05	2.71	3696279368		772.5618
	Bank Sinarmas Tbk PT	Indonesia	2024					3177496083		812.2042
39	Bank Maspion Indonesia Tbk PT	Indonesia	2020					1386267869		596.2839
	Bank Maspion Indonesia Tbk PT	Indonesia	2021					1277425331		622.6868
	Bank Maspion Indonesia Tbk PT	Indonesia	2022					960893175.3		722.6996
	Bank Maspion Indonesia Tbk PT	Indonesia	2023					998902356.8		772.5618
	Bank Maspion Indonesia Tbk PT	Indonesia	2024					720122485.1		812.2042

40	Bank Pembangunan Daerah Jawa Timur Tbk PT	Indonesia	2020	65.61	17	58.64	1.42	7342580920		596.2839
	Bank Pembangunan Daerah Jawa Timur Tbk PT	Indonesia	2021	58.89	20	61.01	1.87	6746006690		622.6868
	Bank Pembangunan Daerah Jawa Timur Tbk PT	Indonesia	2022	66.36	16	61.17	2.3	6619426084	0.015	722.6996
	Bank Pembangunan Daerah Jawa Timur Tbk PT	Indonesia	2023	58.62	15	62.05	2.71	7068303860	0.016	772.5618
	Bank Pembangunan Daerah Jawa Timur Tbk PT	Indonesia	2024					5955801425	0.02	812.2042
41	Bank Ganesha Tbk PT	Indonesia	2020					643769422		596.2839
	Bank Ganesha Tbk PT	Indonesia	2021					610737837		622.6868
	Bank Ganesha Tbk PT	Indonesia	2022					576172952.1		722.6996
	Bank Ganesha Tbk PT	Indonesia	2023					601821052.6		772.5618
	Bank Ganesha Tbk PT	Indonesia	2024					382154985.8		812.2042
42	Secure Trust Bank PLC	United Kingdom	2020	40.58	18	63.91	67.58	5150381584	0.008	319.6964
	Secure Trust Bank PLC	United Kingdom	2021	37.69	15	65.84	68.46	4809001922	0.009	337.9148
	Secure Trust Bank PLC	United Kingdom	2022	40.08	11	66.44	69.19	4089155023	0.011	324.9949
	Secure Trust Bank PLC	United Kingdom	2023	39.54	16	67.17	69.82	3904349591	0.016	304.7866
	Secure Trust Bank PLC	United Kingdom	2024	48.05	13	68	71.94	3642615913	0.006	292.4194
43	Bank Mestika Dharma Tbk PT	Indonesia	2020					1030326963		596.2839
	Bank Mestika Dharma Tbk PT	Indonesia	2021					1042859604		622.6868
	Bank Mestika Dharma Tbk PT	Indonesia	2022					1065466812		722.6996
	Bank Mestika Dharma Tbk PT	Indonesia	2023					1121624723		772.5618
	Bank Mestika Dharma Tbk PT	Indonesia	2024					1008529575		812.2042
44	Bank IBK Indonesia Tbk PT	Indonesia	2020					1246837725		596.2839
	Bank IBK Indonesia Tbk PT	Indonesia	2021					1258681585		622.6868
	Bank IBK Indonesia Tbk PT	Indonesia	2022					1176030003		722.6996
	Bank IBK Indonesia Tbk PT	Indonesia	2023					1002590175		772.5618
	Bank IBK Indonesia Tbk PT	Indonesia	2024					701854344.7		812.2042
45	Lion Finance Group PLC	United Kingdom	2020	62.46	8	63.91	67.58	18779815827		319.6964
	Lion Finance Group PLC	United Kingdom	2021	65.68	12	65.84	68.46	11917426449	0.046	337.9148
	Lion Finance Group PLC	United Kingdom	2022	60.38	10	66.44	69.19	10824681648	0.043	324.9949
	Lion Finance Group PLC	United Kingdom	2023	59.96	9	67.17	69.82	7656887582	0.032	304.7866
	Lion Finance Group PLC	United Kingdom	2024	56.63	10	68	71.94	6746033981	0.014	292.4194
46	Bank Nationalnobu Tbk PT	Indonesia	2020					2071211995		596.2839
	Bank Nationalnobu Tbk PT	Indonesia	2021					1729285612		622.6868
	Bank Nationalnobu Tbk PT	Indonesia	2022					1420903694		722.6996
	Bank Nationalnobu Tbk PT	Indonesia	2023					1455624070		772.5618
	Bank Nationalnobu Tbk PT	Indonesia	2024					978485327.6		812.2042
47	Victoria Investama Tbk PT	Indonesia	2020					2158999877		596.2839
	Victoria Investama Tbk PT	Indonesia	2021					2142736666		622.6868
	Victoria Investama Tbk PT	Indonesia	2022					1833102877		722.6996
	Victoria Investama Tbk PT	Indonesia	2023					1820501780		772.5618
	Victoria Investama Tbk PT	Indonesia	2024					1920367570		812.2042
48	Bank Oke Indonesia Tbk PT	Indonesia	2020					737755877.3		596.2839
	Bank Oke Indonesia Tbk PT	Indonesia	2021					719399226		622.6868
	Bank Oke Indonesia Tbk PT	Indonesia	2022					654250641.5		722.6996
	Bank Oke Indonesia Tbk PT	Indonesia	2023					541848716.2		772.5618
	Bank Oke Indonesia Tbk PT	Indonesia	2024					446950311		812.2042
49	Bank Panin Dubai Syariah Tbk PT	Indonesia	2020	32.26	12	58.64	1.42	1043950038		596.2839
	Bank Panin Dubai Syariah Tbk PT	Indonesia	2021	28.46	18	61.01	1.87	1125406565		622.6868
	Bank Panin Dubai Syariah Tbk PT	Indonesia	2022	37.51	19	61.17	2.3	950320463.4		722.6996
	Bank Panin Dubai Syariah Tbk PT	Indonesia	2023	27.89	11	62.05	2.71	1012351220		772.5618
	Bank Panin Dubai Syariah Tbk PT	Indonesia	2024					804991609.2		812.2042
50	Nationwide Building Society	United Kingdom	2020	70.94	11	63.91	67.58	475225743111		319.6964
	Nationwide Building Society	United Kingdom	2021	67.42	11	65.84	68.46	343917637839		337.9148
	Nationwide Building Society	United Kingdom	2022	65.51	9	66.44	69.19	339840761943		324.9949
	Nationwide Building Society	United Kingdom	2023	46.6	10	24.81	69.82	357138735903		304.7866
	Nationwide Building Society	United Kingdom	2024					352519637128		292.4194
51	Bank Ina Perdana Tbk PT	Indonesia	2020					1518752890		596.2839
	Bank Ina Perdana Tbk PT	Indonesia	2021					1583928548		622.6868
	Bank Ina Perdana Tbk PT	Indonesia	2022					1320445615		722.6996
	Bank Ina Perdana Tbk PT	Indonesia	2023					1056550877		772.5618
	Bank Ina Perdana Tbk PT	Indonesia	2024					600974715.1		812.2042
52	OSB Group PLC	United Kingdom	2020	66.24	10	63.91	67.58	37837607907	0.011	319.6964
	OSB Group PLC	United Kingdom	2021	66.76	9	65.84	68.46	37664744593	0.011	337.9148
	OSB Group PLC	United Kingdom	2022	57.6	10	66.44	69.19	33347486844	0.017	324.9949
	OSB Group PLC	United Kingdom	2023	56.67	15	67.17	69.82	33189339106	0.014	304.7866
	OSB Group PLC	United Kingdom	2024	54.19	15	35.34	71.94	30975429673	0.009	292.4194
53	Shawbrook Group PLC	United Kingdom	2020	14.97	13	9.42	70.67	24674965595		319.6964

	Shawbrook Group PLC	United Kingdom	2021	18.98	23	67.51	73.18	21939893840		337.9148
	Shawbrook Group PLC	United Kingdom	2022					16861670598		324.9949
	Shawbrook Group PLC	United Kingdom	2023					14921869715		304.7866
	Shawbrook Group PLC	United Kingdom	2024					12220216853		292.4194
54	PT Bank Neo Commerce Tbk	Indonesia	2020	36.31	9	58.64	1.42	1081980423	0.001	596.2839
	PT Bank Neo Commerce Tbk	Indonesia	2021	38.24	9	61.01	1.87	1180223514	-0.03	622.6868
	PT Bank Neo Commerce Tbk	Indonesia	2022	42.63	4	61.17	2.3	1265292644	-0.051	722.6996
	PT Bank Neo Commerce Tbk	Indonesia	2023					795635697.2	-0.118	772.5618
	PT Bank Neo Commerce Tbk	Indonesia	2024					386134216.4		812.2042
55	Pt Bank Syariah Indonesia Tbk	Indonesia	2020	51.99	12	5	1.42	25395489869	0.018	596.2839
	Pt Bank Syariah Indonesia Tbk	Indonesia	2021	48	25	13.3	1.87	22970063267	0.017	622.6868
	Pt Bank Syariah Indonesia Tbk	Indonesia	2022	49.21	17	14.56	2.3	19641981240	0.015	722.6996
	Pt Bank Syariah Indonesia Tbk	Indonesia	2023	51.36	21	22.29	2.71	18616777614		772.5618
	Pt Bank Syariah Indonesia Tbk	Indonesia	2024					17064211111		812.2042
56	Metro Bank Holdings PLC	United Kingdom	2020	45.63	7	63.91		21996747154	0.012	319.6964
	Metro Bank Holdings PLC	United Kingdom	2021	45.66	26	65.84		28315576431	-0.001	337.9148
	Metro Bank Holdings PLC	United Kingdom	2022	51.84	8	66.44		26757394302	-0.001	324.9949
	Metro Bank Holdings PLC	United Kingdom	2023	52.33	8	67.17		30558073463	-0.008	304.7866
	Metro Bank Holdings PLC	United Kingdom	2024	43.95	10	35.75		30872198750	-0.012	292.4194
57	Investec Bank PLC	United Kingdom	2020							319.6964
	Investec Bank PLC	United Kingdom	2021							337.9148
	Investec Bank PLC	United Kingdom	2022							324.9949
	Investec Bank PLC	United Kingdom	2023							304.7866
	Investec Bank PLC	United Kingdom	2024							292.4194
58	Allo Bank Indonesia Tbk PT	Indonesia	2020					869112105.1		596.2839
	Allo Bank Indonesia Tbk PT	Indonesia	2021					828219199.3		622.6868
	Allo Bank Indonesia Tbk PT	Indonesia	2022					710501535.7		722.6996
	Allo Bank Indonesia Tbk PT	Indonesia	2023					326270677.1		772.5618
	Allo Bank Indonesia Tbk PT	Indonesia	2024					184235291.2		812.2042
59	Bank Jago Tbk PT	Indonesia	2020	51.26	6	58.64	1.42	1773941081	0.005	596.2839
	Bank Jago Tbk PT	Indonesia	2021	53.87	6	61.01	1.87	1383295875	0.004	622.6868
	Bank Jago Tbk PT	Indonesia	2022	49.12	6	61.17	2.3	1089964343	0.004	722.6996
	Bank Jago Tbk PT	Indonesia	2023					864029614	0.012	772.5618
	Bank Jago Tbk PT	Indonesia	2024					155261609.7		812.2042
60	TBC Bank Group PLC	United Kingdom	2020	78.42	13	63.91	67.58	14446210791		319.6964
	TBC Bank Group PLC	United Kingdom	2021	80.17	20	65.84	68.46	12370469454		337.9148
	TBC Bank Group PLC	United Kingdom	2022	70.69	26	66.44	69.19	10856981648	0.035	324.9949
	TBC Bank Group PLC	United Kingdom	2023	64.97	36	34.19	69.82	7998521569	0.034	304.7866
	TBC Bank Group PLC	United Kingdom	2024	67.96	39	30.86	71.94	6911925608	0.014	292.4194
61	Bank BTPN Syariah Tbk PT	Indonesia	2020	63.81	15	58.64	1.42	1351620883	0.049	596.2839
	Bank BTPN Syariah Tbk PT	Indonesia	2021	57.34	10	61.01	1.87	1392358948	0.051	622.6868
	Bank BTPN Syariah Tbk PT	Indonesia	2022	54.13	12	61.17	2.3	1359587279	0.09	722.6996
	Bank BTPN Syariah Tbk PT	Indonesia	2023	54.82	12	62.05	2.71	1301323228	0.084	772.5618
	Bank BTPN Syariah Tbk PT	Indonesia	2024					1170584402	0.072	812.2042
62	Bank Amar Indonesia Tbk PT	Indonesia	2020	30.73	8	58.64	1.42	302527656.9		596.2839
	Bank Amar Indonesia Tbk PT	Indonesia	2021	28.27	6	61.01	1.87	284470087.7		622.6868
	Bank Amar Indonesia Tbk PT	Indonesia	2022	31.72	6	61.17	2.3	289434346.9		722.6996
	Bank Amar Indonesia Tbk PT	Indonesia	2023	29.88	6	62.05	2.71	365125957.6		772.5618
	Bank Amar Indonesia Tbk PT	Indonesia	2024					289030527.9		812.2042
63	Krom Bank Indonesia Tbk PT	Indonesia	2020					413390174		596.2839
	Krom Bank Indonesia Tbk PT	Indonesia	2021					236337287.7		622.6868
	Krom Bank Indonesia Tbk PT	Indonesia	2022					212887230.7		722.6996
	Krom Bank Indonesia Tbk PT	Indonesia	2023					173863163.4		772.5618
	Krom Bank Indonesia Tbk PT	Indonesia	2024					102652013.9		812.2042
64	Bank Aladin Syariah Tbk PT	Indonesia	2020	54.19	6	58.64	1.42	581857364.8	-0.009	596.2839
	Bank Aladin Syariah Tbk PT	Indonesia	2021	61.17	7	61.01	1.87	460676843.1	-0.038	622.6868
	Bank Aladin Syariah Tbk PT	Indonesia	2022	44.24	6	61.17	2.3	304105428.9	-0.077	722.6996
	Bank Aladin Syariah Tbk PT	Indonesia	2023	40.11	6	62.05	2.71	152502596.5		772.5618
	Bank Aladin Syariah Tbk PT	Indonesia	2024					51381552.71		812.2042
65	Bank Multiarta Sentosa Tbk PT	Indonesia	2020					1795495953		596.2839
	Bank Multiarta Sentosa Tbk PT	Indonesia	2021					1778922167		622.6868
	Bank Multiarta Sentosa Tbk PT	Indonesia	2022					1366612733		722.6996
	Bank Multiarta Sentosa Tbk PT	Indonesia	2023					1628289367		772.5618
	Bank Multiarta Sentosa Tbk PT	Indonesia	2024					1534041026		812.2042
66	Super Bank Indonesia Tbk PT	Indonesia	2020					708209695.5		596.2839
	Super Bank Indonesia Tbk PT	Indonesia	2021					360901201.7		622.6868

	Super Bank Indonesia Tbk PT	Indonesia	2022					256706264.1		722.6996
	Super Bank Indonesia Tbk PT	Indonesia	2023					190726778.5		772.5618
	Super Bank Indonesia Tbk PT	Indonesia	2024							812.2042

APPENDIX B

STATA REGRESSION TEST AND RESULTS

1. Summary of Missing Values

```
. misstable summarize ESG MEET AUDCOM_SCORE AUDEXP_SCORE LN_ASSET ROA EMISSION
Obs<.
```

Variable	Obs=.	Obs>.	Obs<.	Unique values	Min	Max
ESG	168		162	159	9.37	90.95
MEET	168		162	40	3	63
AUDCOM_SCORE	169		161	37	5	68
AUDEXP_SCORE	173		157	12	1.42	73.18
LN_ASSET	8		322	322	17.75479	28.74244
ROA	182		148	55	-.077	.084

```
. summarize ESG MEET AUDCOM_SCORE AUDEXP_SCORE LN_ASSET ROA EMISSION
```

Variable	Obs	Mean	Std. dev.	Min	Max
ESG	118	66.96364	15.68395	17.89	90.95
MEET	118	16.80508	14.93305	4	63
AUDCOM_SCORE	118	54.76627	17.70435	5	68
AUDEXP_SCORE	118	47.15034	31.77208	1.42	71.94
LN_ASSET	118	24.35342	2.291918	19.53288	28.74244
ROA	118	.0140508	.0198597	-.077	.084
EMISSION	118	514.0296	191.724	292.4194	812.2042

```
. xtdescribe
```

```
COMPANY_ID: 1, 2, ..., 66      n =      66
YEAR: 2020, 2021, ..., 2024   T =      5
Delta(YEAR) = 1 unit
Span(YEAR) = 5 periods
(COMPANY_ID*YEAR uniquely identifies each observation)

Distribution of T_i:  min    5%    25%    50%    75%    95%    max
                   5      5      5      5      5      5      5

  Freq.  Percent  Cum. | Pattern
-----|-----
    66   100.00  100.00 | 11111
-----|-----
    66   100.00      | XXXXX
```

2. Summary Statistic of Panel Data

. xtsum ESG MEET AUDCOM_SCORE AUDEXP_SCORE LN_ASSET ROA EMISSION						
Variable		Mean	Std. dev.	Min	Max	Observations
ESG	overall	66.96364	15.68395	17.89	90.95	N = 118
	between	16.03539		20.1	88.13	n = 31
	within	3.947954	52.16364	77.95365		T-bar = 3.80645
MEET	overall	16.80508	14.93305	4	63	N = 118
	between	14.5725		5	59.75	n = 31
	within	4.436494	1.605085	37.60508		T-bar = 3.80645
AUDCOM~E	overall	54.76627	17.70435	5	68	N = 118
	between	17.82028	10.95333	66.8625		n = 31
	within	7.140857	27.35027	77.37627		T-bar = 3.80645
AUDEXP~E	overall	47.15034	31.77208	1.42	71.94	N = 118
	between	31.46101	1.645	70.31667		n = 31
	within	11.06518	-4.451661	96.11534		T-bar = 3.80645
LN_ASSET	overall	24.35342	2.291918	19.53288	28.74244	N = 118
	between	2.280144	19.88761	28.72576		n = 31
	within	.1014137	23.9987	24.64755		T-bar = 3.80645
ROA	overall	.0140508	.0198597	-.077	.084	N = 118
	between	.0190552	-.0413333	.067		n = 31
	within	.007755	-.0216158	.0463842		T-bar = 3.80645
EMISSION	overall	514.0296	191.724	292.4194	812.2042	N = 118
	between	178.3111	307.4003	747.6307		n = 31
	within	52.01457	404.1783	620.9466		T-bar = 3.80645

. pwcorr ESG MEET AUDCOM_SCORE AUDEXP_SCORE LN_ASSET ROA EMISSION, sig star(0.05)							
	ESG	MEET	AUDCOM~E	AUDEXP~E	LN_ASSET	ROA	EMISSION
ESG	1.0000						
MEET	0.2630*	1.0000					
	0.0040						
AUDCOM_SCORE	0.1033	-0.3790*	1.0000				
	0.2657	0.0000					
AUDEXP_SCORE	0.2824*	-0.1309	0.2124*	1.0000			
	0.0019	0.1576	0.0209				
LN_ASSET	0.7556*	0.0659	0.0878	0.4478*	1.0000		
	0.0000	0.4781	0.3445	0.0000			
ROA	0.1314	0.1191	-0.0123	-0.0262	-0.0314	1.0000	
	0.1560	0.1988	0.8948	0.7780	0.7354		
EMISSION	-0.0569	0.3450*	-0.2980*	-0.5822*	-0.3753*	0.1652	1.0000
	0.5409	0.0001	0.0010	0.0000	0.0000	0.0737	

APPENDIX C REGRESSION RESULTS FOR MODEL 1 (MEET)

```
. regress ESG MEET LN_ASSET ROA EMISSION
```

Source	SS	df	MS	Number of obs	=	118
Model	18956.1166	4	4739.02915	F(4, 113)	=	54.51
Residual	9824.26655	113	86.940412	Prob > F	=	0.0000
				R-squared	=	0.6586
				Adj R-squared	=	0.6466
Total	28780.3832	117	245.986181	Root MSE	=	9.3242

ESG	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
MEET	.1374448	.0632339	2.17	0.032	.012167	.2627226
LN_ASSET	5.618181	.4164934	13.49	0.000	4.793032	6.44333
ROA	87.34703	44.11795	1.98	0.050	-.0585789	174.7526
EMISSION	.015367	.0053365	2.88	0.005	.0047945	.0259395
_cons	-81.29448	11.33216	-7.17	0.000	-103.7455	-58.84343

```
. hausman meet_fe meet_re, sigmamore
```

	Coefficients		(b-B) Difference	sqrt(diag(V_b-V_B)) Std. err.
	(b) meet_fe	(B) meet_re		
MEET	-.1074733	.0071846	-.1146579	.0538118
LN_ASSET	9.847618	5.304637	4.542981	4.496302
ROA	-28.17303	43.03574	-71.20877	33.43915
EMISSION	-.0198049	-.0057433	-.0140616	.0050257

b = Consistent under H0 and Ha; obtained from xtreg.
B = Inconsistent under Ha, efficient under H0; obtained from xtreg.

Test of H0: Difference in coefficients not systematic

chi2(4) = (b-B)'[(V_b-V_B)^(-1)](b-B)
= 15.75
Prob > chi2 = 0.0034

```
vif
```

Variable	VIF	1/VIF
EMISSION	1.41	0.709867
LN_ASSET	1.23	0.815495
MEET	1.20	0.833372
ROA	1.03	0.967966
Mean VIF	1.22	

```
-----
```

Modified Wald test for groupwise heteroskedasticity
in fixed effect regression model

H0: sigma(i)^2 = sigma^2 for all i

chi2 (31) = 2015.76
Prob > chi2 = 0.0000

```

xtreg ESG MEET LN_ASSET ROA EMISSION, fe vce(cluster COMPANY_ID)

Fixed-effects (within) regression              Number of obs   =       118
Group variable: COMPANY_ID                   Number of groups  =        31

Time-invariant variables                     Obs per group:
    Within = 0.1841                          min =          1
    Between = 0.4725                         avg =         3.8
    Overall = 0.4752                         max =          5

F(4,30) = 5.74
corr(u_i, Xb) = -0.7817                      Prob > F         =    0.0015

(Std. err. adjusted for 31 clusters in COMPANY_ID)

```

ESG	Coefficient	Robust std. err.	t	P> t	[95% conf. interval]	
MEET	-.1074733	.062675	-1.71	0.097	-.2354728	.0205262
LN_ASSET	9.847618	4.591712	2.14	0.040	.4700909	19.22515
ROA	-28.17303	46.79665	-0.60	0.552	-123.7445	67.39847
EMISSION	-.0198049	.0116629	-1.70	0.100	-.0436238	.004014
_cons	-160.4773	113.5694	-1.41	0.168	-392.417	71.46231
sigma_u	17.504049					
sigma_e	4.2339885					
rho	.94472512	(fraction of variance due to u_i)				

```

xtreg ESG MEET LN_ASSET ROA EMISSION, re vce(robust)

Random-effects GLS regression              Number of obs   =       118
Group variable: COMPANY_ID               Number of groups  =        31

Time-invariant variables                 Obs per group:
    Within = 0.1226                         min =          1
    Between = 0.5490                         avg =         3.8
    Overall = 0.5547                         max =          5

Wald chi2(4) = 63.82
corr(u_i, X) = 0 (assumed)                Prob > chi2       =    0.0000

(Std. err. adjusted for 31 clusters in COMPANY_ID)

```

ESG	Coefficient	Robust std. err.	z	P> z	[95% conf. interval]	
MEET	.0071846	.0758503	0.09	0.925	-.1414792	.1558484
LN_ASSET	5.304637	.9829088	5.40	0.000	3.378171	7.231103
ROA	43.03574	32.07046	1.34	0.180	-19.82121	105.8927
EMISSION	-.0057433	.0096947	-0.59	0.554	-.0247445	.0132579
_cons	-60.39509	27.61047	-2.19	0.029	-114.5106	-6.27957
sigma_u	9.6013172					
sigma_e	4.2339885					
rho	.83719606	(fraction of variance due to u_i)				

```

. xtserial ESG MEET LN_ASSET ROA EMISSION

```

```

Wooldridge test for autocorrelation in panel data
H0: no first-order autocorrelation
F( 1, 24) = 7.135
Prob > F = 0.0134

```

APPENDIX D **REGRESSION RESULTS FOR MODEL 2 (AUDEXP_SCORE)**

. regress ESG AUDEXP_SCORE LN_ASSET ROA EMISSION						
Source	SS	df	MS	Number of obs	=	118
Model	18647.6942	4	4661.92356	F(4, 113)	=	51.99
Residual	10132.6889	113	89.6698134	Prob > F	=	0.0000
				R-squared	=	0.6479
				Adj R-squared	=	0.6355
Total	28780.3832	117	245.986181	Root MSE	=	9.4694

ESG	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
AUDEXP_SCORE	.0381287	.0356926	1.07	0.288	-.0325848	.1088421
LN_ASSET	5.680184	.4326229	13.13	0.000	4.82308	6.537288
ROA	89.33533	44.86843	1.99	0.049	.4428814	178.2278
EMISSION	.0229832	.0057852	3.97	0.000	.0115217	.0344446
_cons	-86.23533	11.269	-7.65	0.000	-108.5613	-63.9094

. vif		
Variable	VIF	1/VIF
AUDEXP_SCORE	1.68	0.595955
EMISSION	1.61	0.622985
LN_ASSET	1.28	0.779549
ROA	1.04	0.965236
Mean VIF	1.40	

. nlcom _b[_cons] _b[AUDEXP_SCORE] _b[LN_ASSET] _b[ROA] _b[EMISSION]				
	Coefficients			
	(b)	(B)	(b-B)	sqrt(diag(V_b-V_B))
	audexpscore	audexpscore	Difference	Std. err.
AUDEXP_SCORE	.0920937	.0412021	.0508916	.0189995
LN_ASSET	11.70487	5.11147	6.593404	4.441762
ROA	-56.39546	34.37069	-90.76615	34.19977
EMISSION	-.0214726	-.0057646	-.0157081	.0049073

b = Consistent under H0 and Ha; obtained from xtreg.
B = Inconsistent under Ha, efficient under H0; obtained from xtreg.

Test of H0: Difference in coefficients not systematic

chi2(4) = (b-B)'[(V_b-V_B)^(-1)](b-B)
= 18.10
Prob > chi2 = 0.0012

. xtreg ESG AUDEXP_SCORE LN_ASSET ROA EMISSION, fe vce(cluster COMPANY_ID)					
Fixed-effects (within) regression		Number of obs	=	118	
Group variable: COMPANY_ID		Number of groups	=	31	
R-squared:		Obs per group:			
Within = 0.2326		min =		1	
Between = 0.4850		avg =		3.8	
Overall = 0.4893		max =		5	
		F(4,30)	=	4.63	
Corr(u_i, Xb) = -0.8755		Prob > F	=	0.0050	
(Std. err. adjusted for 31 clusters in COMPANY_ID)					
ESG	Coefficient	Robust std. err.	t	P> t	[95% conf. interval]
AUDEXP_SCORE	.0920937	.0499785	1.84	0.075	-.009976 .1941633
LN_ASSET	11.70487	4.714889	2.48	0.019	2.075787 21.33396
ROA	-56.39546	39.39539	-1.43	0.163	-136.8516 24.06066
EMISSION	-.0214726	.0099744	-2.15	0.040	-.0418431 -.0011022
_cons	-210.6024	116.9399	-1.80	0.082	-449.4255 28.22067
sigma_u	21.994453				
sigma_e	4.1061915				
rho	.96631993	(fraction of variance due to u_i)			

xtreg ESG AUDEXP_SCORE LN_ASSET ROA EMISSION, re vce(cluster COMPANY_ID)			
Random-effects GLS regression		Number of obs	= 118
Group variable: COMPANY_ID		Number of groups	= 31
R-squared:		Obs per group:	
Within	= 0.1754	min	= 1
Between	= 0.5266	avg	= 3.8
Overall	= 0.5327	max	= 5
		Wald chi2(4)	= 64.46
Corr(u_i, X) = 0 (assumed)		Prob > chi2	= 0.0000
(Std. err. adjusted for 31 clusters in COMPANY_ID)			
ESG	Coefficient	Robust std. err.	z P> z [95% conf. interval]
AUDEXP_SCORE	.0412021	.0411577	1.00 0.317 -.0394655 .1218696
LN_ASSET	5.11147	1.06344	4.81 0.000 3.027165 7.195775
ROA	34.37069	31.01678	1.11 0.268 -26.42109 95.16247
EMISSION	-.0057646	.0089016	-0.65 0.517 -.0232114 .0116822
_cons	-57.31392	28.88776	-1.98 0.047 -113.9329 -.694959
sigma_u	9.7262657		
sigma_e	4.1061915		
rho	.84872914	(fraction of variance due to u_i)	

. xtserial ESG AUDEXP_SCORE LN_ASSET ROA EMISSION						
Wooldridge test for autocorrelation in panel data						
H0: no first-order autocorrelation						
F(1, 24) =			5.094			
Prob > F =			0.0334			

APPENDIX E **REGRESSION RESULTS FOR MODEL 3 (AUDCOM_SCORE)**

. regress ESG AUDCOM_SCORE LN_ASSET ROA EMISSION						
Source	SS	df	MS	Number of obs	=	118
Model	18877.6563	4	4719.41407	F(4, 113)	=	53.85
Residual	9902.72686	113	87.634751	Prob > F	=	0.0000
				R-squared	=	0.6559
				Adj R-squared	=	0.6437
Total	28780.3832	117	245.986181	Root MSE	=	9.3613

ESG	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
AUDCOM_SCORE	.0998375	.0512712	1.95	0.054	-.00174	.201415
LN_ASSET	5.842739	.4077883	14.33	0.000	5.034837	6.650641
ROA	89.75395	44.24647	2.03	0.045	2.093715	177.4142
EMISSION	.0227744	.0051592	4.41	0.000	.0125531	.0329958
_cons	-93.76266	11.78161	-7.96	0.000	-117.1042	-70.42116

. vif		
Variable	VIF	1/VIF
EMISSION	1.31	0.765537
LN_ASSET	1.17	0.857478
AUDCOM_SCORE	1.10	0.909041
ROA	1.03	0.970036
Mean VIF	1.15	

. hausman audcomscore_fe audcomscore_re, sigmamore				
	Coefficients			
	(b)	(B)	(b-B)	sqrt(diag(V_b-V_B))
	audcomscore~e	audcomscore~e	Difference	Std. err.
AUDCOM_SCORE	.1214399	.1115936	.0098463	.0299608
LN_ASSET	7.977536	5.123516	2.85402	4.519882
ROA	-22.50076	40.00358	-62.50434	32.64335
EMISSION	-.0225681	-.0056941	-.016874	.0051502

b = Consistent under H0 and Ha; obtained from xtreg.
B = Inconsistent under Ha, efficient under H0; obtained from xtreg.

Test of H0: Difference in coefficients not systematic

chi2(4) = (b-B)'[(V_b-V_B)^(-1)](b-B)
= 15.37
Prob > chi2 = 0.0040

xtreg ESG AUDCOM_SCORE LN_ASSET ROA EMISSION, fe vce(cluster COMPANY_ID)						
Fixed-effects (within) regression			Number of obs	=	118	
Group variable: COMPANY_ID			Number of groups	=	31	
R-squared:			Obs per group:			
Within = 0.2150			min	=	1	
Between = 0.4803			avg	=	3.8	
Overall = 0.4697			max	=	5	
			F(4,30)	=	3.94	
Corr(u_i, Xb) = -0.6773			Prob > F	=	0.0109	
(Std. err. adjusted for 31 clusters in COMPANY_ID)						
ESG	Coefficient	Robust std. err.	t	P> t	[95% conf. interval]	
AUDCOM_SCORE	.1214399	.0512198	2.37	0.024	.0168352	.2260446
LN_ASSET	7.977536	4.659749	1.71	0.097	-1.538942	17.49401
ROA	-22.50076	49.58644	-0.45	0.653	-123.7698	78.76827
EMISSION	-.0225681	.0123184	-1.83	0.077	-.0477256	.0025894
_cons	-122.0507	115.2598	-1.06	0.298	-357.4426	113.3412
sigma_u	14.9624					
sigma_e	4.1529194					
rho	.92847242	(fraction of variance due to u_i)				

xtreg ESG AUDCOM_SCORE LN_ASSET ROA EMISSION, re vce(cluster COMPANY_ID)			
Random-effects GLS regression		Number of obs	= 118
Group variable: COMPANY_ID		Number of groups	= 31
R-squared:		Obs per group:	
Within	= 0.1611	min	= 1
Between	= 0.5562	avg	= 3.8
Overall	= 0.5419	max	= 5
		Wald chi2(4)	= 73.24
Corr(u_i, X) = 0 (assumed)		Prob > chi2	= 0.0000
(Std. err. adjusted for 31 clusters in COMPANY_ID)			

ESG	Coefficient	Robust std. err.	z	P> z	[95% conf. interval]	
AUDCOM_SCORE	.1115936	.038294	2.91	0.004	.0365387	.1866485
LN_ASSET	5.123516	.9547548	5.37	0.000	3.252231	6.994801
ROA	40.00358	32.83213	1.22	0.223	-24.34621	104.3534
EMISSION	-.0056941	.009365	-0.61	0.543	-.0240493	.012661
_cons	-61.82032	27.32921	-2.26	0.024	-115.3846	-8.256047
sigma_u	9.4082105					
sigma_e	4.1529194					
rho	.83692748	(fraction of variance due to u_i)				

* xtserial ESG AUDCOM_SCORE LN_ASSET ROA EMISSION						
Wooldridge test for autocorrelation in panel data						
H0: no first-order autocorrelation						
F(1, 24) =			6.140			
Prob > F =			0.0206			

APPENDIX F

REGRESSION RESULTS FOR MODERATION COUNTRY MODEL

```
. regress ESG AUDEXP_SCORE i.COUNTRY_DUMMY c.AUDEXP_SCORE#i.COUNTRY_DUMMY, vce(robust)
```

_linear regression	Number of obs	=	118
	F(3, 114)	=	5.64
	Prob > F	=	0.0012
	R-squared	=	0.0943
	Root MSE	=	15.121

ESG	Coefficient	Robust std. err.	t	P> t	[95% conf. interval]	
AUDEXP_SCORE	.1898881	.0465252	4.08	0.000	.097722	.2820541
COUNTRY_DUMMY United Kingdom	-10.65304	100.4163	-0.11	0.916	-209.5769	188.2708
COUNTRY_DUMMY# c.AUDEXP_SCORE United Kingdom	.082026	1.441085	0.06	0.955	-2.772752	2.936804
_cons	60.27808	2.312842	26.06	0.000	55.69636	64.8598

```
. regress ESG AUDCOM_SCORE i.COUNTRY_DUMMY c.AUDCOM_SCORE#i.COUNTRY_DUMMY, vce(robust)
```

_linear regression	Number of obs	=	118
	F(3, 114)	=	1.84
	Prob > F	=	0.1446
	R-squared	=	0.0709
	Root MSE	=	15.316

ESG	Coefficient	Robust std. err.	t	P> t	[95% conf. interval]	
AUDCOM_SCORE	-.0639382	.0916826	-0.70	0.487	-.2455607	.1176843
COUNTRY_DUMMY United Kingdom	-26.60365	16.97297	-1.57	0.120	-60.22697	7.019679
COUNTRY_DUMMY# c.AUDCOM_SCORE United Kingdom	.4959288	.2694733	1.84	0.068	-.0378958	1.029753
_cons	68.83025	4.853601	14.18	0.000	59.2153	78.4452