Corporate Governance and Sustainability Reporting: Evidence from Listed Palm Oil Companies in Indonesia Stock Exchange

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Abstract

Sustainability is an important issue for companies today especially for the palm oil industry. Demands to safeguard and preserve the environment put pressure on the palm oil industry. In such circumstances sustainability disclosure and reporting is important. This study aims to examine the effect of corporate governance on sustainability reporting. This study discusses corporate governance through corporate governance structure namely principles, functions and mechanisms. This research propose that the audit committee has an important role in the implementation of corporate governance as well as the sustainability of the company. This research was conducted at palm oil companies listed on Indonesia stock exchange for the year of 2014-2016. Data was analysed by using Warp PLS. The result of this study indicates that corporate governance supported by effective audit committee has a positive impact on firm sustainability reporting.