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The Effect of Corporate Governance on Environmental Disclosure and Its Impact on the Financial Performance of Sharia Mining Companies in Indonesia

Adetiya Sabrina M. Nur [1,*], Muhammad Umar Mai[2], Dian Imanina Burhany[2]

[1]*Master of Applied Islamic Finance and Banking, Politeknik Negeri Bandung, Bandung, Indonesia*
[2]*Department of Accounting, Politeknik Negeri Bandung, Bandung, Indonesia*

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***Corresponding author:** adetiya54@gmail.com

Abstract: Mining companies provide a large added value to the economy, but their operational activities also cause a large environmental impact. The balance of the company's relationship with stakeholders, including those related to the environment, is something that needs to be maintained because it will have an impact on financial performance. Therefore, companies must apply corporate social responsibility (CSR) for environmental aspects and express them. Corporate governance is the determining factor of environmental disclosure. So, this research was conducted with the aim of examining the influence of the elements corporate governance which consists of the size of the board of commissioners, the proportion of female commissioners, the proportion of independent commissioners, and the size of the audit committee to environmental disclosure, and its impact on the financial performance of companies in the sharia mining sector. The basis of sharia is in favor of environmental sustainability. This research is a quantitative study with a sample of sharia mining companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. The research data is secondary data sourced from annual reports and corporate sustainability reports. Data analysis using SEM-PLS. The results of the study show that the size of the board of commissioners and the proportion of female commissioners have an effect negative to environmental disclosure while the proportion of independent commissioners and the size of the audit committee has no effect on environmental disclosure. Furthermore, environmental disclosure influences financial performance for return on assets (LONG).

Keywords: corporate governance; environmental disclosure; financial performance; and sharia mining company.

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1. Introduction

The mining sector is an important sector supporting the Indonesian economy. Various jobs can be created by the presence of the mining industry in an area. Domestic and international market demand can be met by the results of mining exploration so that the country's income and economic growth can be increased. But on the other hand, this sector also has a major impact on the environment, both directly from the former excavations, and indirectly from the burning of fossil fuels which is one of its end products. Carbon dioxide emissions from burning fossil fuels are increasing over time.

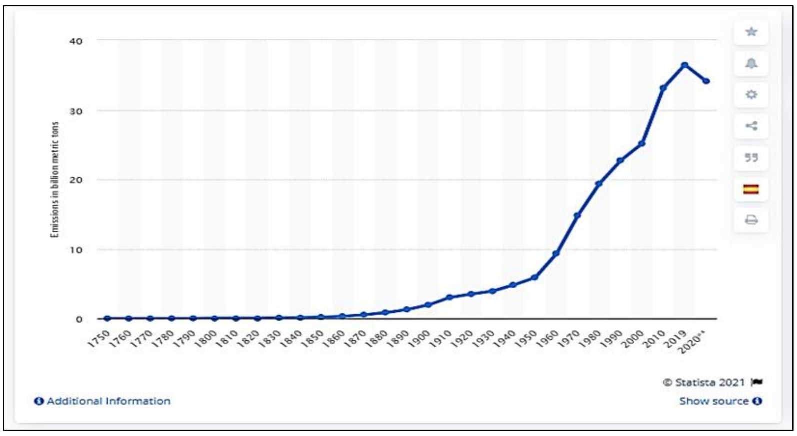

Figure 1. Historical Carbon Dioxide Emissions from World Fossil Fuel Burning and Industrial Processes 1758-2020 (in billion metric tons)
Source: Ian Tiseo, 5 Jan 2021 (https://www.statista.com)

Figure 1 shows carbon dioxide emissions that have continued to increase and have been getting higher in recent years. The peak of global carbon dioxide emissions in 2019 produced 36.44 billion metric tons due to developments and business developments around the world, also supported by the burning of fossil fuels resulting from mine exploration by mining companies (Tiseo, 2021). The trend appears to be declining in 2020 due to the impact of COVID-19 (Dong et al., 2020).

Environmental damage can be anticipated by corporate social responsibility (CSR) which encourages companies to balance economic, social, and environmental aspects. The environmental aspects of CSR are closely related to environmental performance, which can be seen from the carbon dioxide emissions produced by the company.However, the mining industry has so far been deemed not to have implemented CSR optimally (El-Bassiouny & El-Bassiouny, 2019a).

The implementation of CSR in Indonesia is based, among other things, on the Service Authority Regulation (POJK) Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Institutions, Issuers and Public Companies; Limited Liability Company Law Number 40 of 2007 Articles 66 and 74; and Investment Law No. 25 of 2007. Companies are required to carry out CSR with the hope of achieving a national economy that grows in a stable, inclusive and sustainable manner. The CSR activity must be reported or disclosed on sustainability reports or annual reports routinely. Additionally, one page websites also need to display activity CSR (Akadiati et al., 2019). CSR disclosure is an indicator that the company has carried out CSR activities while environmental disclosure is an indicator that the company has carried out environmental activities (Chijoke-Mgbame et al., 2019). Environmental disclosure is the disclosure of operational activity information relating to corporate environmental management that is disclosed in a transparent manner. As part of CSR, environmental disclosure may refer to the Global Reporting Initiative (GRI) Standard, a global CSR reporting/disclosure standard (Yang et al., 2017).

There are two groups of mining sector companies on the Indonesia Stock Exchange (IDX), namely the sharia and non-sharia mining sectors. The sharia mining sector is determined based on the Fatwa of the National Syariah Council of the Indonesian Ulema Council (DSN-MUI). It is stated in the DSN-MUI Decree concerning the Capital Market, namely Decree Number 40/DSN-MUI/X/2003 that a public company whose shares meet sharia criteria must have the type of business, the product of goods or services provided and the contract and management method do not conflict with the principles -Islamic sharia principles. The issue of CSR and environmental sustainability is very much in line with Islamic sharia. The Qur'an often discusses social responsibility as a form of hablumminannas (relationship with fellow human beings) and ta'awun (please help) through mechanism of economic and commercial cooperation to improve living standards (QS. Al-Maidah 5:2).Several studies examining the relationship between Islam and CSR have reported that the Islamic perspective is conducive to CSR activities, for example Beekun dan Badawi (2005); Graafland et al. (2006); Zinkin (2007); Allah and Jamali (2010).).

CSR activities in general and environmental activities in particular also support company performance. Weber's research (2017) on companies in China found that environmental disclosure has a positive effect on financial performance. Likewise various other studies that found an influence on financial performance in the form of return on assets (ROA) in banking companies (Fayad et al., 2017) and other types of companies (Ho et al., 2019; Janamrung & Issaraornrawanich, 2015; Mahrani & Soewarno, 2018; Maqbool & Hurrah, 2020; Oware & Mallikarjunappa, 2019) . However, other studies have found a negative effect (Fahad and Pertambanganru, 2021; Tarigan & Semuel, 2015).

With no maximal environmental disclosure at this time, various studies have also begun to explore the influencing factors of environmental disclosure (Khlif & Souissi, 2010). The results of Chijioke-Mgbame's research (2019) show that there are positive performance implications for the companies involved in environmental disclosure and corporate governance. Although this study did not find the effect of the size of the board of directors as an element of corporate governance to environmental disclosure companies, there is influence from the independent commissioner. Chijioke-Mgbame (2019) argues environmental disclosure is role-proof corporate governance. Therefore, it is recommended to apply corporate governance proportionally so as to increase the implementation of CSR and its disclosure (Chijoke-Mgbame et al., 2019). Meanwhile, Zaid et al. (2019); Aaron et al. (2020); Lone & Khan (2017) found a positive relationship between women's councils and CSR. Then Said et al. (2017) found the audit committee has a positive effect on sustainable financial reporting.

Referring to the problems that have been stated above and the differences in the results of previous studies, This research was conducted to determine the effect corporate governance which consists of the size of the board of commissioners, the proportion of female commissioners, the proportion of independent commissioners, and the audit committee environmental disclosure and its impact on the financial performance of sharia mining companies in Indonesia. The author includes the proportion of female commissioners as a novelty in this study considering that the mining sector is a sector that is "hard" and has a big impact on the environment so that with its "soft" nature, it is likely that women will support mining activities that are environmentally friendly.

2. Literature Review

2.1. Disclosure Theory

According to Evans (2003), disclosure is the delivery of information in financial statements, including the financial statements themselves, notes to financial statements, and additional disclosures related to financial statements According to Hendriksen (2002), disclosure is the provision of the amount of information needed for optimal operation in an efficient capital market. Disclosure in the narrowest sense includes matters such as management discussion and analysis, footnotes, and supplementary reports (Hendriksen, 2002). Disclosure in sustainability reports is part of financial reporting that shows company performance in environmental, social, and corporate governance (ESG) aspects (Lone & Khan, 2016).

Disclosure in sustainability reports this is done with the aim of providing more complete and transparent information about company performance in terms of ESG (Dong et al., 2020). The purpose of disclosure is to provide significant and relevant information to report users to help them make decisions in the best possible way, with the limitation that the benefits must exceed the costs (Hendriksen, 2002).

2.2. Stakeholder Theory

Stakeholder theory focuses on the relationship between various groups and individuals that can regulate or influence the vision and mission of an organization (Freeman & McVea, 2001). Freeman (1984) defines stakeholder as a group without the presence of the company that will not run as its function because its policies affect the company's performance. According to Donaldson and Preston (1995), stakeholder theory is a theory that describes to which party the company is responsible. In carrying out all its operational activities, the company must be responsible to various parties such as directors, employees, and the community. This stakeholder that become part of the company and provide an important impetus for sustainable practices (Bouteraa et al., 2020).

2.3. Corporate Governance

Corporate governance is built based on stakeholder theory. Corporate governance is a system that not only enhances the relationship between shareholders, managers and investors, but ensures proper provision of resources among competing users (Al-ahdal et al., 2020). Commissioners, directors, and company auditor is an element corporate governance Which work for the benefit of the company (Lodhia et al., 2020). Elements Corporate governance can be expanded and specified so includes the size of the board of commissioners, the proportion of women commissioners, the size of the independent commissioners, and the size of the audit committee.

2.4. Environmental Disclosure

Corporate social responsibility disclosure (CSRD) for environmental aspects of environmental disclosure can follow the Global Reporting Initiative (GRI) framework. GRI is the organization that develops the most widely used sustainability reporting framework by companies around the world. GRI has several indicators that can assist companies in identifying environmental aspects that need to be reported. These indicators are divided into three categories namely. Category Ecology with indicators covering energy management, greenhouse gas emissions, waste management, and biodiversity. Category Water with indicators covering water management, water use, and water quality. Category Materials with indicators covering the management of hazardous materials, efficient use of materials, and policies related to products and services (Rusdiono, 2013). POJK Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Institutions, Issuers and Public Companies stipulates that disclosures are made on sustainability report, but the company has not published sustainability report disclose it on annual report.

2.5. Financial Performance

Financial performance is an indicator that is often used to measure the success of a company. Profitability, which indicates a company's ability to generate profits, is a measure of financial performance that is commonly used. In relation to environmental management, return on assets (ROA) is the right measure of profitability because this measure relates to the assets owned by the company. Measuring the success of environmental management with ROA can provide an overview to management regarding the profit obtained by the number of assets owned, including assets for environmental control, which are relatively large in value (Freedman & Jaggi, 1992). In other words, the ROA value can provide an indication of whether the investments made in various environmental control assets are efficient or not.

2.6. Hypothesis Development

2.6.1. The Effect of Board of Commissioners Size on Environmental Disclosure

Several studies have shown that board size is positively related to the level of environmental disclosure. This is since the board of commissioners plays an important role in determining the company's business strategy and in ensuring that the company complies with applicable environmental regulations (Harun et al., 2020). Esa and Ghazali (2012) found that there is an effect of the size of the board of commissioners on environmental disclosure. Likewise with Harun et al. (2020); Lone and Khan (2017) found the same result.

H1: The size of the board of commissioners has an effect on environmental disclosure.

2.6.2. The Effect of the Proportion of Female Commissioners on Environmental Disclosure

Several studies also show that the proportion of female commissioners on the board is positively related to environmental disclosure (Ramon-Llorens et al., 2021; Simanungkalit & Mayangsari, 2020; Rao & Tilt, 2016). This occurs because female commissioners tend to be more sensitive to environmental issues and have a higher sensitivity to the environmental impacts of the company's business activities (Aggarwal et al., 2011).

H2: The proportion of female commissioners has an effect on environmental *disclosure.*

2.6.3. The Effect of the Proportion of Independent Commissioners on Environmental Disclosure

Independent commissioners or non-executive commissioners are considered as the key to CSR disclosure including environmental disclosure because they come from outside the company and can therefore act more decisively than the directors inside the company. Independent Commissioners can influence corporate culture by encouraging the adoption of CSR values and awareness of the importance of sustainability. By supporting socially and environmentally responsible policies and business practices, they can help create an environment that prioritizes CSR in all aspects of company operations (Fransisca, 2013). Independent commissioners can help ensure that social and environmental responsibility is a priority in company strategy and operations (Taco & Ilat, 2016). Kamaliah (2020) argues that independent commissioners have a direct impact on environmental disclosure. Independent commissioners act better as company observers on behalf of shareholders (Adams et al., 2010). So, the independent commissioners have an effect on environmental disclosure (Chijioke-Mgbame, 2019; El-Bassiouny dan El-Bassiouny, 2018; Lone and Khan, 2017; Khan, 2010).

H3: The size of the independent commissioner has an effect on environmental disclosure.

2.6.4. The Effect of Audit Committee Size on Environmental Disclosure

Said et al. (2017) found that the audit committee has a positive effect on sustainability reporting. This is because the audit committee is a supervisory body that is expected to encourage companies to adopt best practices in sustainable reporting such as environmental disclosure. Several studies show that audit committee size is positively related to level environmental disclosure. This is due to the fact that the audit committee has an important role in ensuring that the company follows socially responsible business practices, as well as in ensuring that the company's financial reports are accurate and transparent. The findings of Mohammadi et al. (2020) that the financial expertise of audit committee members has a significant effect on environmental disclosure.

H4: The size of the audit committee has an effect on environmental disclosure.

2.6.5. The Effect of Environmental Disclosure on Financial Performance

Theory staff holder stated that the company would file a lawsuit, one of them is in the form of CSR and it is believed that it will bring competitive advantage so that it will produce better financial performance. By carrying out and disclosing sustainability practices, the company's reputation will increase which plays a role in sustaining superior financial performance (Maqbool & Hurrah, 2020). Kurucz et al. (2008) identified the benefits of environmental practices namely, cost reduction, competitive advantage, developing reputation and legitimacy, all of which will increase company profits. Therefore, environmental disclosure has a positive effect on financial performance, especially ROA (Fayad et al., 2017; Ho et al., 2019; Janamrung & Issarawornrawanich, 2015; Maqbool & Hurrah, 2020). Bukhori & Sopian (2017) found sustainable financial disclosures to have a significant positive effect on the ROA of mining companies. However, there are also studies that show that the influence of environmental disclosure on the financial performance of mining companies may vary depending on economic and environmental conditions, as well as the industrial sector and the country in which the company operates (Tarigan & Semuel, 2015b).

H5: Environmental disclosure effect on financial performance.

3. Method

This research is quantitative research with independent variables of corporate governance Which consists of board of commissioner’s size (X1), proportion female commissioner (X2), proportion independent commissioner (X3), and size audit committee (X4). The dependent variable is environmental disclosure (Y) as well as an independent variable on the next dependent variable, namely financial performance (Z). Samples are taken with technique purposive sampling with the criteria of mining sector companies registered at ISSI (Indonesian Sharia Stock Index)-who publishes sustainability report or annual report period 2017-2021. Based on these criteria, there are 29 companies as samples or145 observations within 5 years. The operationalization of research variables is presented in Table 1. Analysis and testing of data using SEM-PLS (Structural Equation Model-Partial Least Square) with the help of the WarpPLS 7.0 software application.

Table 1. Variable Operationalization

Variable	Variable Definitions	Indicator	Scale
Board of Commissioners Size (X1)	Member of the board of commissioners	The total number of commissioners	Nominal
Proportion of Female Commissioners (X2)	Commissioner with female gender	The number of female commissioners is compared to the total number of commissioners	Ratio

Variable	Variable Definitions	Indicator	Scale
		car = Number of female commissioners / The total number of commissioners	
Proportion of Independent Commissioners (X3)	Commissioners who come from outside the company	The number of independent commissioners is compared to the total number of commissioners PKI = Number of independent commissioners / Total Commissioners	Ratio
Audit Committee Size (X4)	Audit Committee Member	The total number of audit committees	Nominal
Environmental Disclosure (AND)	Environmental disclosure in sustainability *report* or annual *report*	Environmental Disclosure Index (EDI) refers to GRI 3.0 ED = Number of items disclosed / The number of items should be disclosed	Ratio
Financial Performance (Z)	Management success in achieving business performance in generating profits using all assets owned (Rusdiono, 2013)	Return on Asset (ROA) LENGTH = Net profit / Total assets	Ratio

4. Results and Discussion

Descriptive statistics of research variables presented in Table 2.

Table 2. Descriptive Statistics of Research Variables

No.	Variable	Code	N	Minimum	Maximum	Rate-rate	St. Dev
1	X_1	UDC	145	3	7	4.70	1.14
2	X_2	car	145	0	0.29	0.13	0.67
3	X_3	PKI	145	0	0.14	0.01	0.25
4	X_4	UKA	145	2	4	2.59	0.67
5	AND	WAS	145	0.76	1	0.97	0.05
6	WITH	LONG	145	-0.7213	1.2242	0.63	19.39

Source: Research Data, Processed (2023)

Referring to Table 2, it is known that the UDK variable has an average value of 4.70 or almost 5 people, the maximum value is 7, and the minimum value is 3. The PKW variable has an average value of 0.13 or 13%, the maximum value is 0, 29 or 29%, and the minimum value is 0% or no female commissioners at all. The PKI variable has an average value of 0.01 or 1%, the maximum value is 0.14 or 14%, and the minimum value is 0% or there is no independent commissioner at all. The UKA variable has an average value of 2.59or close to 3 people, the maximum value is 4, and the minimum value is 2. The EDI variable has an average value of 0.97 or 97% which means that it discloses environmental information/items as much as 97% of 12 items or equal to 11 items, the maximum value is 1 or 100% which means reveals all items, and the minimum value is 0.76 or 76% which means it reveals 76% of 12 items or equal to 9 items. The ROA variable has an average value of 0.63 or 63%%, a maximum value of 1.2242 or 122.42%, and a minimum value of -0.7213 or -72.134%.

Test result model fit and quality indices presented in Table 3.

Table 3. Model Fit and Quality Indices

Goodness of fit Index	Cut off Value	Results	P-*Value*	Status
AVIF	V <= 5, Ideally =3,3	1.105		Fit
AFVIF	V <= 5, Ideally =3,3	1.183		Fit
GoF	S >= 0.1, M >= 0.25, L >= 0.36	0.353		Fit (Medium)
SPR	Acceptable If >= 0.7	1.000		Fit
RSCR	Acceptable If >= 0.9	1.000		Fit
SSR	Acceptable If >= 0.7	1,000		Fit
NLBCDR	Acceptable If >= 0.7	0.700		Fit
APC	P < 0,05	0.197	0.004	Fit
ARS	P < 0,05	0.124	0.031	Fit
YEARS	P < 0,05	0.109	0.045	Fit

Source: Research Data, Processed (2023)

Table 3 shows the P value for the Average path coefficient (APC) = 0.197; P 0.004, means smaller than 0.05. P value for Average R-squared (ARS) = 0.124, P = 0.031, this means it is smaller than 0.05; P value for Average adjusted R-squared (AARS) = 0.109, P > 0.045, this means it is smaller than 0.05. In addition, the resulting Average full collinearity VIF (AFVIF) value is 1.183 which is less than 5.00, meaning that there is no problem of multicollinearity between indicators and between exogenous variables. The model produces a GoF index of 0.353 which is less than 0.36, this means that the fit model is in the moderate category. The resulting Sympson's paradox ratio (SPR) index is 1,000 greater than the required 0,700; The resulting R-squared contribution ratio (RSCR) index is 1,000, which is greater than the required 0,900; The resulting Statistical suppression ratio (SSR) index is 1,000, which is greater than the required 0,700; The resulting Indels Nonlinear bivariate causality ratio (NLBCDR) is 0.700, the same as the required 0.700. This shows that the model formed in this study as a whole has strong predictive power or in other words that the model meets the testing criteria.

Furthermore, complete hypothesis testing results for the five research hypotheses presented in Table 4.

Table 4. Hypothesis Testing Results

Variable	Path Coefficient	P Values	Decision
X1_UDK->Y_EDI	*-0.291*	*<0.001*	H1 is accepted
X2_PKW -> Y_EDI	*-0.274*	*<0.001*	H2 is accepted
X3_PKI -> Y_EDI	*0.078*	*0.170*	H3 is rejected
X4_UKA-> Y_EDI	*-0.031*	*0.352*	H4 is rejected
Y_EDI -> Z_ROA	*0.312*	*<0.001*	H5 accepted

Notes: **statistically significant at 5%; ***statistically significant at 1%.
Source: Research Data, Processed (2023)

The results of testing the hypothesis above can be explained as follows:

a. The Effect of Board of Commissioners Size on Environmental Disclosure

Path coefficient of -0.291 and p-value <0.001 shows significant results. So, the first hypothesis (H1) is accepted. With a coefficient that is negative, it can be said that the size of the board of commissioners has a negative effect on environmental *disclosure.*

b. The Effect of the Proportion of Female Commissioners on Environmental Disclosure
Path coefficient of -0.274 and p-value <0.001 shows significant results. Then the second hypothesis (H2) is accepted. With a coefficient that is negative, it can be said that the proportion of female commissioners has a negative effect on environmental *disclosure*.

c. Effect of the Proportion of Independent Commissioners on Environmental Disclosure
Path coefficient of 0.078 and p-value 0.170> 0.05 shows insignificant results. So, the third hypothesis (H3) is rejected and it can be said that the proportion of independent commissioners has no effect on environmental *disclosure*.

d. The Effect of Audit Committee Size on Environmental Disclosure
Path coefficient of -0.031 and p-value 0.352> 0.05 shows insignificant results. So, the fourth hypothesis (H4) is rejected and it can be said that the size of the audit committee has no effect on environmental *disclosure*.

e. The Effect of Environmental Disclosure on Financial Performance
Path coefficient of 0.312 and p-value <0.001 shows significant results. So, the fifth hypothesis (H5) is accepted. With a positive sign, it can be said that environmental *disclosure has a positive* effect on financial performance.

Based on the results of hypothesis testing presented in Table 4 mentioned above, it can also be presented as the structural model of the research results formed as shown in Figure 2 below.

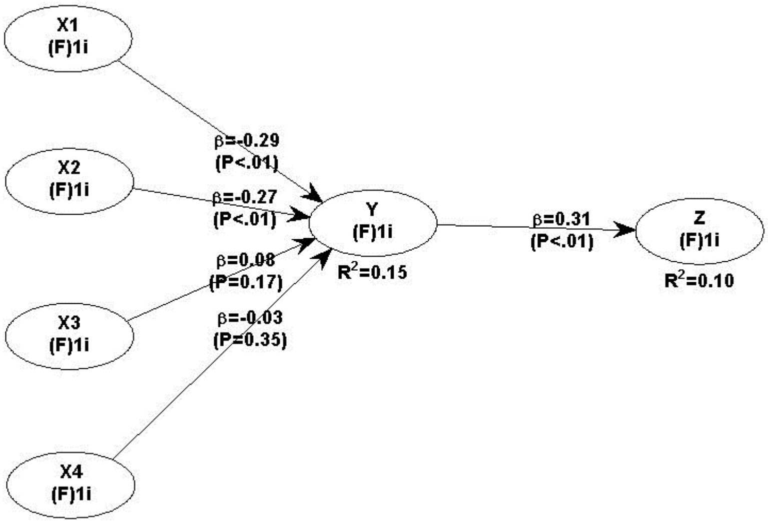

Figure 2. Structural Model of Research Results
Source: Research Data, Processed (2023)

The results of this study found that the size of the board of commissioners has a negative effect on environmental disclosure. The board of commissioners has an important role to play corporate governance effectively in promoting environmental management and disclosure. However, it should be noted that the number or size of the board of commissioners is not too large because it can be counterproductive. It can be said that in sharia mining companies, the increasing number of commissioners will reduce environmental activities and disclosures. It is possible that this is due to the increasing number of commissioners, the attention is more focused on mining operational activities. Although the board of commissioners plays an important role in determining the company's business strategy and in ensuring that the company complies with applicable environmental regulations, mining companies are morally very active in carrying out environmental management and disclosure without any pressure from the board of commissioners (Harun et al., 2020). This is because there are many regulations governing environmental aspects in mining companies that bind directors to comply with them, so it is likely that too many commissioners will be counterproductive. This finding does not support previous findings by Esa and Ghazali (2012); Aaron et al. (2020); Lone and Khan (2017), namely the size of the board of commissioners has a positive effect on the level of disclosure of environmental information.

As with the size of the board of commissioners, the results of this study also found that the proportion of commissioners is female and has a negative effect on environmental disclosure. This finding does not support (Aggarwal et al., 2011) which states that female commissioners tend to be more sensitive to environmental issues and have a higher sensitivity to environmental impacts so that the proportion of female commissioners on the board is positively related to the level of environmental disclosure. Although in general female commissioners tend to be more sensitive to environmental issues and have a higher sensitivity to the environmental impacts of company business activities (Rohadi, 2016), environmental management in mining companies is relatively more difficult than other types of companies because it involves significant changes in the landscape. considered heavy for women. This is what is likely to cause an increase in the proportion of female commissioners to reduce environmental activities and disclosures.

The next finding is that the proportion of independent commissioners has no effect on environmental disclosure. These results do not confirm the results of Chijioke-Mgbame's research (2019); El-Bassiouny and El-Bassiouny (2018); Lone and Khan (2017); Khan (2010) who found a positive influence on independent commissioners' environmental disclosure. This study also found that audit committee size had no effect on environmental disclosure. These results do not support the results of previous research by Said et al., (2017); Mohammadi et al. (2020) that the audit committee has a positive effect on environmental reporting. Even though independent commissioners are considered as the key to CSR disclosure including environmental disclosure because they come from outside the company and therefore can act more assertively than directors within the company so that it has a direct impact on environmental disclosure (Kamaliah, 2020), with the findings of this study it can be said that a little or a lot of the proportion of independent commissioners is not a determinant environmental disclosure in sharia mining companies. Meanwhile, the establishment of an audit committee is one way to increase disclosure of social responsibility. In fact, it is hoped that the audit committee as a representative group within the board of directors can monitor financial and non-financial reporting and wherever possible reduce information asymmetry between management and stakeholders (Taco & Ilat, 2017). It can be said that audit committees in sharia mining companies do not focus their audit objects too much on environmental aspects, so that the number or number of them does not affect environmental disclosure.

The final findings of this study are environmental disclosure positive effects on financial performance. These results support various previous studies which also found a positive effect environmental disclosure on financial performance as measured by ROA (Fayad et al., 2017; Ho et al., 2019; Janamrung & Issarawornrawanich, 2015; Maqbool & Hurrah, 2020; Bukhori & Sopian, 2017; Weber, 2017).Stakeholder theory states that companies will carry out stakeholder demands, one of which is in the form of CSR and it is believed to bring competitive advantage in the view of stakeholders which include customers, investors, creditors, and others, so that it will produce better financial performance. By carrying out and disclosing sustainability practices, the company's reputation will increase which plays a role in sustaining superior financial performance (Maqbool & Hurrah, 2020). Kurucz et al. (2008) identified the benefits of environmental practices namely, cost reduction, competitive advantage, developing reputation and legitimacy, all of which will increase company profits. This is in line with what has been indicated by Weir (2012) that the central ethics in Islam is the idea of the people/the wider community which is the main pillar in the conceptualization of CRS is directly proportional to income and profit. Moreover, mining companies are vulnerable to environmental damage and there are many regulations. As is environmental disclosure, stakeholders get complete information about the company's alignment with the environment and will influence its decisions (e.g., to buy products, invest capital, and so on) so that financial performance will increase. This result is in itself also supportive disclosure theory about the importance of companies disclosing significant, relevant, complete and transparent information to report users to help them make decisions in the best way (Lone & Khan, 2016; Hendriksen, 2002).

5. Conclusion

Based on the research results, the conclusions that can be drawn are:

a. The size of the board of commissioners matters negatively to environmental *disclosure* in sharia mining companies.
b. The proportion of female commissioners matters negative environmental *disclosure* in sharia mining companies.
c. The proportion of independent commissioners has no effect on environmental *disclosure* in sharia mining companies.
d. The size of the audit committee has no effect on environmental *disclosure* in sharia mining companies.
e. Environmental disclosure is an influential positive on financial performance in sharia mining companies.

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