ABSTRACT

The objective of this study is to investigate the effects of corporate governance on sustainability performance. The dependent variable is sustainability performance, which is measured by the GRI index; the independent variables are board size, board independence, managerial ownership, institutional ownership, and profitability as a mediating variable, which is measured by return on assets (ROA).

The population includes all companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2022. A purposive sampling technique was used to choose the sample, which produced 350 data points from 70 companies. Data ini berasal dari Bloomberg, dan financial reports can be found on the IDX website. In this study, the partial least square (PLS) method was used; the software for smartPLS was used. The PLS method includes analyzing both the outer model and the inner model..

The results showed that while board size has a negative impact on profitability, it has a favorable influence on corporate sustainability performance. On the other hand, board independence has a good effect on profitability but a negative influence on corporate sustainability performance. While institutional ownership also has a negative influence on corporate sustainability performance but a good impact on profitability, managerial ownership tends to have a negative impact on corporate sustainability performance. Corporate sustainability performance is positively impacted by profitability in and of itself. Profitability, however, does not act as a mediator in the link between company sustainability performance and board independence and size. Profitability, on the other hand, acts as a bridge between institutional and management ownership and company sustainability performance.

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Keywords: *Board Independent, Board Size, Corporate Governance, Institutional Ownership, Managerial Ownership, Profitability, and Sustainability Performance*