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Does Green Investment Elevate CSR Performance? The Role of CSR Committee as Moderating Factor

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ABSTRACT

This study intends to investigate the effect of green investment and CSR committee on CSR performance. This study also analyzes the moderating effect of CSR committee on the relationship between green investment and CSR performance. We analyzed 117 firms-years observation from 39 companies listed in LQ-45 index from 2019-2021. Sample is selected using purposive sampling technique, which the availability of CSR information become the criteria of sample selection. To test the hypotheses, we applied Moderated Regression Analysis (MRA). Our findings indicate that there is a positive impact of green investment and CSR committee on CSR performance. However, CSR committee does not play a moderating role in enhancing CSR performance. By using a new proxy of green investment and CSR performance measurement, our research contributes on providing a new insight on what factors influence the sustainability performance within legitimacy theory framework. Our findings provide empirical evidence that can be used by business practitioners and policymakers to consider the importance of independent CSR committee as a part of sustainability governance.

Keywords: *CSR committee, CSR performance, Green Investment, Sustainability Performance, Sustainability Governance.*

INTRODUCTION

Corporate Social Responsibility (CSR) is a form of social responsibility carried out by companies as part of a social contract in society (Tilling, 2004). In the era of the green economy, people focused on aspects of sustainability, no longer focused on obtaining short-term profits (Al Hawaj & Buallay, 2022; Eccles et al., 2014). Changes in the community's paradigm regarding the importance of environmental aspects led to changes in the measurement of company performance (Achi et al., 2022a). Company performance measurement no longer emphasizes profits and short-term profits (Chaarani et al., 2021; Maury, 2022), rather it change to a focus on business sustainability (Chen et al., 2021), concern for the environmental issues (Atan et al., 2018), and social responsibility aspects (Benlemlih & Bitar, 2018).

The development of CSR is no longer seen as a burden that burdens the company, but is considered as an investment that provides benefits in the long-term (Escrig-Olmedo et al., 2017), and also as green business strategy to enhance competitive advantage (Hizarci-Payne et al.,

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2021; Maury, 2022). CSR also helps companies to gain legitimacy in society (Hummel & Schlick, 2016a) by enhancing the company's reputation (Singh & Misra, 2021) and improve the company's financial performance (Chaarani et al., 2021). The importance of CSR aspects for companies causes companies to strive to improve CSR performance. According to legitimacy theory, CSR performance improvement is carried out by companies in order to meet community expectations as a consequence because companies are part of a social sub-system (Dowling & Pfeffer, 1975). Another motivation for improving CSR performance is that the company wants to achieve legitimacy for the company's operations (Singh & Misra, 2021). Companies that have achieved legitimacy in society can maintain their business continuity (Al Hawaj & Buallay, 2022), for gaining access to the resources the company needs (Aras & Crowther, 2009).

The motivation for CSR to maintain business continuity in future developments is no longer voluntary. The importance of the aspect of business sustainability which concerns the rights of stakeholders encourages mandatory implementation of CSR in various countries in the world (Bhattacharyya & Rahman, 2019). The enactment of mandatory CSR reporting and increasing investor awareness to choose environmentally friendly investments make the company's CSR aspect one of the company's performance indicators (Escrig-Olmedo et al., 2017). Research proves the impact of CSR performance has a positive influence on the company's financial performance (Pham & Tran, 2020; 2015; Waworuntu et al., 2014).

The importance of CSR makes companies compete to implement CSR without paying attention to the quality of CSR performance (Pham & Tran, 2020). This phenomenon triggers people's skeptical views regarding the quality of corporate CSR performance only as philanthropy and a company marketing tool (Rashid et al., 2014). Thus, CSR performance evaluation is needed to assess that the CSR program has been implemented properly by the company (Wilkins & Miles, 2017). One way to evaluate CSR performance is by conducting an assessment by an external assurer on the CSR reports prepared by the company (Karaman et al., 2021).

Confidence in the company's future prospects as assessed by the company's ability to maintain the company's sustainability aspects can increase investor confidence (Chi et al., 2023). Investor interest in environmentally friendly investment options is driven by awareness of the company's sustainability aspects (Belaïd et al., 2023). Awareness of environmentally friendly investment creates a choice of "green investment" offered by companies to attract investors (Escrig-Olmedo et al., 2017). Companies need to disclose information regarding their commitment to environmentally friendly investments to increase investor confidence (Benlemlih & Bitar, 2018). The magnitude of the company's commitment to environmentally friendly investment is reflected in the large number of investments that can increase the quality of the company's CSR performance (Chi et al., 2023). Environmentally friendly investment is a real implementation that reflects the company's commitment to focus on quality CSR performance (Pham & Tran, 2020), which is not just for marketing purposes (Salam et al., 2022).

The phenomenon of CSR is an interesting problem that needs to be studied more deeply. Many companies' motives for carrying out CSR are viewed with skepticism by the public. CSR is often seen as a means of "greenwashing" (Pham & Tran, 2020) to cover the company's deficiencies in other aspects of performance, or just for imaging that is not in accordance with the company's performance (Salam et al., 2022). CSR research conducted to examine the effect of CSR on the company's financial performance (Ang et al., 2022; Bruna & Lahouel, 2022; Cao et al., 2023; Kuzey et al., 2021; Waworuntu et al., 2014; Yang & Baasandorj, 2017; Yusoff et al., 2013). The results of the research show that CSR is proven to have a positive relationship to improve the company's financial performance. This study uses CSR Disclosure as a proxy for measuring CSR. Disclosure of CSR has a weakness because it only focuses on the quantity of reporting (Chi et al., 2023). Companies that have extensive CSR disclosure are not necessarily able to show good CSR performance. Thus, the measurement of CSR performance becomes a more important aspect than just the extent of CSR disclosure (Achi et al., 2022a).

Another CSR research was conducted to analyze the factors that influence CSR performance. The results of the study show that various factors influence CSR performance, including the connectivity of the board of directors (Amin et al., 2020), board of directors profile (Barka & Dadour, 2015), CSR costs (Bebchuk & Cohen, 2005), CSR reporting structure (Yusoff et al., 2013), and company reputation (Pham & Tran, 2020). The factors that have been tested have an influence on CSR performance. Existing research focuses more on corporate governance, the role of the board of directors, the CSR committee whose role is to manage CSR in the company. Existing research has not examined further the impact of CSR investment, in this case it is part of CSR activity on CSR performance. Quality CSR activities should be able to show good CSR performance as well. This is because the company is committed to implementing CSR which is not just a form of philanthropy (Cao et al., 2023), but purely as a form of commitment and awareness of the company to fulfill social responsibility. Green investment is a public concern that can be observed in real terms compared to the role of corporate governance which is an internal factor of the company. Companies that allocate more CSR funds to investment projects that are environmentally friendly show real corporate CSR performance and have a direct impact on society. Research on green investment (Belaïd et al., 2023; Chi et al., 2023; Hung, 2023) still focusing on economic development and business sustainability. There is no research that examines the effect of green investment on corporate CSR performance.

The CSR Committee is the top management responsible for carrying out the oversight function of the company's CSR activities (García-Sánchez et al., 2019a). The CSR Committee is also responsible for the policies of the company's CSR activities, including making investment decisions that are environmentally friendly (Amin et al., 2020). The role of the CSR committee is to provide adequate supervision and ensure that the company's CSR activities meet stakeholder expectations. The existence of a CSR committee in a company can be a control for companies to continue to improve the quality of CSR activities that are not just a marketing gimmick for the company (Alotaibi & Hussainey, 2016). The existence of a good CSR committee can influence CSR activities and corporate CSR performance by providing policy support and monitoring functions. The weak function of the CSR committee is also allegedly able to reduce the company's CSR performance.

The implementation of CSR by companies is an important aspect that is of concern to the government. In Indonesia, CSR reporting is mandatory through Law Number 40 of 2007 concerning Limited Liability Companies regarding Social and Environmental Responsibility (TJSL). This shows that all companies are required to implement CSR. The green investment trend is becoming a new choice for investors to consider environmentally friendly investment options. This is reinforced by the sustainable financial roadmap through the Green Taxonomy by the OJK until 2025. The focus on green investment allows potential investors to assess companies that care about the environment. This study provides empirical evidence regarding aspects of green investment and their impact on corporate CSR performance.

This research examines the factors that influence CSR performance from the point of view of legitimacy theory. This research contributes to innovation by using the green investment factor as a factor influencing CSR performance. The use of green investment to assess CSR performance has not been widely tested. This research provides empirical evidence for practitioners engaged in finance, investment and risk management. Market players can understand that green investment is part of the OJK roadmap, which is outlined. The results of this study serve as a guideline for investors to make investment decisions that pay attention to sustainability aspects. The results of this study can also provide guidelines for policy makers regarding sustainable finance through environmentally friendly investment projects.

Hypotheses Development

Legitimacy theory was first proposed by Dowling dan Pfeffer (1975), who stated that the entity seeks to create harmony between the entity's goals and social values. This is because the corporate entity is part of the social sub-system that cannot be separated. Entities that have succeeded in achieving harmony with societal expectations will gain legitimacy in the form of legal rights, economic resources, and trust to support the entity's sustainability. Conversely, companies that fail to meet public expectations will receive social, legal sanctions and even revocation of entity permits which is of course detrimental to the company. Legitimacy is an organizational process to gain public recognition (Dowling & Pfeffer, 1975).

Legitimacy allows organizations to acquire the right to obtain, use and change the energy, natural, economic, financial and human resources of society. According to Feder and Weibenberger

(2021), Legitimacy encourages company management to be able to increase control over company activities. CSR activities are a concern for entities to be able to prove the company's commitment and responsibility. CSR activities carried out by companies must meet certain qualities so that they are not only used as promotional media that do not have an impact on society (Alotaibi & Hussainey, 2016).

Green Investment

Changes in the community's paradigm regarding environmental sustainability and social responsibility have resulted in a change in perspective on the company's business activities. Community sensitivity has increased towards the company's strategic projects, especially those related to projects that have the potential to pollute the environment (Hung, 2023). The increasing sensitivity of society to the issue of environmental damage has caused companies to change their strategy to attract investment in environmentally friendly projects. This is because companies need community legitimacy to be able to continue business activities (Hummel & Schlick, 2016a). Companies that are proven to have violated environmental sustainability issues are proven to have received direct consequences, such as product boycotts, termination of supplier relations, and withdrawal of investment.

Green investment is defined as investment that supports environmentally friendly products, both in the form of goods and services, as well as other projects that emphasize environmental sustainability. (Yaya et al., 2022). Green investment also includes environmentally friendly production processes and infrastructure. Changing investor trends have made companies race to offer environmentally friendly investments (Belaïd et al., 2023). The company seeks to adjust its business activities in order to gain the support of investors and all stakeholders.

CSR Performance

The company seeks to adjust its business activities in order to gain the support of investors and all stakeholders (Deegan, 2007). Companies need legitimacy in order to be allowed to access the resources for business activities (Tilling, 2004). To meet society's expectations, companies must prove that their business activities are in accordance with social responsibility. Companies must also demonstrate that their business activities are sustainable and pay attention to shareholder rights (Zhang et al., 2022).

Corporate social responsibility is a company's activities related to society, employees, and the environment (Bruna & Lahouel, 2022). Companies that carry out social responsibility must communicate their achievements to the public through sustainability reports. Disclosure of CSR in sustainability reports is a form of corporate communication to prove that the company has fulfilled society's expectations (Ang et al., 2022).

CSR Committee

The CSR Committee is a corporate governance organ whose job is to formulate policies and oversee the implementation of CSR activities in the company. The CSR Committee is also tasked with managing CSR investments, including environmentally friendly investments (Meftah Gerged et al., 2023a). The existence of a CSR committee is proof that the company is committed to carrying out CSR activities in a more organized manner. The main objective of forming a CSR committee is to ensure that the company's goals are in accordance with the expectations of the community (Amin et al., 2020). In addition, the CSR committee will also assess the company's sustainability risks. Thus, the risks associated with CSR activities can be managed properly.

The existence of a CSR committee can improve the quality of CSR activities (Amin et al., 2020), oversee the successful implementation of CSR programs and continuously improve CSR disclosure (García-Sánchez et al., 2019a). The effectiveness of the CSR committee function can improve the quality of CSR disclosure and ultimately improve the company's CSR performance. The role of the CSR committee can pressure companies to disclose CSR and report it, so that the CSR committee acts as an advisor and also carries out a monitoring function (Meftah Gerged et al., 2023a). This monitoring function is to oversee management and ensure that company management has carried out social responsibility through CSR activities in accordance with stakeholder expectations.

The Effect of Green Investment on CSR Performance

CSR activities carried out by companies require the allocation of resources to fund projects that pay attention to social and environmental aspects. The shift towards the green economy era has made investors more sensitive to environmental issues and paying more attention to environmentally friendly investments (Hung, 2023). Green investment is interpreted by investors as a choice that has low operational risk, ecological risk, and political risk (Zhao et al., 2022a). The ability of green investment to mitigate the risk of failure causes investors to be more confident in taking environmentally friendly investments than investments that ignore environmental elements (Chi et al., 2023).

In the corporate context, green investment can be concrete evidence of corporate responsibility in fulfilling its social obligations. The amount invested by the company in CSR activities and environmentally friendly projects can indicate the quality of the company's CSR activities (Meftah Gerged et al., 2023a). Research on green investment was conducted to examine the effect of green investment on corporate CSR disclosure. The research of Achi et al (2022) using an environmentally friendly management innovation process to measure green investment. The results of the study show that the process of environmentally friendly management innovation influences CSR performance in SMEs. Other studies have also shown a positive effect between environmentally friendly investments and CSR disclosure (Achi et al., 2022b; Ahmad et al., 2023; Crifo et al., 2016; Yaya et al., 2022).

Companies that focus on environmental aspects, both in terms of management and choice of environmentally friendly projects, prove the quality of their CSR programs. This commitment to the quality of CSR programs proves the quality of the company's CSR performance. The more environmentally friendly investments issued by the company, the better the quality of the company's CSR performance. Thus, the first hypothesis of the study is proposed as follows:

H_1: Green investment has a positive effect on CSR performance.

The Effect of CSR Committee on CSR Performance

Companies which are committed to sustainability performance will seriously address sustainability issues. Environmental and social problems can be a barrier for companies to gain legitimacy from society. Companies that have poor social and environmental performance in addition to facing demands from society, in the long run will also harm the company because of the loss of company legitimacy (Bradbury et al., 2022a). Thus, sustainability goal become the main goal that enable firms to not focus on financial performance solely.

The responsibility to carry out CSR obligations is a task that requires serious and structured handling. The responsibility of the board of directors to focus on the company's business activities and maintain financial performance increases if it must also focus on sustainability performance (García-Sánchez et al., 2019b). The board of directors needs a sustainability committee that can help carry out the company's sustainability policy in accordance with the company's main goal and long-term strategy. The establishment of the CSR committee aims to carry out the company's CSR policy in selecting CSR activities in accordance with the company's strategy, allocating CSR funds, choosing environmentally friendly investments and synergizing CSR policies with the company's green strategy roadmap. With the existence of an independent CSR committee, the CSR performance achievement roadmap becomes more focused, so that as a whole it can improve CSR performance and firm value.

There are plenty of research regarding CSR committee (Bradbury et al., 2022a; Lu & Wang, 2021b; Martínez-Ferrero et al., 2021; Meftah Gerged et al., 2023c). The empirical test results prove that the CSR committee can improve the company's sustainability performance. The effectiveness of oversight of the company's CSR committee can help companies evaluate the implementation of CSR policies and improve the quality of CSR activities carried out. Therefore, the second hypothesis is proposed as follows:

H_2: CSR committee has a positive effect on CSR performance.

The Moderating Role of CSR Committee on The Relationship Between Green Investment and CSR Performance

CSR Committee is a governance organ responsible for supervising CSR activities in the company. The function of CSR is to ensure that the objectives of CSR activities are in accordance with the main objectives of the company to gain community legitimacy (Lu & Wang, 2021a). Supervision carried out by the CSR committee includes CSR activities, CSR reporting, and deciding on investments related to social and environmental aspects (Ahmad et al., 2023). Good CSR committee performance will result in adequate monitoring and supervision of the company's CSR activities and reporting. This can improve the quality of CSR performance.

Research on CSR committees and their influence on CSR disclosure has been carried out by several researchers. The results of the study show that the CSR committee plays a role in increasing CSR disclosure (García-Sánchez et al., 2019b; Kuzey et al., 2021; Shahbaz et al., 2020). The existence of a CSR committee also has a positive influence in increasing the intensity and quality of CSR activities (Meftah Gerged et al., 2023a). The CSR Committee functions as a stimulant to improve the quality of the company's CSR program which can determine the company's CSR performance. Quality CSR activities, including the intensity of environmentally friendly investments, show a good company's commitment to continuously improve its commitment and responsibility. Thus, the CSR committee can influence the company's CSR performance through a monitoring mechanism that can strengthen the company's CSR performance. The more effective the work of the CSR committee, the better the quality of the green investment program, as the implementation of the company's CSR activities, which means it has an impact on the company's CSR performance. Thus, the CSR committee can strengthen the influence of green investment on the company's CSR performance. The third hypothesis is written as follows:

H_3: CSR committee has moderating effect on the relationship between green investment and CSR performance.

METHOD, DATA, AND ANALYSIS

The population in this study are go public companies listed on the IDX in 2019-2021. The sample was selected by purposive sampling technique. The criteria used for sampling are companies that disclose the amount of CSR investment in their sustainability reports. The type of research data is secondary data. Data is collected through annual reports and corporate sustainability reports. The data source comes from the Indonesia Stock Exchange for reports on companies that went public in 2019-2021.

The variables used in this study are independent variables, dependent variables, moderating variables, and control variables. The independent variable is CSR performance, the dependent variable is green investment, and the moderating variable is the CSR committee. While the control variable is leverage. CSR performance variables are measured using CSR assurance indicators. CSR performance measure adapted from Meftah Greged et al (2023). The CSR report in the assurer shows the quality of CSR performance that has been assessed by the CSR assurer. The measurement scale uses a dummy, with code 1 if the CSR report is assured, and 0 if the company's CSR report is not assured. The green investment variable is measured by a ratio scale in the form of the natural logarithm of the company's total investment in environmental activities. The size of green investment refers to the measurement used by Agoraki et al (2023a). The amount of environmentally friendly investment shows the amount of company fund allocation for CSR activities which can be quantified in an amount of currencies. The CSR committee is measured by the number of CSR committee members within the company. CSR committee indicator adapted from Garanina et al (2023). The adequate number of CSR committee members can provide effective oversight of the company's CSR activities. Leverage is measured by the logarithm of total debt. As stated by (Tarek, 2019), the high level of firm debt indicates the financial difficulties faced by firms. Companies which have high levels of debt will more concentrate on dealing with financial stability rather than focus on the CSR activities (Tarek, 2019).

In order to answer research questions, we employ moderated regression analysis (MRA). The regression equation is written as follows:

$CSRP_{it} = \alpha + \beta 1\ GI_{it} + \mu$ …….(1)
$CSRP_{it} = \alpha + \beta 1\ GI_{it} + \beta 2\ CSRC_{it} + \beta 3\ GI{*}CSRC + \varepsilon$ …….(2)

CSRP = CSR performance on firm i year t
α = Constanta
β = Regression coefficients
GI = Green investment on firm i year t
CSRC = CSR committee on firm i year t
GI*CSRC = moderating factor of CSR committee
ε = other factors outside the research model.

RESULTS AND DISCUSSION

The object of this study is public listed companies in Indonesia during 2019-2021. We focus on the companies whose are listed in LQ-45 index. It is because of the stable financial condition and good reputation thus companies in LQ-45 index tend to be more concern on social and environmental issues (Ratnaningtyas & Swantari, 2021). We select the period of observation based on availability of data. The are 45 firms which belongs to LQ-45 index. From those number, six companies are excluded from observation list due to incomplete data. The final observation resulted 117 firms-years observation from 39 companies listed in LQ-45 index.

Table 1. Population and Sample Selection

No	Criteria	2019	2020	2021	Object in total
1	Number of public listed companies at LQ-45 Index	45	45	45	135 firms
2	Number of companies have incomplete CSR data	(6)	(6)	(6)	(18) firms
3	Final sample	39	39	39	117 firms

Table 2. Descriptive Statistics

No	Variables	Minimum	Maximum	Mean	Deviation Standard
1	CSR performance	0	1	0,36	0,480
2	Green Investment	67.000.000	7.100.000.000.000	308.807.142.313,34	939.403.727.388,45
3	CSR Committee	0	1	0,56	0,49
4	Leverage	0,005	0,67	0,27	0,17

Source: Primary data, 2023

There are two categorical variables in this study, namely CSR Performance and CSR committee variables. The CSR performance variable is measured using a dummy. Code "0" is given to companies that do not carry out independent assurance on the sustainability report. Code "1" is given if the company performs independent assurance by an external party on the sustainability report. Assurance by external parties is proof that the company has presented valid and reliable information according to user needs (Shahbaz et al., 2020). While the CSR committee variable is measured by code "0" if the company does not have a separate CSR committee, and code "1" if the company has a sustainability structure that is separate from the board of directors.

The minimum value for green investment is IDR 67 million, while the maximum value is IDR 7.1 trillion. The deviation standard is IDR 939 billion which is higher than its average is IDR 308 billion. It can be inferred that data varied closely to its population mean. Leverage, which are measured by the logarithm natural of total debt, have the average score and deviation standard at 0,27 and 0,17 respectively. It means that data do not varies closely to its population mean. Before we tested the data using moderated regression analysis, firstly we applied the classical assumption test, to get the best and unbiased regression model.

Table 3. Regression Test Results

No	Variables	Tol	VIF	Hetero	KS	MC	DW	Beta	Sig	F	Adj R-square
1	Green Investment	0,98	1,02	0,99				0,53	0,050*		
2	CSR Committee	0,63	1,59	0,17	0,07	0,45	1,95	0,53	0,047*	0,12	0,174
3	Leverage	0,87	1,15	0,19				0,26	0,332		
4	GI*CSR committee	0,59	1,68	0,52				-0,12	0,755		

Dependent Variable: CSR performance

Note: Tol = Tolerance, Hetero = Heteroscedasticity, KS=Kolmogorov-Smirnov, MC=Monte Carlo, DW= Durbin Watson
*Significant at 0,05 level

The tolerance scores are above 0,01 and the VIF scores are below 10. It means that all variables do not have multicollinearity problem. The heteroscedasticity test conducted using park test. The test result is all the score higher than 0,05. It means that the model does not have heteroscedasticity problem. The normality test ran using Kolmogorov-Smirnov and Monte Carlo test. We can see the result on the table 3. Both Kolmogorov-Smirnov and Monte Carlo scores are higher than 0,05. It can be inferred that all the data are normally distributed. We use Durbin-Watson test to analyze the autocorrelation. The Durbin-Watson score is 1,95, which is higher than Du (k:100; n:4) = 1,73, and lower than 4-Du = 2,27. Thus, the model is free from autocorrelation problem. From the classical assumption tests, we can infer that the regression model is fit enough to be a predictor model and do not have classical assumption problem.

The regression analysis showed that green investment and CSR committee have a significant score lower than 0,05 (p value<0,05). Then, the other variables are leverage and moderated factor of CSR committee do not significant at 0,05 level. The F test score resulted 0,12 that does not significant at 0,05 level.

The first hypothesis is proposed as there is a positive effect of green investment on CSR performance. From the regression test (p value < 0,05), the first hypothesis is empirically accepted. Green investment positively affects the CSR performance. This finding is in line with the research of (Agoraki et al., 2023b; Hu et al., 2023; Meftah Gerged et al., 2023c; Zhao et al., 2022b) Green investment funds are a form of company's commitment in conduct social responsibility. Green investment also includes, but not limited to, green assets, environmental friendly projects, renewable energy, green products, waste efficiency in production process, and other forms of social projects (Agoraki et al., 2023a). While green investment plays important role in creating corporate image, it enable company to be build trust among societies (Hummel & Schlick, 2016b). Hence, companies those concern on the sustainability performance will pay more attention and effort on the green investment.

According to legitimacy theory perspective, companies strive to gain legitimacy from the public so that they can continue to run their business in a sustainable manner (Al Hawaj & Buallay, 2022). Thus, the company will try to improve sustainability performance in order to gain public trust. Companies that are legitimated will get access to resources from the community in the form of capital, human resources, environmental resources, and legal aspects. Companies that are concerned about environmental and social issues will pay more attention to selecting investments that are in line with the green economy strategy (Zhao et al., 2022a). Sustainability performance can be reflected in the company's commitment to allocate more funds for environmentally friendly investments. On the one hand, green investment is also a form of corporate social responsibility. The more funds allocated to green investment, the better the company's CSR performance. Thus, green investment is proven to be able to improve the company's CSR performance.

The second hypothesis predicts that CSR committee have a positive effect on CSR performance. The results of empirical testing show a significant p value at the 0.05 level. The hypothesis which states that there is a positive influence of the company's CSR committee on the company's CSR performance can be proven empirically. The results of this study are in line with the findings (Bradbury et al., 2022a; Lu & Wang, 2021b) The results of hypothesis testing show a significant p value at the 0.05 level. The hypothesis which states that there is a positive influence of the company's CSR committee on the company's CSR performance can be proven empirically. The results of this study are in line with the findings (Meftah Gerged et al., 2023b).

The CSR committee's responsibilities include assisting the board of directors. In ensuring the implementation of the company's CSR activities has been going well. Focused supervision by the CSR committee makes the company have priorities and targets to improve the company's CSR performance. The CSR committee is also tasked with providing evaluations related to the policies for implementing CSR activities in companies, including program innovation and selection of environmentally friendly investment projects. CSR committee help to improve the quality of CSR activities; thus, it can enhance the quality of CSR performance.

The third hypothesis stated that CSR committee become moderating factor on the relationship between green investment and CSR performance. The regression result showed that the p value higher than 0,05 that can be inferred that the third hypothesis is rejected. CSR committee does not influence the relationship between green investment and CSR performance. CSR committee is an independent factor that influence CSR performance directly. This finding different from work of (Bradbury et al., 2022b; García-Sánchez et al., 2019a; Meftah Gerged et al., 2023a). Based on legitimacy theory perspective, companies that are committed to sustainability issues will implement CSR policies in the company's strategy. CSR activities are part of the company's goal and not just a form of philanthropy. The establishment of a CSR committee that is separate from the board of directors allows companies to focus more on sustainability performance, so there is no overlapping of the responsibilities of the board of directors. CSR committee can help the board of directors to make decisions related to CSR activities that can increase company value. The CSR committee is tasked with increasing corporate value and protecting stakeholder rights through a sustainability strategy. The CSR committee does not only focus on environmentally friendly investment values, but also focuses on sustainability strategies that can improve CSR performance (Govindan et al., 2021). CSR committee does not play moderating role in deciding green investment fund allocation, but it influence CSR performance by providing effective supervision in order to create a higher corporate value.

CONCLUSION AND SUGGESTIONS

In the era of green economy, sustainability aspect has become the main goal of business strategy (Hung, 2023). Companies as a part of wide social system, responsible to run business within social norms and rules. Thus, companies will focus on social and environmental performance, and tend to avoid problems in societies. Companies which pay attention more on social and environmental responsibilities will then be legitimated and accepted among societies (Garanina & Kim, 2023). Companies will concern more on environmental-friendly projects, as one of CSR implementation.

This study intends to analyze whether green investment can be one of factor that influence CSR performance. In order to ensure the quality of CSR activities and CSR reporting, company designs the corporate governance organ that responsible to board of direction. Company which has independent CSR committee tends to be more serious on sustainability issues to create sustainable corporate value to its stakeholder. Our findings shows that there is a positive effect of green investment and CSR committee in enhancing CSR performance. Green investment help companies to improve legitimacy and enlarge stakeholder relationship. On the other hand, CSR committee does not play moderating role in the relationship between green investment and CSR performance.

This study contributes to validate what factors that influence CSR performance based on legitimacy theory. This study also provides the empirical evidence on green investment and CSR committee as the determinant factors of CSR performance. Although the moderating role of CSR committee can not be proven by empirical evidence, our findings encourage regulators and policyholders to implement corporate governance that emphasize on the sustainability supervision function through independent sustainability board. The presence of independent sustainability board ensures the quality of CSR programs then will drive a higher sustainability performance.

Our research, however, have several limitations. First, we only focus on the Indonesian public listed companies. Future research can be broadened to international comparative study, to corroborate the ability of generalization. Second, we used the categorial variable as a proxy of committee CSR. Various proxies of CSR committee, such as gender, the number of committee members, education, and CSR-knowledge can be a fruitful opportunity for future research.

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