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Determinant factors affecting environmental, social and governance (ESG) disclosure

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Abstract
This study aims to determine factors affecting Environment, Social, and Governance (ESG) disclosure. This study uses secondary data from the CSRHub index and data from annual reports of companies listed on the Indonesia Stock Exchange (IDX). The research period is twelve years (2009-2020). This study uses linear regression analysis. The study indicates that the director's size, environment and social committee, domestic ownership, and concentration ownership have a significant positive effect. Domestic factors such as environment and social committee, domestic ownership, and concentration ownership affect ESG disclosure.

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Abstrak
Tujuan dari penelitian ini adalah untuk mengetahui berbagai macam faktor-faktor yang mempengaruhi pengungkapan Lingkungan, Sosial, dan Tata Kelola (LST). Penelitian ini menggunakan data sekunder yang ada pada laporan tahunan perusahaan yang ada dalam Bursa Efek Indonesia, serta menggunakan data melalui penilaian lembaga penilaian LST yaitu CSRHub. Penelitian ini memiliki waktu peiode sebanyak dua belas tahun (2009-2020). Penelitian ini menggunakan analisis regresi linier berganda dengan menggunakan perangkat lunak IBM SPSS versi 25. Hasil dalam penelitian ini menunjukkan bahwa ukuran dewan direksi, komite lingkungan dan hubungan sosial, kepemilikan domestik, dan konsentrasi kepemilikan berpengaruh positif terhadap pengungkapan LST. Hal ini mengungkapkan bahwa faktor-faktor dalam negeri seperti komite lingkungan dan hubungan sosial, kepemilikan domestik, dan konsentrasi kepemilikan dalam negeri mempengaruhi pengungkapan LST.

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Introduction

Environmental, Social and Governance (ESG) is a standard unit of a company's operations used by investors to see investment potential (Chen, 2020). Environmental Criteria will describe how the company cares about the environment. Social criteria will show the company's relationship with employees, suppliers, consumers, and the community around the company. Governance criteria discuss company leadership, executive salaries, audits, internal controls, and shareholder rights (Chen, 2020).

According to data from Bloomberg (2017), the need for ESG data increases yearly. This is caused by the need for investors to reduce various existing risks (Hayat, 2015). Research conducted by Serafeim (2014), Eccles (2014) and Ioannou (2014) led to rapid growth in ESG users, and this study shows that a good ESG value will relate to sound finances. In addition, the obligations of each country caused by political, geographic, climate and national conditions make ESG the best universal standard for making long-term company assessments (David, 2018).

In a global assessment, Indonesia has started implementing ESG as one of its primary goals to create a business with added value. It started in 2009 when according to CSRHub, six companies were willing to disclose all data related to ESG. In 2010 it doubled to fourteen, and the other most significant increase was in 2016, which increased eight companies participating in ESG disclosures. The company's development in adapting to the needs of foreign and domestic investors continues to increase, thus increasing the need for ESG every year (Chimbo, 2017). In addition, to follow Indonesia's roadmap towards zero emission in 2060, companies must slowly keep up with changes in reporting their annual reports, especially in the environment, which will affect the ESG factor.

Indonesia has an average rating in ESG assessments in the Southeast Asian environment, one of the factors being a large number of companies in Indonesia, unlike Papua New Guinea, which only disclosed three companies and received a rating higher than the average. Indonesia's LST value tends to change yearly, unlike Singapore, which experiences a steady increase. A stagnant LST value is a critical assessment to determine the rules and needs of investors in carrying out investment activities.

ESG assessment is a factor needed by today's investors. Therefore the need for ESG data is needed in company disclosures. Companies need a variety of equipment to be able to report ESG factors in their annual reports. Several studies have revealed that many factors influence ESG disclosure, such as corporate governance (CG) (Amar, 2015; Elsayih, 2018), CSR management (Beck et al., 2018), company size (Ragini, 2012; Kent, 2013; Charumathi, 2015), stock sub-index (Charumathi, 2020), profitability measure (Ragini, 2012; Charumathi, 2015; Charumathi, 2020), type of industry (Ragini, 2012; Charumathi, 2015; Jaggi, 2017), role duality (Cheung, 2010; Rouf, 2011; Allegrini, 2012; Mokhtar, 2013, El-Gammal, 2018), and share ownership (Khilif, 2016; Elsayih, 2018). Previous research has revealed many mixed results, and the change of variables into control variables continues to increase yearly. Several factors have inconsistent results each year, such as CG factors, role duality, type of industry, and share ownership. Limited data in Indonesia makes several factors that cannot be examined, such as the factor of role duality and type of industry.

This research was conducted differently from previous research, which used data obtained from personal tabulations. We used data from CSRHub so that the data has been calculated professionally and can be a novelty in looking at the analysis of ESG implementation in Indonesia. CSRHub also has a different assessment from Sustainan analytics, so this study can show ESG from a different perspective. Assessment using CSRHub also affects the amount of data provided compared to Sustainanalytics so that it can see the effects that occur more broadly. In this study, several things related to ESG disclosure

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will be examined. The variables included in this study are the board of directors, women's board of directors, foreign board of directors, environmental and social relations committee, foreign ownership, domestic ownership, and concentration of ownership. These variables were chosen because they are not present in any of the four hundred questions that must be answered to generate an ESG score in the CSRHub assessment. In addition, these variables are variables whose data can be obtained through annual reports because they follow the current regulations, namely the Financial Services Authority Circular Letter Number 16/SEOJK.04/2021.

In this study, we found that the size of the board of directors plays an essential role in supporting ESG disclosure. In addition, the company's internal factors that have an essential assessment in ESG disclosure are environmental and social relations committees, this is very rare in service companies, but overall from the sample we studied, companies have implemented environmental and social relations committees in their companies. Domestic ownership and the percentage of ownership are part of the factors that reveal ESG

Literature Review

Legitimacy can be considered as equalizing the perception or assumption that the actions taken by an entity are desired, appropriate or following the socially developed system of norms, values, beliefs and definitions Suchman (1995). Legitimacy is essential for the company because community legitimacy is a strategic factor for the company's future development. O'Donovan (2000) argues that organizational legitimacy can be seen as something that society gives to companies and something that companies want or seek from society. Thus legitimacy has the benefit of supporting the survival of a company. Legitimacy is a company management system oriented towards taking sides with the community (society), government, individuals and community groups, Gray et al. (1996: 46). For this reason, as a system that prioritizes the alignments or interests of the community. In this research, legitimacy theory examines variables related to the company's duties. This theory was chosen to examine the variables of board size, women's board of directors, foreign board of directors, and environmental and social relations committees.

Suchman (1995) and O'Donnovan (2000) mentioned that legitimacy theory is regarded as equating the perception that the entity has acted as intended, which will act as a strategic material for the company's future development. Chitambo's research (2017) shows that board size positively relates to corporate ESG disclosure. They add that this is influenced by various thoughts so that it can result in detailed disclosures. It is supported by Hossain (2017) that board size will contribute to decision-making when discussing company ESG disclosures.

H1: The size of the board of directors affects ESG disclosure

Women's boards of directors have a strong relationship with ESG disclosures, supported by Hayat (2017), where the percentage of female gender when associated with ESG-related disclosures, female gender will understand more and care more about detailed disclosures. Elsayed (2018) also revealed that women's boards of directors would increase the value of ESG disclosure so that the assessment of outsiders and the factors that influence the value of LST itself will increase and be of good value to outsiders.

H2: Female board of directors affects ESG disclosure.

Foreign directors in legitimacy theory are considered legitimate for foreign parties, resulting in a relevant equalization of opinions. It is supported by Hayat (2017) where regions other than foreign boards of directors will bring their knowledge as material for disclosing what is required from their country of origin, which has obtained standard rules for Disclosure of ESG. Hossain's research (2017) also has the same result, where foreign boards of directors will influence ESG disclosures. He states that this is supported because of the differences in state laws, where foreign boards of directors will usually understand more about matters related to

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their country, where ESG has become commonplace in annual report disclosures.

H3: Foreign boards of directors affect ESG disclosures

One form of the company's external expectations of the company is a detailed disclosure of how the company is doing (Bettenhausen, 2015). To be able to disclose details in LST, performance that contains things that have been proven is required. According to Bettenhausen (2015), the environmental and social relations committee helps with disclosure in terms of Environmental and Social in ESG. It was confirmed by Elyasih (2018), who found that the tasks carried out by the environment and social relations department would support Environmental and Social disclosures by providing detailed data on their performance over a period.

H4: Environmental and social relations committees affect ESG disclosures

According to Freeman (1984), the definition of a stakeholder is any group or individual that can affect or be affected by the achievement of organizational goals. Stakeholder theory describes which parties a company is responsible for (Freeman, 1984)—balancing the interests needed between activities within the company and stakeholders (Barako and Brown, 2008). Stakeholder theory in this study will refer more to the stockholder side, where shareholders are considered to be one of the stakeholders who play an essential role in disclosure so that shareholders can later decide whether to invest more (Wegener, 2013).

This disclosure will cause pressure on the company so that to meet the needs of shareholders, and additional costs are needed to disclose it. In examining the variables related to share ownership, we use stakeholder theory as material. It is because these variables are very different from the previous variables using legitimacy theory. Several studies have discussed that share ownership factors can affect disclosure of company annual reports, such as domestic share ownership (Wegener, 2013; Khilif, 2016; Elsayih, 2018), foreign share ownership (Wegener, 2013; Khilif, 2016; Chitambo, 2017), and concentration of ownership (Charumathi, 2015; Khilif; 2016; Chitambo, 2017). According to Khilif (2016), domestic ownership will affect voluntary disclosure because it is considered normal when domestic ownership asks for things commonly implemented in their country. The influence of domestic ownership has an enormous influence on existing disclosures and is related to the rules of the country because it is natural for domestic ownership to require disclosures that various other domestic companies already use.

H5: Domestic ownership affects ESG disclosure

According to Wegener (2013), foreign owners will distribute their ratings at their level. When faced with expectations that do not match the expectations of foreign ownership, they will demand to fulfill them according to the standards they want, which will positively affect voluntary disclosure. It is supported by Khilif (2016), who argues that foreign ownership will pressure the company when things that are not disclosed are kept secret. It will affect the decision of foreign ownership to invest in the same company in the future.

H6: Foreign ownership affects ESG disclosure

Charumathi (2015) states that a large concentration of ownership will lead to oversight of the company's daily life due to the significant risks posed by the concentration of ownership. Khilif (2016) states that ownership concentration will positively affect disclosure. When an institution has a more significant percentage of share ownership than others, the risk borne by this institution will be greater than other companies. Thus, the institutions with greater ownership will always monitor what is done by the company, which in the end, the company will try to fulfill all the institution's wishes, including voluntary disclosure.

H7: Ownership concentration affects ESG disclosure

Method

This research type is quantitative; the researcher will use the archival method with analytical content in the annual report. The annual report will be taken through the Indonesia

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Stock Exchange (IDX). The research will be taken from 2009 to 2020. Samples will be taken from all companies registered with CSRHub listed on the IDX.

The sample for this study uses companies with an ESG assessment on CSRHub and listed on the Indonesia Stock Exchange (IDX) during the 2009-2020 period to be studied. Independent variable data collection will be obtained through company annual reports from 2009-2020. All companies with an ESG value in that period will be sampled, not limited to companies that have just had an ESG assessment or will not have an ESG assessment in the next period. It is done to maximize the research sample under study; reducing one company will cause a significant decrease in the number of samples. The total number of samples obtained was 352 companies after subtracting companies that did not have a complete assessment in the ESG assessment by CSRHub.

The size of the board of directors is the total number of members of the board of directors in a company in their efforts to carry out company activities (Hossain, 2017). Decisions taken by the board of directors will shape major changes that the company will feel, the more members of the board, the more thoughts and decisions will be taken, which will lead to increased Disclosure of ESG. The size of the board of directors is measured using the proxy used by Hossain (2017), namely by calculating the company's total size of the board of directors.

In terms of the need for LST data, the gender of women requires more LST data than men (CFA, 2017). Indirectly, this alludes to the fact that women pay more attention to detailed factors such as ESG disclosure. Disclosure of ESG can only be done when there is a policy within the company that supports being able to disclose that data. Female directors are one of supporters in this regard. The measurement of female directors uses the proxy Ammar (2015) used by means of total female directors/size of the board of directors.

Foreign directors consider various factors with experience at the international level and consider obligations in global Disclosure (Datt, 2016). Foreign directors are experts brought in from abroad to be considered in managing company activities. Foreign directors are measured by the proxy used by Kilic (2019) using foreign directors.

This committee stands under the leadership of the board of directors. According to Elsayih (2018) this environmental and social relations committee in a company can take the form of an environmental department or a social department. This committee serves as a provider of input to the board of directors, ultimately deciding whether or not there are rules in the company that make ESG disclosures (Elsayih, 2018). The measurement of this committee is measured using a dummy measurement such as the proxy used by Luo (2014).

Domestic ownership includes ownership of all domestic investor ownership Wegener (2013). Domestic ownership will ensure pressure from domestic investors to be able to disclose ESGs or not. Domestic ownership is measured using Wegener's measurement (2013) by calculating the proportion.

Foreign ownership originates from abroad and is not an institution (Bosco, 2016). Foreign investors will try to get as much detailed data as possible so that the existing data will be helpful for decisions to maintain their investment in the future. Foreign ownership is measured by the proxy used by Bosco (2016), which uses the proportion of foreign ownership.

Ownership concentration is institutional ownership and not individual ownership. Institutional ownership can pressure the company by using the tunneling method in the company's daily life, thereby creating power over the company's operations. The proxy used to measure ownership concentration is the Chitambo method (2017), namely by using the proportion of institutional ownership that is more than or equal to 3%.

Results

The board of directors size variable has the lowest value of 1 and a maximum of 14. The company with the lowest board of directors size was Jasa Marga in 2012, with a board of

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directors of 1 person. Meanwhile, a giant board of directors is PT. Telekomunikasi Indonesia in 2019 with a board of directors of 14 people. The female board of directors variable has the lowest percentage of 0% and the highest of 63%. Only 200 of 352 listed companies, such as PT, have female directors, causing the lowest score to be 0%. Adaro Energy has never had a female director during the data acquisition period. Meanwhile, the highest percentage for the female board of directors was obtained by PT. Media Nisantara Citra. Tbk, already has a higher percentage of female directors than men since 2016. The foreign board of directors variable has the lowest percentage of 0% and the highest of 83%. The company with the lowest percentage value is PT. State Gas Company has the lowest and longest percentage of values during data acquisition from 2010-2019. Meanwhile, the highest percentage value was obtained by Bumitama Agri Ltd in 2019 with an acquisition value of 83%, for companies with the second highest foreign board of directors, Astra International obtained 71% in 2017. The environment committee and social relations variable use a dummy value so that the minimum value is 0 and the maximum is 1. The lowest average value is obtained by companies engaged in the banking sector. Meanwhile, the highest and longest scores were obtained by all companies assessed since 2010, such as International Nickel Indonesia, PT. Unilever Indonesia, PT. State Gas Company, Astra International, PT. Adaro Energy, United Tractors, and PT Bumi Resources Tbk.

Table 1. Descriptive Statistics

	N	Min	Max	Mean	Std. Dev
LST	352	34	74	52.57	6.269
X_1	352	1	14	7.24	2.304
X_2	352	0	0.625	0.11	0.147
X_3	352	0	0.834	0.154	0.203
X_4	352	0	1	0.52	0.501
X_5	352	5.3%	100%	33.35%	34.56%
X_6	352	0%	98.3%	30.64%	32.5%
X_7	352	0%	97.3%	47.02%	30.13%

The domestic ownership variable has the lowest percentage of 5.3% and the highest of 100%. Only a few companies have a value of 100%, while the rest are below 40%; therefore, the average domestic ownership is 33%. Companies with domestic ownership with a value of 100% are PT. Media Nusantara Citra Tbk, PT. Global Mediacom Tbk, and PT. Tower with Infrastructure. While the lowest ownership was Astra International, with 5.3% in 2011. The foreign ownership variable had the lowest percentage of 0% and the highest of 98%. In contrast to domestic ownership, 0% foreign ownership is found in companies with 100% domestic ownership. At the same time, the highest percentage of foreign ownership was 98% at Bank Internasional Indonesia in 2016. The ownership concentration variable had the lowest percentage of 0% and the highest of 97%. The lowest percentage in terms of ownership concentration of 0% is on average in state-owned companies, such as Aneka Tambang, Bank Negara Indonesia and Bank Rakyat Indonesia. The highest percentage in the concentration of ownership is 97%, which Bank Internasional Indonesia owns.

Table 2. Regression Results

Variable	Coefficient	t-Statistic	Prob
Constant	66.046	25.297	0.000
X_1	0.172	3.168	0.002
X_2	0.913	0.271	0.575
X_3	1.518	0.562	0.787

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X_4	5.414	5.585	0.000
X_5	4.689	0.927	0.014
X_6	-0.362	-0.184	0.854
X_7	0.039	3.388	0.021

Based on table 2 the results of multiple linear regression of ESG disclosure, the factors that influence ESG disclosure are the size of the board of directors, environmental and social relations committee, domestic ownership, and concentration of ownership. Board of directors size, environmental and social relations committee, domestic ownership, and concentration of ownership have a 42% effect on ESG disclosures, with a significance level of 5%.

The variable size of the board of directors is one of the variables that can affect ESG disclosure (Giannarakis, 2014). According to Jizi (2017), the size of the board of directors plays an important role that can change the level of detail in disclosures related to ESG matters. The detail contained in ESG disclosures will increase as the number of boards of directors increases due to various backgrounds on the board of directors, which increases the level of ESG disclosure. The size of the board of directors can also change in ESG disclosure because the board of directors has goals that can be achieved by the level of trust of annual report users, causing disclosures that can be more detailed (Chouaibi, 2019). The variable size of the board of directors is one of the variables that can affect ESG disclosure (Giannarakis, 2014). According to McBrayer (2017), the size of the board of directors plays an important role that can change the level of detail in disclosures related to ESG matters due to the board of directors' deep understanding of the existing problems in the company. The size of the board of directors can also change social disclosure because the board of directors has goals that can be achieved by the level of trust of users of annual reports, resulting in more detailed disclosures (Chouaibi, 2019).

This test's results align with the hypothesis formulation used in H1. The result of this study is in line with mainstream studies such as (Giannarak, 2014; Liu, 2015; Jizi, 2017; McBrayer, 2017; Chouaibi, 2019). They found that the size of the board of directors can provide much disclosure due to the different and varied backgrounds of the board of directors. Based on the legitimacy theory of the board of directors, it moves as legitimate for third parties so that the board of directors will directly influence disclosure either positively or negatively (Chen, 2020).

The variable of the female board of directors is one of the variables that can influence ESG disclosure (Rupley, 2012; Elshadidy, 2013; Manita, 2017; Nicol, 2021). According to Rupley (2012), disclosures that are influenced by the presence of a female board of directors will make disclosures more detailed due to factors that cannot be estimated as necessary by a male board of directors. The results of this test are different from the formulation of hypothesis H2. It is in line with research (Konteos, 2014; Giannarakis, 2014; Hammami; 2019) which found that women's board of directors did not affect ESG disclosure due to limited tools to explain disclosure so that disclosure of related matters is better not included in the disclosure. It is different from MCbrayer's research, 2017 which revealed that the availability of a female board of directors would reduce existing disclosures related to ESG. It was due to the caution of the female board of directors, so the female directors preferred to try not to disclose things that were unclear in size in the company to avoid misunderstandings from users of annual reports. In addition, the low average female board of directors in the research sample causes the effect of female boards of directors on ESG disclosure to be unrelated, which is not in line.

The foreign board of directors variable can influence ESG disclosure (Elshandidy, 2013; Giannarakis, 2014; Jizi, 2017; Alfarih, 2018; Chouaibi, 2019). According to Giannarkis

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(2014), a foreign board of directors brings a new culture to the company to influence further disclosure due to understanding the method used. Foreign boards of directors are also responsible for the company's internal affairs. When discussing community, this disclosure will be adjusted because the understanding is not much different in their country of origin (Jizi, 2017).

The results of this test differ from the formulation of the hypothesis on H3. According to Jizi (2017), the board of directors is more aware of internal problems than external problems, and this causes foreign boards of directors not to participate in external disclosures, such as the community. Foreign boards of directors will avoid things they do not fully understand, which makes them refrain from interfering in disclosures that are culturally foreign to them (Liu, 2015). The low number of foreign board of directors in the research sample is also one of the factors that foreign board of directors does not affect ESG disclosures. Indonesia still prefers to use domestic rather than foreign boards of directors, especially when companies that disclose ESG are still within the ranks of BUMN. It causes foreign board of directors variables not to affect ESG disclosures.

The environmental committee and social relations variables are among the variables that influence ESG disclosure (Chiu, 2014; Clark, 2015; Falco, 2018; Chouaibi, 2019; Kiluc, 2019). According to Falco (2018), the environmental and social relations committee is a determinant for further ESG disclosure due to the critical role played by the environmental and social relations committee in expressing material needs. The environmental and social relations committee also records and documents the results of its work which can eventually become a guideline for disclosure related to ESG in the annual report. It is one of the essential factors in disclosing ESG in the annual report so that misunderstandings do not occur with users of annual reports (Clark, 2015).

The results of this test prove that hypothesis H4. According to Falco (2018), the positive influence of the environmental and social relations committee on ESG disclosure is due to the performance of the environmental and social relations committee, which improves the quality of disclosing details on ESG. The environment and social relations committee also chooses to explore everything that is not understood by the environment and social relations committee to reduce misunderstandings among annual report users (Kiluc, 2019). Based on legitimacy theory, the environmental and social relations committee is one of the parties in legitimacy theory that can adjust the perceptions of third parties. It makes the environmental and social relations committee adjust according to what the third party wants by researching Disclosure of related matters (Chiu, 2014).

Domestic ownership variables affect ESG disclosures (Mokhtar, 2013; Wegener, 2013; Chiu, 2014; Chitambo, 2017; Fahad, 2018; Amosh, 2021; Kumar, 2021). According to Chiu (2014), domestic ownership affects ESG disclosures due to pressure from domestic investors who care about this disclosure and urge it to be disclosed in annual reports. Especially for the millennial generation, who understand the details in annual reports, will pay more attention to the little things in ESG disclosures (Amosh, 2021). The results of this test are the same as the formulation of the hypothesis that has been formulated. H5 accepted. According to Fahad (2018), the ability of sizeable domestic ownership can influence companies to be able to disclose things that are necessary and urgent, and things that were previously impossible to disclose are disclosed.

The company will also try to meet the standards owned by public ownership to increase ESG disclosures for the public, especially domestic shareholders, so that they can fulfill plan calculations (Amosh, 2021). Based on the theory of domestic ownership, stakeholders are one of the parties that will hold the company accountable in various matters, including disclosure. In disclosing domestic ownership, it will sometimes use foreign rules as a reference in disclosure so that disclosure can be carried out even though there are no underlying rules in

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the country (Kumar, 2021).

The foreign ownership variable influences ESG disclosure (Wegener, 2013; Clark, 2014; Fahad, 2018; Amosh, 2021). According to Wegener (2013), foreign ownership is one of the variables that can cause changes in ESG disclosures. It is because foreign owners will try to find out matters related to problems in domestic companies through annual reports. Companies will disclose fewer problems within the company may affect future annual report users (Fahad, 2018). The results of this test are different from the formulation of the hypothesis that has been formulated. H6 is rejected. According to Uyar (2012), foreign shareholders' indifference to ESG disclosures is one of the factors that foreign ownership does not affect ESG disclosures, and this is because foreign shareholders have a different focus than ESG. They focus more on environmental and governance disclosures of the company so that social matters will be neglected to fix those two things.

Ownership concentration variable influences the Disclosure of ESG (Wegener, 2013; Chizu, 2014; Gordon, 2015; Nahar, 2016; Alfariah, 2018; Neifar, 2017; Fahad, 2018, Amosh, 2021; Kumar, 2021). According to Amosh (2021) concentration ownership is one of the essential things that supports the movement of the company to be able to determine the company's daily activities. The greater the ownership, the greater the risk that shareholders have. Therefore, shareholders with more than 3% will continuously monitor the company's performance daily, including annual ESG disclosures by the company. If the disclosure is carried out, the concentration of ownership will convey their expectations to the company to be able to disclose some important things that the concentration of ownership wants to know, and this is intended so that the concentration of ownership can consider the risks they will estimate in considering staying in the company's investment (Kumar, 2021). The concentration of ownership will also ensure that every detail is available, thus enabling requests to continue for ESG disclosures (Fahad, 2018).

This test's results align with the formulation of hypothesis H7. According to Chizu (2014), the greater the concentration of ownership in a company, the greater the influence possessed by the concentration of ownership to urge ESG disclosures to be carried out. Even though it has never been done before, companies will usually do what the concentration of ownership wants because of the high risk. They face when making long-term investments. The company will also make ESG disclosures to ensure that it is committed to carrying out its responsibilities toward the concentration of ownership (Wegener, 2013). Therefore, the concentration of ownership will positively affect the applicable ESG disclosure in the existing standards in Indonesia. Based on stakeholder theory, the concentration of ownership acts as one of the criteria for shareholders, and this makes where the concentration of ownership has expectations about what the company will disclose in ESG disclosures. So that the effect of ownership concentration on ESG disclosure cannot be ignored, ownership concentration will require the company as a related party to disclose or not disclose, according to what is expected of the ownership concentration (Alfarih, 2018).

Conclusion

This study examines the factors that influence Environmental, Social and Governance (ESG) disclosures. Using data from CSRHub, a total of 352 companies were obtained in the 2009-2020 period. The variables measured were board size, female board of directors, foreign board of directors, environmental and social relations committee, domestic ownership, foreign ownership, and concentration of ownership. Based on the research results, it can be revealed that the size of the board of directors, environmental committee and social relations, domestic ownership and concentration of ownership influence ESG disclosure. Based on the regression results, it can be revealed that the size of the board of directors has a positive effect on ESG disclosure, while female boards of directors and foreign boards of directors do not affect ESG

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disclosure. The environmental and social relations committee also contributes to positive ESG disclosures. For shared ownership, only foreign ownership does not affect ESG disclosure, while domestic ownership and concentration of ownership positively relate to ESG disclosure.

The limitations in this study are first, company data collected by CSRHub is limited based on CSRHub criteria because CSRHub itself does not provide an assessment in ESG disclosure, so researchers must exclude it from the study. It significantly affects the number of research samples that can be studied. Suggestions for further research are to expand the scope of existing research, not only in Indonesia but in the Southeast Asia area, because the CSRHub data covers various areas so that it can expand the scope of research related to the topic of ESG disclosure. Second, add variables other than the measurements above so that other factors that can influence ESG disclosure are revealed.

The implication of this research for companies is to pay attention to the variables that affect future ESG disclosures. The ESG disclosures can be carried out to provide more value to related companies. Besides that, companies are also expected to maintain external factors such as domestic ownership and ownership concentration to get a better ESG assessment. The implication of this research for investors is to pay attention to factors that affect ESG disclosures, such as the size of the board of directors and environmental committees, before investing in related companies; domestic investors are also expected to invest in domestic companies to maintain the stability of the company's ESG value in Indonesia.

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