

ABSTRACT

The purpose of this study is to examine whether the characteristics of the board of commissioners in Indonesia affect the disclosure level of sustainability reports, as well as to examine the moderating effect of political connections on the disclosure level of sustainability reports. The sample used was 80 companies listed on the Indonesia Stock Exchange in 2019-2021. The Partial Least Square-Structural Equation Modeling (PLS-SEM) analysis technique is used to examine the moderating effect of political connections and the effect of board characteristics on the disclosure level of sustainability reports. Empirical result indicates that the board size variable has a significant positive effect on the disclosure level of sustainability reports. In addition, this study found that political connections changed the direction of the effect of gender diversity on the disclosure level of sustainability report, where gender diversity previously had a negative effect on the disclosure level of sustainability report. These findings provide an overview to shareholders and stakeholders about the factors that influence the disclosure of sustainability reports, and also provide an overview to the Indonesian Government in establishing guidelines for regulating the composition of the board of commissioners in order to expand disclosure of sustainability reports.

Keywords: Board Characteristics, Political Connections, Sustainability Reports, GRI Standards