ABSTRACT

This study aims to analyze the effect of institutional ownership, government ownership, foreign ownership, and concentrated ownership on Environmental, Social, Governance (ESG) Disclosure. This study also analyzes the moderating effect of the audit committee on the relationship between each type of share ownership on ESG Disclosure. This research uses legitimacy theory and agency theory as the basis of analysis.

The sample of this study are companies listed on the Indonesia Stock Exchange and have Bloomberg ESG Disclosure Score. The samples collected were 75 observations. Data collection was done through content analysis in the company's Annual Report.

The results show that institutional ownership and concentrated ownership have no effect on ESG. Meanwhile, government ownership and foreign ownership have a significant positive effect on ESG. Next, the audit committee as a moderating variable shows some significant effects, although it contradicts the research hypothesis. The interaction of the audit committee with institutional ownership and concentrated ownership has no effect on ESG. Meanwhile, the interaction between the audit committee and government ownership and foreign ownership has a significant negative effect on ESG.

The limitation of this study is the small number of samples due to the limitations of ESG practice in Indonesia. In addition, future research is suggested to add other variables. The predictor variables in this study were only able to explain variations in ESG by 22.6%, so there was still a 77.4% possibility that ESG was influenced by other variables outside the research model.

Keywords: ownership, ESG, sustainabilitty.