

THESIS

Board Characteristic Effect on Environmental Disclosure, Environmental Disclosure Effect on Environmental Performance Index and Profitability Mining Companies in Indonesia



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**ACCOUNTING STUDY PROGRAM
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SOEGIJAPRANATA CATHOLIC UNIVERSITY
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ABSTRACT

Environmental impact is still a frequently discussed issue amidst the rapid development of business operations. Stakeholders are becoming increasingly aware of this issue and putting pressure on companies to implement sustainable business operations. This research aims to reveal how the board as a representative of stakeholders in the company is able to satisfy stakeholder desires. Using a modified research model from Agyemang, this research aims to reveal how board characteristics, environmental disclosure (GRI), environmental performance index (PROPER), and company profitability influence mining sector companies in Indonesia. This research also uses a different stakeholder theory from Agyemang's research due to market conditions in Indonesia. The data used in this research consists of 51 data from mining companies in Indonesia that are publicly listed and registered with PROPER starting from the 2019-2023 period. Where the results reveal that foreign boards and board of commissioner meeting frequencies have a positive effect on environmental disclosure (GRI). While other board characteristics have a positive but insignificant effect. Meanwhile, GRI was found to have a positive effect on the environmental performance index (PROPER) but did not affect company profitability (ROE). It is expected that mining companies can pay more attention to the quantity of foreign boards and the quality of local boards and also the frequency of meetings of the board of commissioners. On the other hand, the government as a stakeholder must be able to involve environmental disclosure more in market assessments of company value.

Keywords: Board Characteristics, GRI, PROPER, Environmental Disclosure, Environmental Performance Index, Company Profitability, ROE