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Corporate governance mechanism and Corporate Social Responsibility disclosure: evidence from emerging market

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ABSTRACT

This research aims to examine the influence of the board of directors and the audit committee on Corporate Social Responsibility (CSR) disclosure. The board of directors is proxied by board size, board meeting frequency, and board gender diversity. Meanwhile, the audit committee is proxied by audit committee size, audit committee meeting frequency, and audit committee expertise. The data used in this research are secondary data originating from the annual reports of non-financial companies listed on the Indonesia Stock Exchange (IDX) and the Saudi Exchange. This research adopts a quantitative research approach, with data collection techniques including literature study and documentation. The data are analyzed using panel data regression analysis. The results of the panel data regression analysis show that board size and audit committee expertise have a positive but insignificant effect on CSR disclosure. Meanwhile, board meetings and audit committee size have a positive and significant effect on CSR disclosure. Furthermore, board gender diversity and audit committee meeting frequency have a negative and significant effect on CSR disclosure. This research contributes by providing insights into the role of corporate governance mechanisms in encouraging corporate transparency through CSR disclosure. The findings are expected to provide a better understanding of how governance structures influence companies in disclosing their social and environmental responsibilities.

Introduction

Corporate Social Responsibility (CSR) is important for companies and business organizations, as it emphasizes the company's commitment to act ethically and take responsibility for public awareness and concern regarding the impact of their operational planning and implementation on the environment and society. CSR within a company aims to provide value to society, participate in environmental awareness, and improve the welfare and productivity of employees. The implementation of CSR can reduce or even prevent social disturbances caused by environmental pollution, enabling the company to gain support from the local community. Companies that are environmentally responsible will indirectly minimize the occurrence of environmental conflicts around their operations. According to Nugraheni and Putri (2024), the development of CSR is also related to increasingly severe environmental damage, ranging from deforestation and air and water pollution to climate change.

The concept of CSR involves an active and dynamic partnership between companies, government, and local communities (Singh & Misra, 2022). CSR demonstrates a company's responsibility to its stakeholders by behaving ethically, minimizing negative impacts, and maximizing positive impacts including economic, social, and environmental aspects to achieve sustainable development goals (Juniarti, 2020; Sorour et al., 2020; Trihermanto & Nainggolan, 2020). Increasingly fierce global competition drives companies to attract investors by enhancing competitiveness across various sectors and increasing company value. The implementation of CSR is explicitly regulated in Article 74 of Law Number 40 of 2007 concerning Limited Liability Companies, which governs social and environmental responsibility. Companies whose businesses are directly related to natural resources are required to carry out these social and environmental responsibilities.

A company's concern for society and the environment needs to be communicated to interested parties. CSR disclosure is part of the implementation and realization of corporate accountability. Corporate governance mechanisms are important for directing how a company is managed. The board of directors (BOD) is typically viewed as the foremost governance mechanism and a vital tool that enables shareholders to monitor management's

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activities. This makes the various characteristics of the board of directors important to the company. The findings of Nugraheni and Putri (2024) indicate that board size has a positive effect, whilst board gender diversity has no effect on CSR disclosure. Ramdhony et al. (2023) found that board size has a positive effect, and that board gender diversity and board meetings have no effect on the quality of CSR disclosure. The study by Ebaid (2022) also found that board size has a positive effect in Saudi Arabia.

Not only does the board of directors play an important role in CSR, but the audit committee also plays an important role in realizing good corporate governance. The audit committee is part of the board of commissioners in overseeing the running of the company. Nugraheni et al. (2025) showed that audit committee size had a positive influence, while expertise and the number of audit committee meetings did not influence CSR disclosure. Umar et al. (2024) found that audit committee size has a positive correlation with ESG disclosure, whilst audit committee meetings have no effect on companies listed in Saudi Arabia.

This study aims to examine the influence of board of directors and audit committee characteristics on CSR disclosure in non-financial companies in Indonesia and Saudi Arabia. Board of directors characteristics consist of board size, meeting frequency, and gender diversity. Audit committee characteristics consist of size, meeting frequency, and expertise.

Similar to Indonesia, the implementation of CSR in Saudi Arabia is also a trending phenomenon that has influenced government policies, business strategy management, and social relations. The government of Saudi Arabia has emphasized that companies must demonstrate greater commitment to social, environmental, and corporate governance performance for the benefit of stakeholders. In 2017, the Saudi Arabian government issued and enforced a corporate governance code that aims to align Saudi Arabia with international corporate governance standards, including the implementation of CSR principles. This shows that currently, the implementation of CSR in companies is very important in Saudi Arabia.

This study addresses important gaps and offers novelty. First, existing studies have predominantly been conducted within single-country settings and often include Western countries as benchmarks. This study examines the determinants of CSR disclosure between two Islamic-majority emerging economies: Indonesia and Saudi Arabia. Both countries share certain cultural and religious contexts (Islamic values) but differ in regulatory frameworks, corporate governance codes, economic structures, and CSR maturity levels. Second, this study captures a unique regulatory timing in Saudi Arabia, that is, the enforcement of the 2017 Corporate Governance Code. By including Saudi firms after this enforcement, the study provides contemporary evidence on how a newly adopted governance code influences CSR disclosure in a rapidly transforming economy. Therefore, the findings offer insights into which governance mechanisms are effective or ineffective in promoting CSR disclosure, guiding future revisions of corporate governance codes.

Literature Review

Stakeholder Theory

Stakeholder theory posits that a corporation is not solely responsible to its shareholders but to a broader set of stakeholders, including employees, customers, suppliers, communities, and the environment (Freeman, 2004). The core tenet of the theory is that effective management requires balancing the diverse and sometimes conflicting interests of these groups, as their support is essential for long-term sustainability and success. In the context of corporate social responsibility (CSR) disclosure, stakeholder theory provides a robust framework for understanding why governance mechanisms, such as the board of directors and audit committee characteristics, matter (Belouadah, 2026). According to this view, CSR disclosure serves as a vital tool for accountability and legitimacy, allowing firms to communicate their social and environmental impacts to stakeholders (Masmoudi & Alsmady, 2026). Therefore, these governance bodies act as key representatives of stakeholder interests. Stakeholder theory helps to explain whether they actively embrace their role as stakeholder representatives in order to achieve effective CSR disclosure.

Agency Theory

Agency theory serves as the foundation for understanding corporate governance. According to Jensen and Meckling (1976), agency theory refers to the contractual relationship between an agent and a principal, in which the owner delegates decision-making authority to the agent, and proper contract planning is essential to align their interests. Principals who cannot manage their companies hand over operational responsibility to agents to optimize profits, while principals monitor the agents' performance to ensure proper management of capital. According to Masmoudi and Alsmady (2026), the credibility of non-financial disclosure can mitigate agency conflicts because the disclosure makes the principal more aware of management's activities and allows management to be controlled, thereby removing information asymmetry. Therefore, the implementation of CSR disclosure is expected to overcome various conflicts of interest and enable the company's operational activities to run optimally.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) refers to a company's commitment to integrating social, environmental, and ethical concerns into its business operations and interactions with stakeholders, extending beyond the traditional goal of profit maximization (Minh et al., 2022; Wirba, 2024). CSR represents the company's responsibility to contribute positively to society and the environment, addressing the impacts of its activities. CSR disclosure, in turn, is the process of reporting or communicating information to stakeholders such as investors, employees, communities, and regulators about the company's CSR-related policies, actions, and performance (Nugraheni & Putri, 2024). This disclosure is typically presented in sustainability reports, annual reports, or dedicated sections on company websites, often using frameworks such as the Global Reporting Initiative (GRI) index, which has been widely adopted by many of the world's largest companies. Effective CSR disclosure serves as a strategic tool to maintain transparent relationships with stakeholders, meet their information needs, reduce information asymmetry, and mitigate potential conflicts between management (agents) and owners (principals) (Belouadah, 2026; Masmoudi & Alsmady, 2026). By regularly and thoroughly disclosing their social and environmental efforts, companies can build trust, enhance their reputation, gain stakeholder support, and ultimately improve both operational performance and long-term profitability (Andayani, 2021; Hartmann & Carmenate, 2021).

Good Corporate Governance

Good Corporate Governance (GCG) is a system of controlling and regulating a company to ensure that management operates transparently, accountably, and fairly (Ebaid, 2022; Erin et al., 2021), thereby protecting the interests of all stakeholders, including shareholders, employees, and the community. GCG involves a set of regulations and efforts to improve organizational management by clarifying the relationships, powers, rights, and obligations of key bodies such as the General Meeting of Shareholders, the Board of Commissioners, and the Board of Directors. Central to GCG is the board of directors, which holds full responsibility for the company's daily operations and strategic management. The board of directors can influence decision-making quality and oversight capacity. The audit committee is another critical component of GCG. The audit committee acts as an internal auditor tasked with monitoring and evaluating the company's internal controls, financial reporting, and risk management (Ha, 2022; Olagunju et al., 2023). It is believed that the characteristics of the board of directors and the audit committee can enhance monitoring effectiveness and influence the quality of the information disclosed, covering both financial and non-financial aspects, including CSR disclosures.

Board Size and CSR

A large board size has a positive impact on board performance. The presence of more board members provides more experience and expertise, leading to better decision-making by the board of directors (Khasanah et al., 2023; Taufik, 2021). Board size can help resolve agency conflicts because a larger board allows management actions to be better monitored, thereby creating optimal performance that will facilitate the company in CSR disclosure. Research conducted by Nugraheni and Putri (2024) on energy companies in sharia-compliant companies in Indonesia proves that the size of the board of directors influences CSR disclosure. An empirical study by Taufik (2021) also shows that companies with better CSR performance tend to have larger board sizes. However, a study by Giannarakis et al. (2014) and Khasanah et al. (2023) found that there is no relationship between board size and CSR disclosure. Nevertheless, the larger the size of the board of directors in a company, the better the CSR performance in the company. Therefore, the hypothesis in this study is:
H_1: Board size has a positive effect on CSR disclosure

Board Meeting Frequency and CSR

Based on stakeholder theory, shareholders entrust board members to act as representatives of key internal stakeholders, leading and managing the company in alignment with its interests and objectives (Rashid, 2021). Regular board of directors meetings serve as a platform for communication and coordination among board members in fulfilling their supervisory duties. Information generated by management can influence the power of stakeholders within a company. Strong stakeholder relations and transparent information disclosure enhance stakeholder value, thereby supporting the achievement of corporate goals.

Research by Mai et al. (2023) found that the frequency of board meetings plays an important role in increasing CSR disclosure. Ratri et al. (2021) also identified a positive relationship between board meetings and CSR disclosure. In contrast, Ramdhony et al. (2023) found that board meetings have no effect on the quality of CSR disclosure. The more meetings held by the board of directors, the more CSR disclosures are likely to be made. Therefore, the hypothesis proposed in this study is:
H_2: Board meeting frequency has a positive effect on CSR disclosure.

Board Gender Diversity and CSR

Members of the board of directors often differ in how they carry out company operations, which in turn affects corporate performance. One contributing factor is gender diversity. According to Saggar et al. (2022), gender diversity among board members is associated with corporate social performance. Kachouri et al.(2020) argued that the presence of women on the board positively influences a company's CSR activities, which can subsequently enhance the firm's reputation. From the perspective of stakeholder theory, having women on the board can encourage companies to build stronger relationships with stakeholders.

An empirical study by Issa and Fang (2019) found that board gender diversity has a significant positive effect on CSR disclosure among companies listed in the Arab Gulf region. Similarly, Mai et al. (2023) reported a positive relationship between gender diversity and CSR practices. Their findings indicate that women on the board of directors play an important role in increasing CSR disclosure. Therefore, the following hypothesis is proposed:
H_3: Board gender diversity has a positive effect on CSR disclosure.

Audit Committee Size and CSR

The audit committee is a body formed to assist the board of commissioners in carrying out its duties. The existence of the audit committee supports the principle of accountability in CSR implementation, which requires companies to provide better information to stakeholders (Pasko et al., 2024). A larger audit committee is expected to enhance supervision over management in fulfilling corporate responsibility toward the community and the environment. The greater the number of audit committee members, the stronger the supervisory function and the more effective the control over various aspects of company performance.

According to Nugraheni et al. (2025), the audit committee had a positive effect on CSR disclosure in Indonesian sharia-compliant companies. Similarly, Pasko et al. (2024) found that a larger audit committee improves and increases CSR disclosures. However, a study by Rahayu and Yendrawati (2025) reported that audit committee size had no effect on CSR disclosure. Based on the above explanation, it can be concluded that the larger the audit committee, the greater the CSR disclosure. Therefore, the following hypothesis is proposed:
H_4: Audit committee size has a positive effect on CSR disclosure.

Audit Committee Meeting Frequency and CSR

Audit committee meetings serve as a forum for discussing solutions to company problems and determining how to address them. According to Khasanah et al. (2023), audit committee meetings lead to more effective performance monitoring by increasing accountability in overseeing managers and the reporting process.

Research by Ben Ali and Bakkeri (2021) found a significant positive effect between audit committee meetings and CSR disclosures in non-financial companies in Palestine. An empirical study by Ha (2022) in Vietnam also showed that frequent audit committee meetings allow directors more time to carry out their monitoring role effectively, thereby increasing corporate disclosures, including CSR. In contrast, Nugraheni et al. (2025) found that audit committee meetings had no effect on CSR disclosure in sharia-compliant companies in Indonesia. Nevertheless, regularly held audit committee meetings help improve the effectiveness of monitoring company performance regarding CSR disclosure. Accordingly, the hypothesis is:
H_5: Audit committee meeting frequency has a positive effect on CSR disclosure.

Audit Committee Expertise and CSR

Audit committee members are required to have an educational background and expertise in finance and accounting. Almunawwaroh and Setiawan (2023) assert that audit committee members with accounting skills are more likely to detect irregularities in financial statements and other incorrect transactions. Expertise in accounting, finance, and auditing enhances the committee's capacity to evaluate the quality, completeness, and strategic relevance of disclosures (Belouadah, 2026). The audit committee's responsibilities must be carried out properly to encourage the company's CSR implementation to remain accountable to all stakeholders.

Ryu et al. (2021) found that audit committee expertise plays an important role in improving the quality of financial reporting. Research by Nugraheni and Putri (2024) showed a positive relationship between the financial expertise of the audit committee and CSR disclosure. Other studies also demonstrated a positive relationship between audit committee financial expertise and sustainable performance on the Egyptian stock exchange (Elhoushy et al., 2023). Audit committee members with financial expertise are more capable of increasing CSR disclosure as well as the company's social and environmental performance. Therefore, the hypothesis is:
H_6: Audit committee expertise has a positive effect on CSR disclosure.

Research Method

This study employs a quantitative research methodology utilizing secondary data derived from the annual reports of non-financial companies listed on the Indonesia Stock Exchange (IDX) and the Saudi Exchange from 2017 to 2021. The study period is limited to 2017–2021 for three primary reasons. First, 2017 marks the enforcement of Saudi Arabia's revised Corporate Governance Code, which mandated CSR principles, providing a consistent regulatory baseline for both countries. Second, the most recent complete and comparable annual reports available for both Indonesia and Saudi Arabia at the time of data collection were from 2021, ensuring a balanced and unbiased sample. Third, extending beyond 2021 would introduce confounding effects from post-pandemic governance disruptions, which are beyond the scope of this study.

The statistics were sourced from the official websites of the Indonesia Stock Exchange, the Saudi Exchange, and the respective companies. This study utilizes a non-probability sampling strategy through a purposive sampling method founded on specific preset criteria. The criteria for sample selection are as follows: (1) non-financial companies listed on the Indonesia Stock Exchange and the Saudi Exchange from 2017 to 2021; (2) companies that publish annual reports; and (3) companies that have the data required for this research, as presented in Table 1.

This study's variables include a dependent variable representing corporate social responsibility disclosure and independent variables comprising board size, board meeting frequency, board gender diversity, audit committee size, audit committee meeting frequency, and audit committee expertise. The dependent variable, corporate social responsibility disclosure, is assessed by content analysis utilizing the Global Reporting Initiative (GRI G4) index. The measurement employs a dichotomous method, assigning a value of 1 for disclosed items and 0 for those not disclosed. The CSR disclosure index consists of 91 categories covering economic, environmental, and social dimensions. Table 1 outlines the description and measurement of each variable.

Table 1. Variables Measurement

No	Variables	Definition/Indicator	Measurement
Dependent Variable			
	CSR Disclosure	GRI G4	$CSRI = \frac{\sum Xij}{nj}$ 1 = If the item is disclosed 0 = If the item is not disclosed
Independent Variables			
1	Board Size	Total number of members of the board of directors	Number of board members
2	Board Meeting	Number of meetings held by the board of directors	Frequency of meetings of the board of directors
3	Board Gender	Proportion of female directors	Number of female board members divided by the total number of the board of directors members
4	Audit Committee Size	Total number of audit committee members	Number of audit committees owned by a company
5	Audit Committee Meeting	Number of audit committee meetings per year	Audit committee meetings per year
6	Audit Committee Expertise	Proportion of audit committee members with accounting or financial expertise	Level of expertise of the audit committee in the field of accounting or finance

This study also includes return on assets (ROA) as a control variable. Return on assets was selected as the primary control variable based on theoretical and empirical justifications. Theoretically, agency and stakeholder theories suggest that profitability influences firms' ability and motivation to disclose CSR information. Empirically, ROA is the most commonly used profitability measure in prior CSR disclosure studies (Ebaid, 2022; Ramdhony et al., 2023).

In this study, descriptive statistical analysis and classical assumption tests were conducted before hypothesis testing. The hypothesis testing in this research used multiple linear regression analysis with a confidence level of 95% (alpha = 0.05). The regression equation used in this study can be formulated as follows:

$$CSRI = \alpha + \beta_1(BS) + \beta_2(BM) + \beta_3(BG) + \beta_4(ACS) + \beta_5(ACM) + \beta_6(ACE) + \beta_7(ROA) + \varepsilon$$

Information:
CSRI= CSR Disclosure Index

α = Constant
BS = Board Size
BM = Board Meeting
BG = Board Gender
ACS = Audit Committee Size
ACM = Audit Committee Meeting
ACE = Audit Committee Expertise
ROA = Return on Assets
β1-β7 = Estimated coefficient
ε = Error term

Results and Discussion

The final sample was obtained by applying the purposive sampling criteria to the population of non-financial companies listed on the Indonesia Stock Exchange (IDX) and the Saudi Exchange during 2017–2021. Table 2 summarizes this selection process. Of the 1,130 companies in the initial population, 305 did not publish financial statements and annual reports, and a further 245 did not disclose social responsibility reports. After applying these criteria, 580 companies with the complete information required for this study remained as the final sample.

Table 2. Research Data

No	Criteria	Amount
1	Non-financial companies listed on the IDX and Saudi Exchange for the 2017-2021 period	1,130
2	Companies that did not publish complete financial statements and annual reports	305
3	Companies that did not disclose social responsibility reports separately from annual reports	245
Total sample data that could be processed		580

Descriptive statistical tests provide an overview of this study regarding the minimum values, maximum values, mean values, and standard deviations of the independent and dependent variables. The results of the descriptive statistics analysis are presented in Table 3.

Table 3. Descriptive Statistics

Variable	Mean	Std. Dev	Min	Max
Board of Director Size	5.888	2.522	2.00	16.00
Board of Director Meeting	14.910	13.365	2.00	139.00
Board of Director Gender	11.665	17.946	0.00	66.67
Audit Committee Size	3.290	0.630	2.00	7.00
Audit Committee Meeting	6.112	4.917	2.00	47.00
Audit Committee Expertise	56.696	37.239	0.00	100.00
ROA	4.810	12.233	-26.00	136.36
CSR Disclosure	14.297	9.616	1.10	43.96

Based on Table 3, the board of directors' size averages approximately 6 members, ranging from as few as 2 to as many as 16 directors. Board meetings occur around 14.91 times per year on average, with a minimum of 2 and a maximum of 139 meetings, indicating extreme heterogeneity in meeting frequency across firms. This suggests that some companies meet only rarely while others meet very intensively. Regarding board gender diversity, the mean percentage of female board members is only 11.67%, with a range from 0% to 66.67%, reflecting both an overall low representation of women on boards and substantial differences among firms.

Turning to audit committee characteristics, the average audit committee size is 3.29 members, with a range of 2 to 7, indicating that most firms adhere closely to a standard committee size, likely due to regulatory guidelines. Audit committee meetings average 6.11 times per year, with a range from 2 to 47 meetings, revealing considerable variation in monitoring intensity. Audit committee expertise shows a mean of 56.70%, ranging from 0% to 100%, which implies that while some audit committees are fully composed of experts, others have no expert members at all.

Return on assets (ROA) has a mean of 4.81%, with a minimum of -26.00% and a maximum of 136.36%, indicating highly volatile profitability where some firms experience substantial losses while others achieve exceptional returns. CSR disclosure scores average 14.30, with a minimum score of 1.10 and a maximum of 43.96, suggesting that most firms display relatively low levels of CSR reporting, but there are notable outliers with much higher disclosure practices.

Overall, the descriptive statistics reveal that while certain governance features such as audit committee size are relatively uniform across firms, most other variables—particularly board meeting frequency, gender diversity, audit committee expertise, ROA, and CSR disclosure—exhibit substantial variability, reflecting diverse governance practices, performance levels, and reporting behaviors across the sample.

This study conducted classical assumption tests and fulfilled all the test requirements. The hypotheses were tested using statistical analysis, specifically regression analysis, to examine the coefficient of determination, F-value, and p-value. The results of the hypothesis testing are presented in Table 4.

Table 4. Hypothesis Test Results.

Variable	Coefficient Regression (B)	t-statistics	Sig. value	Hypotheses
Constant	2.474	0.464	0.643	
BoD Size	4.899	1.722	0.086	Rejected
BoD Meeting	0.083	2.307	0.021	Accepted
BoD Gender	-0.079	-2.158	0.031	Rejected
AC Size	1.545	2.030	0.043	Accepted
AC Meeting	-0.248	-2.612	0.009	Rejected
AC Expertise	0.010	0.561	0.575	Rejected
ROA	-0.030	-0.928	0.354	
Adjusted R^2	0.050			
F Statistik	5.389			
Sig.	0.000			

Based on Table 4, the board of directors' size has a coefficient value of 4.899 with a p-value of 0.086 > 0.05, indicating that board size does not affect CSR disclosure. Thus, H1 is rejected. A larger board might include more stakeholder perspectives, enhancing CSR disclosure. However, if the board becomes too large, the diffusion of responsibility may lead to weaker attention to non-financial reporting. Previous studies have found that larger boards may reduce effectiveness due to coordination problems, leading to an insignificant effect on CSR disclosure (Khasanah et al., 2023). Taufik (2021) also found that individual assessments of each aspect of CSR (economic, environmental, and social) had no effect on CSR disclosure in Indonesia. This result supports those findings, as board size does not significantly influence CSR disclosure in this sample. Larger boards may suffer from slower decision-making or diluted responsibility regarding non-financial reporting.

Regarding board meetings, the positive coefficient of 0.083 and p-value of 0.021 < 0.05 indicate that more frequent board meetings are significantly associated with higher CSR disclosure, thus, H2 is accepted. This finding supports studies such as Fuente et al. (2017) and Mai et al. (2023), which argue that frequent meetings enhance monitoring and allow boards to discuss CSR issues more thoroughly. Frequent meetings likely provide more opportunities to review and approve CSR strategies and reports. This result is consistent with both agency theory (enhanced monitoring) and stakeholder theory (greater attention to stakeholder issues), confirming that active boards promote transparency.

The coefficient value of board gender diversity is negative (-0.079) and statistically significant (p-value = 0.031 < 0.05), meaning that higher female board representation is associated with lower CSR disclosure. Thus, H3 is rejected. This contradicts the findings of Pitenoei et al. (2022), which state that gender diversity improves CSR performance and disclosure because women tend to be more stakeholder-oriented, and Ha (2022), which found no relationship. A possible reason, from a critical agency theory perspective, is that in the sampled firms, women on boards may not yet have sufficient decision-making power or may be appointed symbolically without real influence on CSR policies. Cultural or regulatory contexts might limit their ability to affect CSR strategies. Alternatively, the measure of gender diversity (percentage) may interact with other governance variables not included in the model.

The audit committee size has a positive regression coefficient value of 1.545 with a p-value of 0.043 < 0.05, indicating that audit committee size has a positive effect on CSR disclosure. Thus, H4 is accepted. This supports studies such as Nurhandika et al. (2024), Umar et al. (2024) and Erin et al. (2021). Larger audit committees have more resources, expertise, and capacity to oversee non-financial reporting, reducing information asymmetry between management and stakeholders. A larger committee can assign specific members to CSR-related monitoring, leading to better disclosure practices. Therefore, H4 is consistent with prior literature.

The coefficient value of audit committee meetings is negative and highly significant (p-value = 0.009 < 0.01), meaning that more frequent audit committee meetings are associated with lower CSR disclosure. This is opposite to the hypothesized positive effect, and H5 is rejected. Ha (2022) found that frequent audit committee meetings improve monitoring and disclosure quality, while Nugraheni et al. (2025) and Olagunju et al. (2023) found no relationship. Agency theory predicts that more frequent audit committee meetings should improve monitoring effectiveness,

allowing the committee to detect and correct managerial shortcomings in both financial and non-financial reporting. A possible reason, from a refined agency theory perspective, is that extremely frequent meetings (up to 47 times annually in the descriptive statistics) may indicate underlying problems or crisis management, leaving less time for strategic CSR issues. Alternatively, audit committees in the sample may focus primarily on financial compliance rather than CSR, so more meetings do not translate into better CSR disclosure. This result supports Al Lawati et al. (2021) who found that audit committee meetings had a negative effect on forward-looking disclosure.

Audit committee expertise has a coefficient value of 0.010 and a p-value of 0.575, far above 0.05, indicating no statistically significant effect. Thus, H6 is rejected. Belouadah (2026) found that in Saudi listed firms, financial expertise on audit committees enhances disclosure quality, including ESG accounting disclosure. However, this study does not support that finding. From an agency theory perspective, financial expertise on the audit committee enhances the committee's ability to understand complex disclosures, detect managerial opportunism, and ensure high-quality reporting, including non-financial (ESG) disclosures. However, in this study, expertise is measured purely as a percentage of financial experts, but these experts may lack specific training or interest in CSR matters. Additionally, if expertise is very high (up to 100%) but CSR disclosure remains low, it suggests that expertise alone is insufficient without a mandate or incentive to focus on CSR. This result is in line with Ha (2022), which found that the financial expertise of the audit committee in Vietnam listed companies did not play an important role in increasing corporate governance disclosure.

The control variable, ROA, has a negative coefficient but is not statistically significant, with a p-value of 0.354 > 0.05. Thus, firm profitability does not significantly affect CSR disclosure in this model. This finding does not support studies that have found profitable firms to disclose more CSR (Ramdhony et al., 2023). Stakeholder theory predicts that profitable firms face greater stakeholder expectations for transparency and thus should disclose more CSR. A possible explanation is that CSR disclosure is driven more by governance factors (board and audit committee characteristics) or regulatory pressures than by short-term profitability, suggesting that in this context, governance mechanisms are more powerful determinants of CSR transparency than financial performance.

Conclusion

This research investigates how several governance factors influence Corporate Social Responsibility (CSR) disclosure. Specifically, it examines board size, board meeting frequency, board gender diversity, audit committee size, audit committee meeting frequency, and audit committee expertise. The findings reveal that both board size and audit committee expertise have a positive but statistically insignificant effect on CSR disclosure. In contrast, board meeting frequency and audit committee size demonstrate a positive and significant impact. On the other hand, board gender diversity and audit committee meeting frequency show a negative and significant effect on CSR disclosure.

The results carry several important implications for companies, corporate governance, and policymaking. For companies, the findings suggest that simply increasing board size or ensuring audit committee expertise does not automatically improve CSR disclosure, as their effect is positive but insignificant. Instead, managers should prioritize holding more frequent board meetings and enlarging the audit committee, since both have a positive and significant impact on CSR transparency. Conversely, the negative and significant effects of board gender diversity and frequent audit committee meetings indicate that companies need to ensure that female directors are actively engaged in CSR strategy and that audit committee meetings focus on substantive discussions rather than routine check-ins. For governments and regulators, these results imply that policies should encourage minimum meeting frequencies for boards and appropriate audit committee sizes, while also addressing the quality of audit committee meetings. Additionally, governments should reconsider simplistic gender quota policies, as the negative relationship found here suggests that without proper empowerment and integration into CSR processes, gender diversity could inadvertently reduce disclosure quality. Regulators are therefore advised to develop combined governance guidelines, such as requiring both meeting frequency targets and effectiveness assessments to foster meaningful CSR disclosure practices.

The study recommends that future research expand the geographic scope to include other countries and incorporate additional corporate sectors, such as finance, manufacturing, and mining, to improve the generalizability of results. Furthermore, it suggests developing the variables under investigation by including other potential factors like board of directors' education, national diversity, expertise, audit committee gender diversity, audit committee education, and market capitalization to enhance future research outcomes.

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