UNIVERSITI TEKNOLOGI MARA

FAMILY BOARD CHARACTERISTICS AND ESG DISCLOSURE

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AUTHOR'S DECLARATION

I declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

The background of this study is on achieving sustainable development goals through disclosing Environmental, Social and Governance (ESG) report. Other than financial reporting, investors also have increasing focus on firms' ESG disclosure. Many researchers have an interest in studying the effect of ESG disclosure towards firms' value and performance. There are also some prior studies that examining the effect of board characteristics on ESG disclosure. However, there are little research had been conducted on family firms that practicing in ESG disclosure especially on the matters of family board characteristics. Hence, the purpose of this study is to investigate the effect of family board characteristics towards ESG disclosure in Malaysia. This study has selected 88 family firms in Malaysia which 8 of the selected firms are excluded due to unavailability of annual report, 19 are excluded because of delisted from the Bursa Malaysia and 73 of it are excluded due to missing data. Results of this study are based on 110 observations of Malaysian family firm. The data collected if from their annual report for the period of 2020 – 2022. Furthermore, the data of ESG score was obtained from Thomson Reuters Eikon Datastream. Overall, the result of this study shows that there is still low percentage of family firms in Malaysia that disclose their ESG report. This study provides implication to the regulators to review ESG standard so that Malaysian family firms could comply with the standard in order to enhance their firms' performance through practicing ESG matters.

Keywords: Sustainability, ESG Disclosure, Board Characteristics, Ethnicity, Gender, Independence

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