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ESG Disclosure in Mining Companies: The Moderating Role of Political Connections in the Influence of Public Ownership and Firm Size

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This study examines the effect of public ownership and firm size on ESG disclosure, with political connection as a moderating variable, in mining companies listed on the Indonesia Stock Exchange during the 2022-2025 period. Using a quantitative approach, data were collected from the annual reports and sustainability reports of 10 purposively selected mining companies observed over four years, producing 40 firm-year observations. Multiple linear regression was used to examine the direct effects of the independent variables on ESG disclosure, while Moderated Regression Analysis (MRA) was applied to test the moderating role of political connection. The results indicate that public ownership has a positive relationship with ESG disclosure, whereas firm size shows no significant effect on ESG disclosure. Political connection is found to strengthen the effect of public ownership on ESG disclosure, while its moderating effect on the relationship between firm size and ESG disclosure is comparatively weaker. These findings suggest that political connection can encourage mining companies, particularly those with substantial public ownership, to be more proactive in ESG disclosure. This study highlights the importance of political ties in improving transparency and sustainability reporting in the mining sector.
Keywords: Public Ownership, Firm Size, ESG Disclosure, Political Connection

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1. Introduction

The presence of companies makes an important contribution to economic growth and social welfare. However, the operational activities of companies, especially those operating in the extractive sector, often contribute to environmental damage in the form of ecosystem degradation, pollution, and climate change. Companies that are deemed to have poor social and environmental performance have the potential to lose community support and access to resources, which can ultimately threaten the sustainability of their businesses [1]. Increasing public pressure is encouraging companies to pay more attention to the social impacts of their business activities and take concrete steps to address them [2]. In an effort to avoid social conflict, companies are required to carry out social and environmental responsibilities in their operational areas [3], as also mandated in Law No. 40 of 2007 Article 74 which requires the implementation of social and environmental responsibilities for certain companies [4].

In recent years, the corporate responsibility reporting framework has shifted from partial CSR (Corporate Social Responsibility) to more comprehensive ESG (Environmental, Social, and Governance) disclosure, as it integrates environmental, social, and governance aspects in a measurable and standardized manner [19]. ESG disclosure is seen as a more relevant instrument for investors and stakeholders in assessing corporate sustainability and accountability compared to conventional CSR reporting. The ever-increasing need for natural resources drives massive exploitation, thus having a negative impact on environmental balance [5]. Mining companies have a direct relationship with natural resources in their operational activities, and are

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also one of the important pillars of the Indonesian economy considering the large mineral and energy potential [6]. The development of sustainability reporting in this sector is crucial considering the contribution of the mining sector to achieving the Sustainable Development Goals (SDGs) [7]. The case of PT Lapindo Brantas, which caused major losses due to mudflows in residential areas, agricultural land, and industrial areas in East Java [8], is a clear example of how negligence in environmental governance can lead to the loss of a company's social legitimacy.

In Indonesia, government encouragement through various policies has transformed sustainability reporting, which was initially voluntary, into a mandatory one [9]. However, the level of corporate social and environmental responsibility disclosure in Indonesia is generally still relatively low, so this topic remains relevant for further research. Previous studies have identified a number of factors that influence the extent of corporate social and environmental responsibility disclosure, including Firm Size, liquidity, leverage, and profitability [10]; leverage and public ownership [11]; profitability and corporate governance [12]; and Firm Size, earnings per share, and share price [13]. Other factors examined include industry environmental sensitivity, internationalization, and gender diversity on corporate boards [14].

Public share ownership is believed to encourage companies to be more open in communicating their sustainability activities, due to accountability pressure from minority shareholders. However, research on the relationship between public ownership and disclosure of social and environmental responsibility still shows inconsistent results [15]. Similarly, Firm Size, which is commonly used to explain the extent of disclosure in annual reports; some studies find a significant effect [16], while others find the opposite. Political connections are also known to have a significant influence on corporate performance and reporting behavior [17]. The government can influence a company's economic activities through various channels, including funding and regulation, so politically connected companies tend to utilize this access to support their performance [17]. Because research results regarding the role of political connections on social responsibility disclosure are still mixed — some find a positive influence [18], while others find no consistent influence — this variable is relevant to test as a moderating variable.

Although research on political connections and ESG-related disclosure has grown in recent years, most of this literature examines political connection either as a direct determinant of disclosure or performance, or in single-country settings outside Indonesia's mining sector. Nguyen-Thi-Hong et al. [37], for example, found that political connections jointly influence the level of ESG disclosure among emerging-market firms in Vietnam, while Alharasis et al. [38] showed that political connections moderate the relationship between CEO characteristics and ESG disclosure in a cross-country sample, and Guedes et al. [39] demonstrated that politically connected boards interact with gender diversity to shape ESG performance in Iberian companies. These studies confirm the theoretical relevance of political connection as a moderating mechanism, yet none of them simultaneously tests its moderating role on two distinct firm-level antecedents, namely ownership structure and firm size, within a single model, nor do they focus on a resource-based, environmentally sensitive sector such as mining. Within the Indonesian context specifically, Salisa and Isa [40] recently reported that firm size positively affects ESG disclosure among mining companies for the 2021-2024 period, a finding that contrasts with several earlier CSR-based studies and confirms that the size-disclosure relationship remains empirically unsettled. This inconsistency, combined with the absence of studies that treat political connection as a dual moderator of both public ownership and firm size within a single ESG disclosure model, constitutes the research gap that this study seeks to address.

This study addresses that gap by focusing on the role of political connections as a moderating variable in the relationship between public ownership and Firm Size on ESG disclosure in mining companies listed on

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the Indonesia Stock Exchange for the 2022-2025 period. Compared with previous studies, which largely examined political connections in isolation or in non-mining, non-Indonesian settings [37]-[39], the novelty of this study lies in three aspects: (1) it simultaneously tests political connection as a moderator of two distinct antecedents of ESG disclosure, namely ownership structure and firm size, within a single integrated model, rather than treating them separately as in most prior work; (2) it focuses on the Indonesian mining sector, which is both environmentally sensitive and strategically important to the national economy, yet remains underexamined in the political-connection literature relative to manufacturing or financial sectors; and (3) it uses an updated 2022-2025 observation period together with a shift in measurement focus from CSR disclosure to the more comprehensive and standardized ESG disclosure framework. This combination is expected to provide a more up-to-date and comprehensive picture of sustainability reporting practices in mining companies in Indonesia, while also enriching the literature on the role of political connections in this context.

2. Literature Review And Problem Statement

Legitimacy Theory

Legitimacy theory was first introduced by Dowling and Pfeffer [20], who explained that the gap between the values adopted by a company and the values prevailing in society can create a legitimacy gap. When a company's activities are deemed inconsistent with social expectations, a legitimacy gap will emerge and potentially threaten the company's operational sustainability. This theory is widely used to understand social and environmental responsibility disclosures as an effort to gain and maintain legitimacy in the eyes of stakeholders [21]. When a company's practices are seen as deviating from societal expectations, the company can adopt a legitimacy strategy to mitigate the threat and shape positive stakeholder perceptions [22]. In this context, ESG disclosure is seen as a management instrument to gain social recognition while maintaining the company's legitimacy in its operational environment.

Stakeholder Theory

The stakeholder theory developed by R. Edward Freeman in 1984 highlights the importance of moral and ethical values in organizational management [23]. According to this theory, companies are not solely oriented towards profits for shareholders, but also have a responsibility to provide benefits to all stakeholders. The sustainability of a company is highly dependent on the support of various parties, so companies need to pay attention to the interests of stakeholders more broadly, not just shareholders [24].

ESG Disclosure

ESG disclosure is a form of corporate information disclosure that encompasses environmental, social, and governance dimensions in an integrated manner. This disclosure has developed as a concrete manifestation of a company's obligations to its social environment [19], and aligns with the concept of corporate social responsibility, which requires companies to formulate policies and actions that align with societal values and expectations, which are then realized through accountability reports [25]. Compared to conventional CSR reporting, ESG disclosure provides a more structured measurement framework, making it easier to compare between companies and between periods.

Public Ownership

The level of social and environmental disclosure by a company is also influenced by the proportion of public share ownership, because companies with a broad public shareholder base are considered to have a greater responsibility to society. The public is defined as individuals or entities that have less than 5% share ownership, and generally act as minority shareholders [26].

Firm Size

Firm Size is an indicator of business scale that reflects a company's experience, growth capacity, and ability to manage investment risk. Firm Size is generally proxied by total assets expressed in natural logarithms (Ln), thus more proportionally representing differences in business scale between companies.

Political Connection

A company is categorized as having political connections if it includes politicians on its board of directors or commissioners, has affiliations with certain political parties, or is actively involved in political activities [27]. Politically connected business practices are common in various countries, although they tend to be less common in countries with strict regulations regarding political conflicts of interest [28]. Political connections act as a substitute for weak legal institutions, providing access to alternative resources such as information and funding, thus supporting company performance [29]. In countries with limited access to foreign investment and less than optimal legal protection, access to local loans or government contracts becomes a strategic source of funding for politically connected companies [30].

Hypothesis Development

Public ownership is the proportion of a company's shares held by the general public, which is believed to increase corporate transparency due to pressure to meet public and stakeholder expectations. Previous research has shown that public ownership has a positive effect on corporate social and environmental responsibility disclosure [31], in line with legitimacy theory which states that companies with a public ownership base tend to be more active in reporting their sustainability activities to gain legitimacy from the public. However, some other studies have shown that this relationship can vary depending on the context and industry sector [32]. Therefore, the first hypothesis of this study is:

H1: Public ownership has a positive effect on ESG disclosure.

Firm Size refers to the scale of a business, generally measured by total assets. Larger companies are perceived as having more adequate resources to implement and report on their sustainability activities. Some studies indicate that Firm Size influences the extent of social and environmental responsibility disclosure [16], while others find that Firm Size has no significant effect. These varying findings indicate the need for further testing in the context of ESG disclosure. Therefore, the second hypothesis of this study is:

H2: Firm Size has a positive effect on ESG disclosure.

Political connections are defined as the relationship between a company and politicians or political institutions, either through the presence of politicians on the board of directors or commissioners [27]. Political connections are seen as helping companies gain easier access to strategic resources and supporting their legitimacy in the eyes of the public [29]. Several studies have shown that political connections strengthen the positive influence of various variables on disclosure of socio-environmental responsibility [18], although other studies have shown mixed results [28]. In the context of the relationship between public ownership and ESG disclosure, political connections are thought to strengthen companies' incentives to report their sustainability activities due to the accompanying regulatory support. Therefore, the third hypothesis of this study is:

H3: Political connections strengthen the influence of public ownership on ESG disclosure.

Political connections are also thought to moderate the relationship between Firm Size and ESG disclosure. Large companies with political connections are more likely to obtain additional resources and legitimacy from the government, thus encouraging them to be more proactive in sustainability reporting. However, the

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impact of political connections on this relationship is thought to be smaller than that of companies with significant public ownership [30]. Therefore, the fourth hypothesis of this study is:

H4: Political connections strengthen the influence of Firm Size on ESG disclosure.

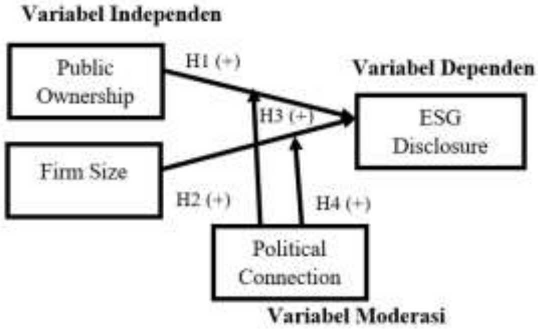

Figure 1. Research Framework

3. Method

This study uses a quantitative approach with a population of mining sector companies listed on the Indonesia Stock Exchange (IDX) during the 2022-2025 period. Secondary data was obtained from the official IDX website and the official websites of each company, in the form of annual reports and sustainability reports. The sampling technique used purposive sampling with the following criteria: (1) mining companies consistently listed on the IDX during the 2022-2025 period; (2) companies that consistently published sustainability reports or ESG reports for four consecutive years; and (3) the availability of complete data on public ownership, Firm Size, and board composition needed to identify political connections. Based on these criteria, 10 mining companies were selected that met the requirements, resulting in 40 firm-year observations (10 companies x 4 years).

The dependent variable in this study is ESG disclosure, which is measured using a disclosure index based on items in the environmental, social, and governance dimensions adapted from the sustainability disclosure framework commonly used in corporate reports in Indonesia. The index score is calculated by dividing the number of items disclosed by the company by the total number of expected items. The independent variables consist of public ownership (X1), which is measured by the percentage of shares owned by the public or shareholders with ownership below 5%, and Firm Size (X2), which is proxied by the natural logarithm (Ln) of the company's total assets at the end of the observation year. The moderating variable, namely political connection (Z), is measured using a dummy variable, with a value of 1 if there is a member of the board of directors or board of commissioners who has political affiliation, a background as a government official, or ties to a political party, and a value of 0 otherwise.

Data analysis was conducted using SPSS, including classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation) as well as hypothesis testing through the coefficient of determination (R^2) test, individual parameter significance test (t-test), and Moderated Regression Analysis (MRA) to test the role of moderating variables. The regression equation model used refers to the MRA approach as follows [33]:
Model 1: $Y = a + b1X1 + b2X2 + e$
Model 2: $Y = a + b1X1 + b2Z + b3X1.Z + e$
Model 3: $Y = a + b1X2 + b2Z + b3X2.Z + e$
Description: X1 = Public Ownership; X2 = Firm Size; Y = ESG Disclosure; Z = Political Connection.

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Moderation effect testing is performed by comparing the coefficient of determination (R^2) value in a model without moderating variables with a model that includes moderating variables and their interactions. If the R^2 value in the model with moderating variables is higher than in the model without moderating variables, then the moderating variable (Z) is said to strengthen the relationship between the independent variable (X) and the dependent variable (Y). Conversely, if the R^2 value in the model with moderating variables is lower or does not experience a significant increase, then the moderating variable is said not to strengthen the relationship.

4. Results And Discussion

Descriptive Statistics

Table 1. Descriptive Statistics

Variables	N	Min	Max	Mean	Standard Deviation
Public Ownership	40	0.19	0.74	0.3472	0.12116
Firm Size	40	14.33	22.73	18,2300	3.04978
ESG Disclosure	40	0.67	1.00	0.8467	0.14453
Political Connection	40	0.00	1.00	0.8000	0.40684

Based on Table 1, the Public Ownership variable has the lowest value of 0.19 and the highest of 0.74 with an average of 0.3472, indicating relatively small variations between companies (standard deviation of 0.12116). Firm Size ranges from 14.33 to 22.73 with an average of 18.2300 and moderate variation (standard deviation of 3.04978). ESG Disclosure has a minimum value of 0.67 and a maximum of 1.00 with an average of 0.8467, indicating a relatively high and consistent level of disclosure in the sample of mining companies studied (standard deviation of 0.14453). Political Connection has a value range of 0.00 to 1.00 with an average of 0.8000, indicating that the majority of sample companies have political affiliations in their board structure, with quite significant variations between companies (standard deviation of 0.40684).

Test of Classical Assumption

Table 2. Results of the Classical Assumption Test

Classical Assumption Test	Criteria	Test Results	Conclusion
Normality Test	Sig. > 0.05	0.048	Data approaches normal distribution
Multicollinearity Test	VIF < 10 and Tolerance > 0.1	VIF: 1.23-2.45	There is no multicollinearity
Heteroscedasticity Test	Sig. > 0.05	0.112	There is no heteroscedasticity
Autocorrelation Test	1.5 < DW < 2.5	DW: 1,987	No autocorrelation occurs

The results of the normality test using the Kolmogorov-Smirnov method produced a significance value of 0.048. This value is right around the threshold of 0.05, so the normality test needs to be examined carefully; with the addition of the number of observations in this study (n = 40) compared to previous studies, the data distribution shows improvement but it is still recommended to conduct further testing or data transformation in future studies to ensure the accuracy of the normality assumption. The multicollinearity test with the Variance Inflation Factor (VIF) showed a value in the range of 1.23-2.45, meeting the criteria of VIF < 10 and Tolerance > 0.1, so there was no indication of multicollinearity between independent variables. The heteroscedasticity test using the Glejser method produced a significance value of 0.112 (greater than 0.05), which indicates the absence of heteroscedasticity. The Durbin-Watson autocorrelation

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test yielded a DW value of 1.987, within the range of 1.5-2.5, thus concluding that there is no autocorrelation. In general, the regression model in this study is suitable for further analysis.

Multiple Linear Regression

Table 3. Results of Multiple Linear Regression Analysis

Variables	Unstandardized Coefficient B	Information
(Constant)	0.821	-
Public Ownership	0.127	Positive Relationship
Firm Size	-0.001	Negative Relationship

Public Ownership has a coefficient of 0.127 with a positive relationship, meaning that every one-unit increase in Public Ownership is predicted to increase ESG Disclosure by 0.127 units, assuming other variables remain constant. Firm Size has a coefficient of -0.001 with a negative relationship, meaning that a one-unit increase in Firm Size is predicted to decrease ESG Disclosure by 0.001 units, assuming other variables remain constant.

t-test

Table 4. t-Test Results

Variables	Sig.	t count	t table	Information
Public Ownership	0.561	2,588	2,045	Influential
Firm Size	0.901	-0.125	2,045	No effect

Based on Table 4, the calculated t value of Public Ownership (2.588) is greater than the t table (2.045), which indicates an influence on ESG Disclosure, although the significance value of 0.561 has not met the conventional significance threshold of 0.05, so this result needs to be interpreted carefully and should be interpreted as an indication of the direction of the relationship, not as evidence of a statistically significant influence at the 95% confidence level. Meanwhile, the Firm Size variable shows a calculated t value (-0.125) which is below the t table with a significance value of 0.901, so it can be concluded that Firm Size has no influence on ESG Disclosure.

Moderation Test

Partial moderation testing of the Public Ownership and Firm Size variables on ESG Disclosure, with Political Connection as a moderating variable, is presented in Tables 5 and 6 below.

Table 5. Results of the Moderation Test of the Relationship between Public Ownership and ESG Disclosure with Political Connection as a Moderating Variable

Model	R Square	Predictors
1	0.095	(Constant), Public Ownership (X1)
2	0.247	(Constant), Public Ownership (X1), Political Connection (Z), X1*Z

In the first model (without moderating variables), Public Ownership (X1) only explained 9.5% of the variation in ESG Disclosure. After Political Connection (Z) and its interaction terms were included in the second model, the R^2 value increased to 0.247, or 24.7%. This increase indicates that Political Connection strengthens the influence of Public Ownership on ESG Disclosure, although the magnitude of this additional contribution is relatively more moderate compared to findings in the previous research period.

Table 6. Results of the Moderation Test of the Relationship between Firm Size and ESG Disclosure with Political Connection as a Moderating Variable

Model	R Square	Predictors
1	0.005	(Constant), Firm Size (X2)
3	0.133	(Constant), Firm Size (X2), Political Connection (Z), X2*Z

In the first model, Firm Size (X2) only explained 0.5% of the variation in ESG Disclosure, a very small value. After the inclusion of Political Connection (Z) and its interaction in the third model, the R^2 value increased to 0.133 or 13.3%. This indicates that Political Connection also strengthens the influence of Firm Size on ESG Disclosure, but this increase in explanatory contribution is much smaller than the moderating effect of Public Ownership on ESG Disclosure.

Discussion

The Impact of Public Ownership on ESG Disclosure

The results of the study indicate that Public Ownership has a positive relationship with ESG Disclosure, meaning that the greater the proportion of shares owned by the public, the greater the incentive for companies to make ESG disclosures. This finding supports the legitimacy theory, which states that companies with a broad public ownership base seek to gain legitimacy from the public through the disclosure of sustainability information as a form of social accountability [20]. Pressure from public shareholders encourages management to be more transparent in reporting the company's environmental, social, and governance performance to maintain market reputation and trust. This is in line with the findings of Latifah and Widiatmoko [34], who found that public ownership has a positive effect on corporate social responsibility disclosure, so that the greater the public ownership, the more extensive the sustainability information disclosed in the company's annual report. A similar pattern is also reported by Nguyen-Thi-Hong et al. [37] in the Vietnamese context, where broader external ownership was associated with more extensive ESG-related disclosure as firms sought to satisfy the information demands of dispersed shareholders. However, it should be noted that the significance value of the t-test results in this study has not met the conventional threshold of 0.05, so this positive relationship should be interpreted as an indication of a tendency, not as a statistically significant effect. Several factors likely contribute to this lack of statistical significance despite the theoretically consistent direction of the coefficient. First, the relatively small sample (40 firm-year observations from 10 companies) limits statistical power, making it difficult to detect a moderate-sized effect at conventional significance levels. Second, the mean ESG disclosure score in the sample is already relatively high (0.8467) with a comparatively narrow spread, suggesting that mandatory sustainability-reporting regulations in Indonesia may have compressed the variation in disclosure across mining companies regardless of their ownership structure, thereby weakening the observed statistical association even though the underlying legitimacy-seeking mechanism remains directionally intact. Third, because public ownership in the sample is also relatively concentrated at the lower end (mean of 0.3472), the pressure exerted by minority shareholders may not yet be strong enough to produce a statistically detectable effect, which is consistent with Indraswari and Mimba [32], who found that the ownership-disclosure relationship is highly context-dependent.

The Influence of Firm Size on ESG Disclosure

Partially, Firm Size did not show a significant influence on ESG Disclosure in this study. This finding indicates that Firm Size does not always determine the intensity or extent of ESG disclosure, although in general, larger companies are often seen as having more adequate resource capacity to implement broad sustainability reporting. This result is in line with the findings of Ramadhan and Ermaya [35], who also found that Firm Size did not significantly influence corporate social responsibility disclosure. This condition can be explained through the perspective of stakeholder theory, where the focus of large companies tends to be directed more towards meeting the expectations of specific strategic stakeholders rather than publishing broad and comprehensive reports. Thus, the intensity of ESG disclosure is more influenced by external pressures and corporate governance characteristics, rather than solely by the scale of assets owned. This finding, however, contrasts with the more recent study of Salisa and Isa [40], who reported that firm size positively influences ESG disclosure among Indonesian mining companies observed over 2021-2024, driven by the greater resource availability and transparency needs of larger firms. This divergence suggests that the size-disclosure relationship in the mining sector may be sensitive to sample composition and the specific years observed rather than reflecting a stable, generalizable pattern. Several factors plausibly explain the non-significant and slightly negative coefficient observed in this study. First, the near-mandatory nature of sustainability reporting for listed mining companies in Indonesia, driven by OJK sustainability-reporting regulations, may have levelled disclosure practices across firms of different sizes, reducing the marginal explanatory power that firm size would otherwise carry in a purely voluntary-disclosure setting. Second, the relatively wide dispersion in Firm Size (from 14.33 to 22.73, a standard deviation of 3.04978) combined with a high and clustered ESG Disclosure mean (0.8467) points to a possible ceiling effect, where most sampled companies, irrespective of size, already disclose close to the maximum number of expected items, leaving little residual variation for firm size to explain. Third, smaller mining companies in the sample may compensate for limited internal resources by relying more heavily on political ties or regulatory compliance pressure to meet disclosure expectations, which would further dilute the direct size-disclosure relationship.

Moderating Political Connections on The Relationship Between Public Ownership and ESG Disclosure

Political connections are proven to act as a moderating variable that strengthens the relationship between Public Ownership and ESG Disclosure, as indicated by the increase in the R^2 value from 9.5% to 24.7% after the inclusion of moderating variables and their interactions. Companies with strong political connections have a greater incentive to increase ESG disclosure, because access and support from the government or politicians can provide regulatory convenience that allows companies to expand the scope of their social responsibility to gain broader legitimacy in the eyes of the public and stakeholders. This result is in line with the findings of Rauf et al. [36], which show that companies with political connections tend to show different patterns of social-environmental responsibility disclosure, influenced by the resources and networks they have. This pattern can also be interpreted through a resource dependence lens: political connections function as an alternative channel of access to information, funding, and regulatory leniency that complements, rather than substitutes for, the legitimacy pressure exerted by public shareholders, so that the two mechanisms reinforce each other and jointly raise the explanatory power of the model, as reflected in the increase of R^2 from 9.5% to 24.7%. A similar reinforcing pattern involving political ties and ownership-related governance mechanisms is documented by Alharasis et al. [38] and Guedes et al. [39], who find that politically connected boards tend to amplify the effect of other governance characteristics on ESG-related disclosure rather than acting in isolation. However, the findings of Muttakin et al. [28] show that in some contexts, political connections can actually reduce the need for companies to make extensive disclosures, because legitimacy has been obtained through non-disclosure channels. The comparatively moderate size of the moderating effect found in this study, relative to some prior findings, may also be attributable to sample-specific factors: because 80% of the observed firm-years already involve politically connected companies, the limited variation in the moderating variable constrains the precision with which its interaction effect can be estimated, and the true strengthening effect of political connection may in practice be even larger in a more balanced sample.

Moderation of Political Connection on The Relationship Between Firm Size and ESG Disclosure

Although political connections also strengthen the relationship between Firm Size and ESG Disclosure, as indicated by the increase in R^2 from 0.5% to 13.3%, this moderating effect is consistently weaker than the relationship between Public Ownership and ESG Disclosure. This condition can be explained by the difference in strategic orientation between large and small companies, as stated by Arantes et al . [30], who stated that large companies tend to have relatively strong internal legitimacy, so that political connections are not very significant in influencing their disclosure decisions. However, political connections still contribute by opening access to strategic opportunities that enable companies to meet social demands more effectively, especially for mining companies operating in areas with high social and environmental sensitivity. Several additional factors help explain why this moderating effect remains comparatively weak. Because firm size in this study is proxied by total assets rather than by governance sophistication, it does not directly capture the internal legitimacy-building capacity that Arantes et al. [30] argue substitutes for political access in larger firms; a firm can therefore be large in asset terms while still relying primarily on ownership-driven, rather than size-driven, legitimacy strategies. This is consistent with the earlier finding that Firm Size alone had a statistically negligible direct effect on ESG Disclosure in this sample, which limits the base relationship that political connection has to strengthen. In addition, unlike public ownership, which creates a continuous market-based accountability pressure, firm size is a comparatively static characteristic that does not, by itself, generate the kind of ongoing stakeholder scrutiny that political connections are best positioned to amplify; this is consistent with the resource dependence argument that political ties matter most where a firm's existing accountability mechanism is dynamic and shareholder-driven, as in the case of public ownership, rather than structural, as in the case of firm size.

5. Conclusion

This study shows that Public Ownership has a positive relationship with ESG Disclosure, although this influence is not yet statistically significant at the 95% confidence level, while Firm Size does not have a significant influence on ESG Disclosure in mining companies listed on the Indonesia Stock Exchange for the period 2022-2025. Political Connection acts as a moderating variable that strengthens the influence of Public Ownership on ESG Disclosure more substantially than its influence on the relationship between Firm Size and ESG Disclosure. These findings indicate that companies with strong political connections and a high public ownership base tend to be more proactive in conducting ESG disclosure as a strategy to gain legitimacy in the eyes of the public. Therefore, the role of political connections needs to be considered in efforts to promote transparency and corporate socio-environmental responsibility, especially in the mining sector which is in the public spotlight. Based on the findings of this study, further research can be expanded by adding other variables, such as gender diversity on corporate boards, the level of internationalization, or the quality of corporate governance, which have the potential to influence ESG disclosure. Given that the normality test value is within the threshold, future research is also recommended to expand the sample size and observation period to obtain a more representative data distribution. For regulators and stakeholders, the results of this study can provide input to encourage consistent ESG reporting through stricter oversight and providing incentives for companies that achieve high levels of ESG disclosure. For companies, ESG strategies can ethically leverage political connections to support the implementation of effective sustainability reporting, without violating the principles of good governance, and build collaboration with stakeholders to ensure sustainability programs provide tangible benefits to the surrounding community.

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