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The Effect of Shareholder Pressure, Board Gender Diversity, Size of the Board of Directors, and Company Age on the Quality of Sustainability Report (Company Study on IDX in the Transportation and Energy Sector in 2019-2023)

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A R T I C L E I N F O

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A B S T R A C T

This study examines the influence of shareholder pressure, board gender diversity, board size, and company age on the quality of sustainability reports using a descriptive quantitative method using panel data regression with Eviews. The results of the study showed that shareholder pressure had no effect on the quality of sustainability reports, board gender diversity, size of the board of directors and the age of the company had a significant effect on the quality of sustainability reports. These findings underscore the need for companies to understand and consistently comply with the standards of corporate activity responsibility that have an impact on the environmental, social, and economic scope which are presented transparently and accessible to stakeholders through quality sustainability.

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INTRODUCTION

The company's role until now, has not only contributed to development. Companies that operate actively must also have a work plan with full responsibility in all aspects of life in a linear manner, both responsibility for the resources used and the environment as operational land ((GRI, 2023). This is what motivates the reason for the emergence of the sustainability report (SR) in this case is part of CSR (corporate social responsibility) responsibility (Margireta & Khoiriawati, 2022).

Sustainability report It is not only used as an executor of formality responsibilities. Sustainability report What must be reported by all companies is a report that reflects the company's financial responsibility that is useful for stakeholders related to the company's performance in the long term and is normative in accordance with government accounting regulations in presenting quality reports in accordance with Government Regulation No. 71 of 2010 (Suryadi & Fadjarenie, 2022). Financial statements and sustainability report It can be said to be qualified if it is able to present in accordance with regulations and contains all components of financial accounting standards and standards global reporting initiative (GRI).

Disclosure sustainability report It is important for issuers to pay attention to it as there is an assessment event for sustainability report in the Asia Sustainability Report Rating (ASRRAT). Since 2005 until now, it has been a medium of transparency and accountability to all stakeholders without exception in the process of capital market decision-making activities (Yuliandhari et al., 2022). The award includes a quality assessment of transparency and accountability in 10 points, which includes 4 assessment points consisting of stakeholder inclusivity, sustainability context, materiality, completeness, and 6 quality points consisting of balance, comparison, accuracy, timeliness, clarity, and reliability. These ten principles are interrelated to determine the quality of a report.

Sustainability report must have the content of the report in accordance with the principle of inclusivity for stakeholders. Stakeholders in this case are not only investors but also shareholders, suppliers, employees, and local communities who have legal rights in the company's stakeholders. Shareholders always hope that the company will be able to provide reasonable information from the information media such as the disclosure of SR which is publicly so that it can be evaluated by stakeholder. The expectation of shareholders in wanting reasonable reports puts pressure on the entity to be able to disclose additional information that has visibility and accountability quality (D. Setiawan et al., 2023).

Previous research has found gaps in factors that can affect the quality of sustainability reports. According to - Suhriyani (2019), the existence of shareholder pressure has an influence and positive impact on sustainability reports, on the contrary on the findings Yuliandhari et al. (2022) Revealing shareholder pressure has no effect on sustainability reporting. Research conducted Singhania et al., (2023) said the Gender Diversity Board had no influence on the quality of sustainability reports, while according to

Wahyuningrum et al., (2022) Revealing diversity has an influence on sustainability disclosure. According to Husted & Sousa-Filho (2019), the size of the board significantly and positively affects the disclosure of the interim sustainability report according to Rouf & Hossan (2021) said the size of the board of directors did not have a significant effect on CSR disclosure. Another factor is the age of the Company, the results of research conducted by Yuliandhari et al. (2022) stated that the age of the company has a significant positive effect on quality sustainability report.

In global interests related to the sustainability of the earth's condition through the Global Reporting Initiative (GRI) since 2002, it has begun to implement a sustainability strategy to all stakeholders and sectors that have a mandatory position and role to protect the earth. Based on data (KPMG, 2022) As many as 96% of companies in the world until 2022 have issued sustainability report, but Indonesia still occupies the lowest position in the SR disclosure. According to the Global Investor Survey CRMS, (2022), the quality of a company's sustainability report in Indonesia is still relatively minimal compared to other neighboring countries regarding non-financial information from the company to investors. The survey assessed that Thailand ranked first in the quality of CSR implementation with a score of 56.8 out of 100 points, followed by Singapore with a score of 48.8 and Indonesia with a score of 48.4 out of 100 points. The quality assessment criteria come from the indicators of the Global Reporting Initiative (GRI) framework which includes economic, environmental, and social.

In the sustainability disclosure, the assessment of the company in reducing emission levels as a target to reduce the greenhouse effect is also an important point in presenting a quality SR. This is in accordance with the purpose of legally binding international agreements on climate change to reduce global warming. Data PwC (2023), showing only 51% of companies disclosed targets net-zero until the 2050 period. However, Indonesia has not been able to achieve this target and is targeting net-zero starting in 2060.

The Government of Indonesia through the Ministry of Energy and Human Resources collaborates with the Ministry of Transportation based on Presidential Regulation Number 98 of 2021 concerning the implementation of carbon economic value and the Decree of the Minister of Transportation Number KM 8 of 2023 concerning the determination of climate change mitigation actions in the transportation sector to achieve the target of realizing net zero emissions (NZE) earlier than the target in 2060. Namely by making a strategy to reduce emission contributions by 31.89% since September 2023 through planning to reduce the use of materials that increase emissions, especially in the transportation sub-sector, which is also from the energy sector.

Infrastructure development that continues to develop is also a challenge and a government program that must be monitored and supervised through a sustainability report to support the creation of balance and harmony (profit, people, planet). The energy sector and the transportation sub-sector are among the largest emitters of greenhouse gases in the world. According to IEA data, in

20 years, emissions from the energy sector increased by more than 10 gigatons of CO_2 in 1999 to 33 gigatons of CO_2, in 2019.

The use of infrastructure company reports is considered in line with the government's targets. In this case, it is stated in Presidential Regulation Number 38 of 2015 concerning Government Cooperation with Business Entities which is expected to help achieve the country's infrastructure investment target. However, in the realization during the 2017-2020 period, out of 737 companies from 11 corporate sectors listed on the Indonesia Stock Exchange, only 91 (12.3%) of active companies consecutively made disclosures sustainability report. According to Nugrahani & Rohmah (2023), in the transportation sector only 3 companies out of 27 companies have been active in disclosure sustainability report Meanwhile, the energy sector is only 14 companies out of 67 companies listed on the IDX. This is a special concern to be able to be evaluated in depth regarding the quality of the disclosure sustainability report presented, whether it has met GRI standards or just fulfilled its obligations in complying with Presidential Regulation number 59 of 2017 concerning the Implementation of the Achievement of Sustainable Development Goals.

This study analyzes the influence of shareholder pressure, board gender diversity, board size, and company age on the quality of sustainability reports focused on companies in the Transportation and Energy Sector that are members of the Indonesia Stock Exchange during the 2019-2023 period.

LITERATURE REVIEW

Signal Theory

Signal theory reveals that investors' decisions can be influenced by the success of a management in communicating or providing information related to the condition of the Company. Information provided between the Company's leadership and external parties in a timely manner can avoid the occurrence of asymmetry. Signal theory provides an explanation of how management success or failure signals should be communicated to the owner (Clara & Salim, 2022)

Stakeholder Theories

Stakeholder theory (stakeholder theory) is the basis for a company to carry out activities with groups and individuals to influence each other and receive influence in achieving the goal of mutual benefit, be it the company with shareholders, creditors, employees, consumers, suppliers, the government and the community response (Febrina & Setiany, 2021).

Legitimation Theory

According to Dowling and Pfeffer in the study Setiawan et al. (2023), a company will seek to legitimize and strengthen the existing relationships in the social environment in which it operates, so that if the legitimacy of a business is not accepted, then the business will seek to legalize it. Due to the company's failure to comply with the established regulations, its validity may be revoked at any time. Therefore, businesses must comply with applicable regulations in order to operate smoothly.

Quality Sustainability Report

Sustainability report defined as the reporting of information disclosed by a company related to its environmental impact as well as its relationship with stakeholders through relevant communication channels. Sustainability report is a document that details the financial, environmental, and social impacts of a company's operations. This research aims to explain the good and negative impacts of various business actors on society and the environment. The sustainability report also contains information on practices corporate social responsibility (CSR), sustainability initiatives, and corporate efforts to comply with sustainability standards (Yulianto & Oktaris, 2023). Meanwhile, according to Komara et al., (2020), the quality of sustainability reports will be measured based on the level of balance, comparability, accuracy, timeliness, clarity and reliability.

Shareholder

Shareholders can be understood as part of the owners of a reporting organization, in this case they have an important role to make decisions consisting of several aspects such as investment decisions, social issues, and management. The company will provide more transparent information on the disclosure of the content of the report and be able to provide a strategy in the future if the company is oriented towards shareholders so that it gets a positive response (Jenawan & Juniarti, 2015).

Board Gender Diversity

Board Gender Diversity is the proportion of women and men in a company that can have an impact on someone communicating in carrying out cooperation with each other so that it can affect the performance of the organization (Putri & NR, 2023).

Size of the Board of Directors

The size of the board of directors can be defined by the total number of directors present in a company (Mohammadi et al., 2021). The Board of Directors is a management system that is responsible for good company management with the orientation to achieve a goal (Handayani & Fadjarenie, 2023).

Company Age

The age of a company is defined by the length of a company that has been listed on the Indonesia Stock Exchange. A company that has had a long life is considered able to survive for a long time in a business activity that it runs because the company has or is legitimate from the community (M. A. Setiawan & Honesty, 2022).

The Effect of Shareholder Pressure on the Quality of Sustainability Reports

At stakeholder theory, shareholders play a role as a capital provider for the company, this is very important in the sustainability of a company (Putri & NR, 2023). High shareholder pressure occurs when a company has shareholders with a high concentration of ownership. With their power, shareholders can influence the company as they see fit. They seek to profit and also improve the company's reputation by encouraging the company to disclose information around economic, social, and environmental actions. According to the stakeholder theory, shareholders are the parties who have the rights to the company's financial and non-financial information. This encourages companies to produce quality sustainability reports (Putri & NR, 2023).

Research on shareholder pressure on the quality of sustainability reports has been conducted before. Research Suhariani (2019) shows the suitability of the stakeholder theory which states that stakeholders, including shareholders, can influence the company's actions in disclosure sustainability report. According to Dharmawan & Setiawan (2024), pressure on shareholders who are proxied with institutional share ownership can have a positive effect on disclosure sustainability report. The amount of shareholding in an institution is considered to be one of the reasons for disclosure made by the company. The disclosure of the sustainability report is expected to be able to reduce the information asymmetry that occurs between agents and principals.

The Influence of Board Gender Diversity on the Quality of Sustainability Reports

According to stakeholder theory, companies must meet stakeholder expectations including transparent information disclosure. The existence of the Board of Directors is very necessary to provide various strategies in providing various alternatives before making a decision. There are several structural factors in the Board of Directors, including diversity Gender (Board Gender Diversity) (Fayad et al., 2022). Based on the perspective of agency theory, female directors can reduce agency conflicts for the sake of CSR performance through monitoring and sensitivity, but cannot influence strategic decisions. According to the Stewardship theory, board members support management and the presence of women supports management behavior towards stakeholders and the environment (Gavana et al., 2023).

This is empirically proven that the role of women in the board of directors has an impact on the disclosure of SR. According to Singhania et al., (2024) and Anna, (2020) shows that the increase in the number of women in the board of directors is influential in improving the quality of disclosure sustainability report. According to Aprilya & Kesaulya, (2023), the female board of directors as a diversity of the board of directors that can improve the quality of decision-making because it is more careful and sensitive to the surrounding situation and ready to help.

The Effect of the Size of the Board of Directors on the Quality of the Sustainability Report

According to the Code of Corporate Governance of the National Committee on Governance Policy, the board of directors has the main functions in the management of the company, especially in management, risk management, international control, communication, and social responsibility.

The high frequency of meetings between members of the board of directors can make it easier to realize good corporate governance. In addition, from the point of view of agency theory where conflicts of interest between owners and managers can be reduced by having a board of directors monitoring the actions of managers. A larger number of board members is assumed to have the knowledge and experience to improve corporate governance and management's ability to make business decisions to improve company performance.

According to Pradani & Lestari (2022), the larger size of the board will have a significant and positive effect on the disclosure of SR. This is also evidenced by Husted & Sousa-Filho (2019) i.e. the size of the board of directors with more members is able to significantly and positively influence ESG disclosure in Latin America. The larger the size of the board of directors, the greater the prospects for decision-making.

The Effect of Company Age on Sustainability Report Quality

Data quality plays an important role in all business and government applications, and requires collaboration between organizations, especially in sustainability reporting that uses GRI principles of social and environmental responsibility standards and policies contained in the Circular Letter of the Financial Services Authority of the Republic of Indonesia Number 16/SEOJK.04/2021 point H which explains the basic principles that must be disclosed as a form of good accountability, one of which is related to board disclosure Board of Directors as a component in corporate governance. However, data quality is known to pose operational and decision-making challenges (Komara et al., 2020). Companies that have been established for a long time will definitely have data results both in terms of finance and managerial problems that can be used as evaluation materials and experiences for the company.

The theory of legitimacy argues that businesses that have been built in the confines of society must adjust the rules or provisions of applicable rules/norms in order to obtain or achieve legitimacy. Stakeholder theory states that a company is responsible to its stakeholders for the use of the company's resources (Hussaini & Fadjarenie, 2022). In this case, older companies are considered to be more aware of the expectations of stakeholders, including the public, and will strive to comply with applicable norms and rules. If more established companies can better understand stakeholder expectations, they can determine which reports to publish. Although some companies that consider sustainability reporting It is only voluntary because of community demand, so sustainability reports do not receive much attention.

In the research Yuliandhari et al. (2022) It is said that the age of the company has a positive effect on quality sustainability report. The age of the company encourages the company to improve the quality of its sustainability reporting. Efforts to improve quality sustainability report, the company aims to meet the expectations of stakeholders, while improving the quality of the company. In addition, companies that have been listed on the IDX for a long time are also considered more experienced so that they feel a greater responsibility to present a higher quality sustainability report.

The framework built in the research can be described as follows:

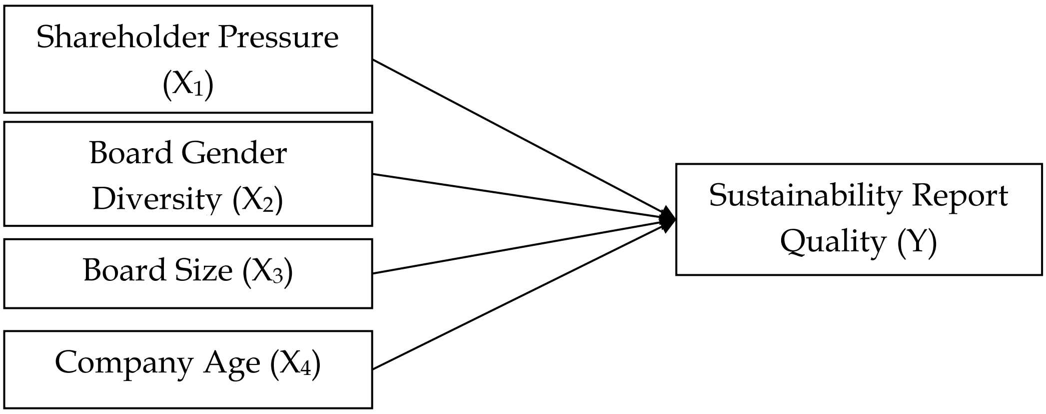

Figure 1. Framework of Thought

METHODOLOGY

The researcher uses a descriptive quantitative research approach by combining two types of cross section and time series data. This research is export factor research in tracing the factors that cause the quality of sustainability reports. The research population is energy and transportation sector companies within the scope of the Indonesia Stock Exchange. The research sample was determined by purposive sampling with 39 companies in the transportation and energy sectors with an observation period of 2019-2023. So, the research data used was 195, which was collected using secondary data from the sustainability report that had been published. The analysis technique uses linear regression of panel data with the help of EVIEWS software version 13.0.

In this study, the bound variable is the sustainability report (Y). To determine the level of quality of disclosure, an index measurement is carried out on the items disclosed in the Sustainability report with the following formula:

$$\text{Disclosure Quality Index} = \frac{\text{Number of disclosure items fulfilled}}{\text{Maximum number of score items}} \text{ x } 100\%$$

Source: Yuliandhari et al. (2022)

An independent variable is a type of variable that explains or affects another variable Sugiyono (2020). The independent variable in this study is shareholder pressure (X1) Measurement of proxied shareholders according to the research Yuliandhari et al. (2022), namely by comparing the number of shares owned by the parent/main shareholder with the total number of shares in the company or the institutional ownership structure. *Board gender diversity*(X2) is an independent variable whose diversity value is obtained from how much role women occupy positions as board of directors among all members of the board of directors (Gavana et al., 2023). The size of the board of directors (X3) is an independent variable whose way of determining it is to calculate the total number of directors of the company Mohammadi et al. (2021), meanwhile, in the independent variable of the company's age (X4), according to the research Yuliandhari et al., (2022) It can be formulated as follows:

Company Age = (Year of Annual Report Studied – Year of Incorporation of the Company listed on the IDX)

RESEARCH RESULTS

The results of the descriptive statistical test are used to determine the results of the maximum, minimum, average and standard deviation values of each variable. The following is a descriptive analysis obtained from secondary data:

Table 1. Statistical Test Results Description

	SR Quality (Y)	**Shareholder Pressure (X_1)**	**Board Gender Diversity (X_2)**	**Size Board (X_3)**	**Company Age (X_4)**
Mean	47,81674	62,93322	0,186393	4,528205	15,53846
Median	44,11765	65,14335	0,166667	4,000000	13,00000
Maximum	92,64706	98,40951	0,666667	15,00000	33,00000
Minimum	15,44118	15,57637	0,000000	2,000000	1,000000
Std, Dev,	16,88173	25,17663	0,207567	2,008481	8,322885
Skewness	0,637940	-0,320199	0,764539	1,422480	0,347135
Kurtosis	2,946385	1,887524	2,488103	6,551161	2,076057
Jarque-Bera	13,24979	13,38767	21,12598	168,2244	10,85241
Probability	0,001327	0,001239	0,000026	0,000000	0,004400
Sum	9324,265	12271,98	36,34659	883,0000	3030,000
Sum Sq. Dev.	55288,61	122969,3	8,358289	782,5949	13438,46
Observations	195	195	195	195	195

Source: Output Eviews 13.0 (2024)

The SR variable in the observation data had an average value of 47.81674 or 47.81%. Meanwhile, the median value of SR quality was 44.11765 or 44.12%. The highest value of SR quality for companies in the energy and transportation sector for the 2019-2023 period of 92.64706 or 92.65% was achieved by PT. ABM Investama Tbk. for the 2021, 2022 and 2023 periods with very informative quality criteria, while the lowest score of 15.44118 or 15.44% was achieved by PT. Mineral Resources Mandiri Tbk. (AKSI).

The variable shareholder pressure has a maximum value of 98.40951 or 98.41% owned by PT. Air Asia Indonesia Tbk and the lowest value of 15.57637 or 15.57% is owned by PT. Alfa Energi Investama Tbk., with an average shareholder pressure from the energy and transportation sector of 62.93322 or 62.93% and a median value of 65.14335 or 65.15%.

The variable board gender diversity showed a general maximum value of 0.666667 which means that there was a high diversity of women on the board of directors and a minimum value of 0.00 showed that there was no diversity of the board of women directors. The average value of the gender diversity board is 0.186393, which means that on average, companies in the energy and transportation sector have a minimum of 0.186393 or the proportion of female boards is 18.6%.

The variable size of the board of directors has the lowest score of 2 members and the highest value of 15 members, owned by PT. Bumi Resources Tbk. for the 2023 period with an average board size of 4.528205 and a median of 4.0 shows that half of the companies in the energy and transportation sector have a large board size.

Panel Data Regression Estimation Model Test Results

This study found 3 linear regression models of panel data analyzed with EViews 13.0 software as follows:

Table 2. Results of Determining the Estimas of the Panel Data Regression Model

Estimation Model	Adjusted R-squared	Contribution Value
CEM	0.098340	Very Weak
FEM	0.855546	Very Strong
REM	0.196806	Lemah

Source: Output Eviews (2024)

The output of the estimation model equation from the three panel data regression models had different contribution coefficient or goodness fit model values. So that it can be determined that the best model used is the model using the best Fix Effect Model (FEM) with the results of the feasibility test of the indigo R-square model worth 0.8555 (85.55%) from the largest other models.

Results of Panel Data Regression Analysis

Based on the appropriate and qualified fixed effect model (FEM) estimation model, in this study, a panel data regression analysis equation model can be prepared as follows:

Table 3. FEM Regression Equation Model

Independent Variables	Dependent variables	Coefficient	t-Statistic	Prob.
C		-13.78522	-2.224212	0.0276
Shareholder pressure	Quality *sustainability report*	-0.070768	-0.948477	0.3444
Board Gender Diversity		-9.625054	-2.159887	0.0323
Size of the Board of Directors		-1.015106	-2.192768	0.0298
General Company		4.662384	13.13877	0.0000

Source: Output Eviews 13.0 (2024)

Based on table 3, a panel data regression equation model can be created as follows:

$$\mathbf{Y = -13{,}78522 - 0{,}070768X1_{it} - 9{,}625054X2_{it} - 1{,}015106X3it + 4{,}662384X4_{it}}$$

Based on the results of the t-test regression test of panel data with a fixed effect model, it was possible to obtain the acceptance of the hypothesis of each research variable in influencing the quality variable of the sustainability report. The results of the partial test in testing the first hypothesis of the influence of shareholder pressure (X1) on the quality of the sustainability report showed that the value of t-count = (-0.948477) < t-table = -1.97246 and the probability value of t-statistic = 0.3444 was greater than the error tolerance value of 0.05 which means that H¬1 was rejected and H0 was accepted. This shows that the pressure of unqualified stock interns has a significant effect on the quality of the sustainability report. So, it can be decided that the existence of shareholders (X1) is not able to have a significant effect on the quality of the sustainability report.

In the norm of acceptance of the second hypothesis in testing the influence of board gender diversity on the quality of the sustainability report, it shows that the t-count value = (-2.159887) is less than the t-table value = -1.97246 and the probability value t-statistic = 0.0323 is less than the error tolerance value of 0.05 which means that H¬2 is accepted and H0 is rejected. This shows that the variable of board gender diversity has a significant influence on the quality of sustainability reports.

In the norm of acceptance, the third hypothesis in testing the influence of the size of the board of directors on the quality of the sustainability report shows that the t-count value = -2.192768 is smaller than the t-table value = -1.97246 and the probability value t-statistic = 0.0298 is less than the error tolerance value of 0.05, which means that H¬3 is accepted and H0 is rejected. This shows that the variable size of the board of directors has a significant influence on the quality of the sustainability report.

In the norm of acceptance of the third hypothesis in testing the influence of company age on the quality of the sustainability report, it shows that the value of t-count = 13.13877 is greater than the value of t-table = 1.97246 and the probability value of t-statistic = 0.0000 is smaller than the error tolerance value of 0.05 which means that H0 is rejected and H4 is accepted. This shows that the existence of the company's age variable in influencing the quality of the sustainability report can have a significant effect. So it can be concluded that the age of the company has a significant effect on the quality of the sustainability report.

DISCUSSION

The Effect of Shareholder Pressure on the Quality of Sustainability Reports

Based on the results of empirically proven research, shareholder pressure has no effect on the quality of sustainability reports. The results of these findings show that shareholder pressure, which comes from institutional share ownership with an increasingly large index, cannot improve the quality of quality sustainability reports in accordance with the guidelines for disclosure items in line with GRI 2016 and POJK No. 51 of 2017 and 2021. The company is unable to realize the expectations of stakeholders in providing quality information on its activities, in this case information related to the company's responsibility to the economy, social, and the environment. Shareholder pressure from institutional shareholding should be able to demonstrate transparency and responsibility for environmental, social and economic management with the disclosure of quality sustainability reports

In practice, shareholder pressure cannot provide motivational pressure to companies in improving long-term company performance, but rather focus on investment and obtaining dividend savings or focusing on short-term profitability. The government, OJK, and shareholders need to make new policies that are firm in requiring companies, especially the transportation and energy sectors, to make a serious contribution to increasing social, environmental and economic responsibility risks and be active in implementing their responsibilities through sustainability actions. Comprehensive engagement from internal and external stakeholders is also needed to increase long-term investments in sustainability in accordance with GRI or SASB guidelines.

The results of this study are also in line with Rudyanto & Siregar (2018), Yuliandhari et al. (2022) and Dharmawan & Setiawan (2024) which also shows that stakeholder pressure (pressure from shareholders) has no effect on the quality of sustainability reports.

The Effect of Board Gender Diversity on the Quality of Sustainability Reports

Based on the results of empirically proven research, board gender diversity has a significant effect on the quality of *sustainability reports* in a negative direction. The increasing diversity of the Board of Directors tends to reduce the quality level of *the Sustainability Report*.

Companies that have diverse *gender* directors to achieve the company's vision, need to pay attention to the capabilities and experience of members. The governance structure of the board of directors of the energy and transportation sectors, the existence of gender diversity in the implementation of sustainability report disclosure in accordance with ESG principles, is still ineffective. If it only focuses on diversity without competence, sustainability reports may not be informative. This can be seen from the performance of the energy and transportation sectors that are less transparent in disclosing *sustainability reports* according to the GRI 2026 guidelines. Companies need to balance diversity and capabilities in governance to meet stakeholder expectations and produce meaningful reports.

In the research Wahyuningrum et al. (2022) It is said that gender diversity has a negative effect on SR, the values embraced by men and women differ in their social responsibilities. Results Thoomaszen & Hidayat (2020) said that in a company, gender diversity does not always determine the success of the company's performance.

The Effect of Board Size on the Quality of Sustainability Reports

Based on the results of the researcher, which is empirically proven, the size of the board of directors has a significant effect on the quality of *the sustainability report*. The influence of the variable size of the board of directors has a negative impact, so that the size of the board of directors has a significant increase in the number of members will affect the decline in the quality of *the sustainability report.*

The size of the board of directors that is too large has the impact of attaching importance to the interests of each member, resulting in a lack of commitment to be transparent and accountable to each board member. This also causes the emergence of bureaucratic and communication conflicts that hinder the process of preparing sustainability reports. As a result, the resulting sustainability reports are not well integrated and lack a clear picture of sustainability achievements, so in this case management is not able to provide information to stakeholders in an informative manner. Companies need to provide training to better understand the challenges and opportunities in sustainability disclosures as well as. In addition, the company has made strict SOPs in an effort to supervise the duties of each board of directors in handling sustainability disclosures.

The results of this study have the consistency of findings from the research Githaiga & Kosgei (2023) that, the size of the board of directors has a negative and significant effect on sustainability reporting. Likewise, according to research Chai & Suparman (2022), The size of the board of directors has a significant influence but the direction is negative for sustainability reporting.

The Effect of Company Age on the Quality of Sustainability Reports

Based on the results of empirical research, it is proven that the age of the company has a significant positive effect on the quality of sustainability reports. The age of the company indicates that the longer the company stands, the more it will affect the quality of the company's sustainability report to become more qualified and informative in its disclosure.

Older companies tend to produce better quality sustainability reports. This is because they have more experience in operating, understanding the needs of stakeholders, and working to maintain their legitimacy. The quality of the report is influenced by managerial skills, social awareness, and the need to provide positive signals to various parties. The company is expected to continue to be able to maintain and significantly improve its sustainability program on environmental, social and economic responsibility. For new companies with a lower company age, they must also be able to make motivation and examples from older companies to compete better in advancing their level of role and concern to realize net zero emissions, especially companies that are the biggest contributor to increasing environmental waste such as the energy and transportation sectors.

The results of this study are in line with Yuliandhari et al. (2022) and Setiawan et al. (2023) stated that the age of the company has a significant positive effect on the quality of sustainability. Older companies usually have a better reputation, so they will tend to be more inclined to create high-quality sustainability reports as a positive signal to investors and the public (Rouf & Hossan, 2021).

CONCLUSIONS AND RECOMMENDATIONS

Shareholder pressure has no effect on the quality of sustainability reports. Changes in the amount of institutional shareholder pressure show inconsistency to the achievement of sustainability report quality. This is a concern for the company in paying attention to long-term business sustainability by not only focusing on investments that generate short-term profits and not focusing on responsibility for its activities on quality social, environmental and economic aspects to meet the expectations of stakeholders.

Board Gender Diversity has a significant effect on the quality of sustainability reports with a negative influence. Gender diversity in the company does not support the active participation of all board members, so it cannot contribute positively and optimally to statistical decisions in realizing quality sustainability reports. It is important for companies not to focus on gender diversity alone but to pay attention to capabilities, competent, collaborative, empathetic backgrounds and have more attention to sustainability issues.

The size of the board of directors has a significant effect on the quality of the sustainability report with a negative influence. The increase in the number of members of the board of directors has affected the decline in the quality of sustainability reports due to disagreements, bureaucratic conflicts and various communications so that the quality of sustainability reports is no longer the main focus but attaches importance to the interests of each other. Special training and monitoring related to understanding the responsibilities of the board of directors in understanding and revealing quality sustainability reports according to GRI or SASB guidelines are important things that need to be implemented by the company.

The age of the company has a significant positive effect on the quality of the sustainability report. The longer the company is in operation, the more experienced it is, so it feels more responsible to deliver a better-quality sustainability report. In addition, companies also tend to have experienced human resources, so they have a better and mature analysis system in evaluating internal management, especially in social, environmental and economic aspects in order to maintain legitimacy, reputation and good relationships with stakeholders so that the whole can realize an improvement in the quality of sustainability reports. This is expected to be maintained and improved in order to realize its concern for net zero emissions, especially companies that contribute greatly to increasing environmental waste.

The researcher suggests that companies better understand, comply consistently and earnestly with the implementation of corporate activity responsibility standards that have an impact on the environmental, social, and economic scope which are presented transparently and can be accessed by stakeholders through quality sustainability. The company's management's compliance in disclosing the sustainability report in accordance with the guidelines agreed globally by stakeholders in GRI and POJK Number 51 of 2021 is recommended so that the benefits can be felt by stakeholders, including the community, in critical conditions in maintaining the stability of the earth and its contents. Thus, the company can maintain the legitimacy and reputation of the community and other stakeholders.

ADVANCED RESEARCH

It is hoped that further research can conduct a more in-depth analysis related to the quality of sectoral company sustainability reports which should be able to play a more active role in implementing sustainability issues in improving social and environmental performance through several variables of shareholder characteristics, the level of education of the governance board, the role of the board of commissioners, and other shareholding structures that have the potential to put pressure on companies in carry out activities in accordance with the sustainability program.

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