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BOARD OF DIRECTORS' ATTRIBUTES AND ESG DISCLOSURE: THE MODERATING ROLE OF AUDIT QUALITY IN LQ45 COMPANIES

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Abstract

This study aims to analyze the influence of board attributes on ESG disclosure, with audit quality as a moderating variable. This study uses quantitative analysis utilizing secondary data from LQ45 companies for the 2020-2024 period. The sample selection used saturated sampling, with the entire population being sampled. The data analysis method used was the Random Effects Model (REM) with the assistance of E-views12 software. The results of the study indicate that: (1) board size does not affect ESG dissemination, (2) meeting frequency has a positive effect on ESG dissemination, (3) gender diversity does not affect ESG dissemination, (4) board age does not affect ESG dissemination, (5) board tenure does not affect ESG disclosure, (6) audit quality does not moderate the effect of board size on ESG disclosure, (7) audit quality does moderate the effect of frequency on ESG meetings, (8) audit quality does not moderate the effect of gender diversity on ESG dissemination, (9) audit quality does not moderate the effect of board age on ESG dissemination, and (10) audit quality does not moderate the effect of board tenure on ESG disclosure.

Keywords: Board attributes, ESG disclosure, audit quality, LQ45

Abstrak

Studi ini bertujuan untuk menganalisis pengaruh atribut dewan direksi terhadap pengungkapan ESG, dengan kualitas audit sebagai variabel moderasi. Studi ini menggunakan analisis kuantitatif dengan memanfaatkan data sekunder dari perusahaan LQ45 untuk periode 2020-2024. Pemilihan sampel menggunakan sampling jenuh, dengan seluruh populasi yang disampel. Metode analisis data yang digunakan adalah Model Efek Acak (REM) dengan bantuan perangkat lunak E-views12. Hasil penelitian menunjukkan bahwa: (1) ukuran dewan direksi tidak mempengaruhi penyebaran ESG, (2) frekuensi pertemuan berpengaruh positif terhadap penyebaran ESG, (3) keragaman gender tidak mempengaruhi penyebaran ESG, (4) usia dewan direksi tidak mempengaruhi penyebaran ESG, (5) masa jabatan dewan direksi tidak mempengaruhi pengungkapan ESG, (6) kualitas audit tidak memoderasi pengaruh ukuran dewan direksi terhadap pengungkapan ESG, (7) kualitas audit memoderasi pengaruh frekuensi pertemuan ESG, (8) kualitas audit tidak memoderasi pengaruh keragaman gender terhadap penyebaran ESG, (9) kualitas audit tidak memoderasi pengaruh usia dewan direksi terhadap penyebaran ESG, dan (10) kualitas audit tidak memoderasi pengaruh masa jabatan dewan direksi terhadap pengungkapan ESG.

Kata kunci: Atribut dewan direksi, pengungkapan ESG, kualitas audit, LQ45

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INTRODUCTION

The regulation issued by the OJK by issuing POJK No. 51/POJK.03/2017 requires financial service institutions, issuers and public companies in Indonesia to make a sustainability report every year called a sustainability report. According to the Global Reporting Initiative (2021), a sustainability report is defined as a transparent disclosure of a company's economic, environmental, and social impacts. Sustainability reports serve as a reference for various stakeholders, including investors, the government, and other parties. They represent a key component of corporate accountability and further encourage the disclosure of environmental, social, and governance (ESG) aspects. Companies are encouraged to make ESG disclosures based on their board of directors' compliance with applicable regulations. The board of directors is the central strategic decision-maker, so all sustainability policies, including ESG (Environmental, Social, and Governance) disclosures, depend on how the board directs the company, such as monitoring, strategy setting, and even providing resources to adopt ESG best practices. This research focuses on larger, more liquid LQ45 companies. Larger companies tend to receive greater third-party compensation, so the board of directors directly influences report design, approval, and publication.

ESG stands for Environmental, Social, and Governance, which serves as a framework for assessing the extent to which an organization or company considers these aspects in its business operations. ESG disclosure is viewed by investors as reflecting the reciprocal relationship between investment decisions and corporate policies related to environmental, social, and governance issues. The activities of entities often generate environmental impacts that may lead to ecological damage. Such damage can disrupt the stability of local communities, both materially and non-materially. In this context, companies that implement good governance are expected to formulate policies that mitigate the emergence of environmental and social problems caused by their activities (Qodaty et al., 2021).

At this time, there are environmental issues caused by the company's activities that are very impactful. A survey conducted by The Indonesia Business Council for Sustainable Development in 2021 found that environmental, social and governance (ESG) in Indonesia remains ranked 36th out of 47 capital markets in Indonesia. This result is even below other countries such as the Philippines, Singapore, Malaysia, Thailand and India. The results of another IBCSD survey stated that 40% of businesses established in Indonesia do not understand or do not appreciate the application of environmental, social, and governance (ESG) principles (Zachary et al., 2025).

Violations of Environmental, Social, and Governance (ESG) concepts and principles are also supported by a lack of corporate attention to them. The Indonesian government is intensively planning and implementing ESG principles in business practices. The role of the board of directors influences ESG disclosure in realizing sustainable business (Lagasio et al., 2019). The board of directors is believed to be able to encourage increased ESG disclosure and better manage the company, including in the decision-making process (Zaman et al., 2021). Based on Resource Dependence Theory, the role of the five board of directors attributes (board size, meeting frequency, gender diversity, board age, and board tenure) is to provide capabilities and external access that support sustainability initiatives (Pfeffer & Salancik, 1978). Sustainability reports published by the board of directors require credibility to be trusted by all information users. Audit quality is considered to reduce information asymmetry, so board intervention in ESG practices will be more effective when audit quality is high (Simbet et al., 2009).

Previous studies have found inconsistent findings on the influence of board attributes on ESG disclosure, with only a few board attributes considered to influence ESG disclosure (Abbas, 2024; Ismail, 2019; Khaireddine, 2020). Given the persistent challenges in sustainability reporting, this study reexamines the influence of board attributes on ESG disclosure using five board attributes and using audit quality as a moderator. LQ45 companies are also the object of this study.

LITERATURE REVIEWS AND HYPOTHESIS

Signal Theory

Signal Theory was proposed by Spance (1973) which is widely used in economic and management research. The definition of signal theory is that the party with more information (management) gives the signal to the party with less information (investors) to reduce information asymmetry. In ESG disclosure, signal theory is used as a commitment to the sustainability and responsibility of entities by providing investor and public trust and improving the company's good image. ESG disclosures are signals of management quality, corporate governance, and commitment to sustainability.

In line with the opinion expressed by Haque & Ntim (2018) states that sustainability disclosure is used as a signal of corporate reputation and risk management. The stronger the signal, the less information asymmetry it is and the more likely the company is to gain investor support as well as public legitimacy. The use of signal theory to state that environmental and social alliances increase credibility by signaling unassailable quality, thereby reducing information asymmetry (Niesten, 2024).

ESG disclosures

Environmental, Social, and Governance (ESG) are the three main pillars used to create sustainability and better impact on entities or investments. The concept of ESG emerged in response to the increasing public and investor attention to sustainability issues and corporate social responsibility

Companies that pay attention to environmental, social, and corporate governance aspects tend to have better financial performance in the long term (Suripno, 2025). ESG factors can also increase transparency and accountability for companies in running their businesses. ESG disclosures can also reduce reputational risks and increase stakeholder trust, ultimately positively impacting a company's value in the capital markets.

Board Size and ESG Disclosure

According to Law No. 40 of 2007 concerning Limited Liability Companies, the board of directors is an important component of the company that is fully responsible for the management of the company for the interests and purposes of the company. The size of the board of directors refers to the number of board members who serve and participate in the taking of strategic steps of the company. Previous research confirms that the level of ESG disclosure increases with the size of the board of directors (Lagasio & Cucari, 2019). Entities with larger board sizes tend to have greater capacity to manage complex issues such as sustainability and social responsibility (Merendino & Melville 2019).

However, there are differences of opinion that the proportion of council members with too many actually results in a decrease in the quality of the decisions made (Ellili, 2023). The size of the board can be estimated to be a factor of concern for the environment, social and the implementation of governance.

H1: The size of the board of directors has a significant impact on ESG disclosures

Frequency of Board Meetings and ESG Disclosures

Another attribute of the board of directors is the frequency of board of directors meetings refers to how often the board of directors conducts meetings or official meetings in a given period, usually calculated in one year. Board meetings are one of the important steps in the implementation of an entity governance system that intends to discuss, supervise, and evaluate the strategy and performance of an entity. In Indonesia, the Financial Services Authority (OJK) regulations require entities that are already public to hold regular meetings of the board of directors. Based on OJK Regulation No. 33/POJK.04/2014, the board of directors is required to hold a meeting at least once in two months.

The purpose of holding board of directors meetings can carry out tasks more effectively and will motivate the entity to disclose as much information as possible that the entity does as a form of responsibility (Khaireddine et al., 2020). According to Suttipun (2021), the more meetings are held, the more information is conveyed by the board and managers. On the contrary, it states that there is no significant relationship between the number of board meetings and other ESG disclosures (Birindelli et al., 2018; Karamanou & Vafeas, 2005; Lagasio & Cucari, 2019).

H2: The frequency of board meetings has a significant impact on ESG disclosures

Gender Diversity on the Board of Directors and ESG Disclosure

Not only the size and frequency of board meetings, another attribute of the board of directors is gender diversity. Board members refer to the proportional representation of women and men in the structure of a company's board of directors. This diversity is considered one of the important elements of good corporate governance, as it provides diverse perspectives and approaches in the decision-making process.

Women's participation in the council has recently become an interesting issue to discuss. The reason is, the number of female boards is less than that of male boards when viewed from many companies in the world (Alhosani & Nobanee, 2023). Women on the board of directors can improve communication and reduce knowledge asymmetry with stakeholders (Ezar and Fuad, 2024). In the context of ESG, gender diversity has a significant role, especially in encouraging companies to care more about social and environmental aspects. Another opinion from Alatas (2009) research also shows that acts of corruption in Australia, India, Singapore, and Indonesia are not based on gender but habits and shape culture. In line with the research of Ezar and Fuad (2025), there is no significant influence on ESG disclosure.

H3 : Gender diversity of the board of directors has a significant impact on ESG disclosure

Age of the Board of Directors and ESG Disclosure

In addition, another attribute of the board of directors that is considered to be influential in ESG disclosure is the age of the board of directors referring to the average age of the board members who serve in the corporate governance structure. Age is one of the important aspects of demographic characteristics because it is closely related to experience, way of thinking, risk tolerance, and leadership style. According to the results of Tran and Pham (2020) research, an older person tends to choose less in disclosing information. Older board members tend to be conservative and stable, while younger boards are more innovative and aggressive. A different finding was presented from the results of research by Wilson and Luh (2023) that the age of the board of directors did not have a significant effect on ESG disclosure. Supported by previous findings, neither younger nor older directors directly affect the level of disclosure of companies in disclosing ESG (Azkafia, 2025).

H4 : The age of the board affects ESG disclosure.

Board of Directors Tenure and ESG Disclosure

Board of directors tenure refers to the length of time an individual serves as a member of the board of directors in a company. Tenure is usually measured in the number of years since the board of directors was first appointed. According to Yapianto et al. (2023), tenure has two sides in terms of supervision, the positive is that directors with long tenures better understand business, internal processes, and organizational dynamics, so that they can be more effective in supervising and assessing management strategies. The downside is that if the tenure is too long, the independence of the directors can decrease, as they become too close to the management, resulting in weak supervision.

Findings from previous research, councils who have a longer tenure are considered to have more knowledge so that they will have a better understanding before making decisions by relying on past decisions (Lewis et al., 2014). The term of office of directors has a positive and significant influence on the disclosure of the SDGs (Azkafia, 2025). However, Wilson and Luh's opinion (2023) the length or short term of office of a board of directors does not have an effect on ESG disclosure.

H5: The tenure of the board of directors has a significant effect on ESG disclosure.

Audit Quality Moderates the Impact of Board Attributes on ESG Disclosure

Audit quality is one of the external governance mechanisms that functions to increase the credibility and reliability of company reports, both financial and non-financial statements. Reputable Public Accounting Firms (KAP) are considered to be able to provide a higher level of assurance for the reliability of the information submitted by the company. Research by Al-Shaer & Zaman (2016), which states that companies audited by a reputable KAP tend to have better quality sustainability reporting, especially when combined with good corporate governance.

Based on previous research, audit quality can strengthen the relationship between board size, board meeting frequency and ESG disclosures (Simnett et al, 2009). As for Abbas' (2024) research, gender diversity has been proven to improve the quality of sustainable reporting, including ESG disclosure, if supported by high audit quality. However, the previous researcher also explained that the high quality of audits will support the monitoring activities of the board's strategic decisions in sustainability reporting. Older and younger directors will be encouraged to deliver more accurate and transparent ESG information (Francis, 2011). The longer the board of directors has a longer tenure, tends to pay more attention to the company's strategic steps such as the disclosure of ESG information (Zahid et all., 2023).

H6a: Audit quality moderates the relationship between board size and ESG disclosures.

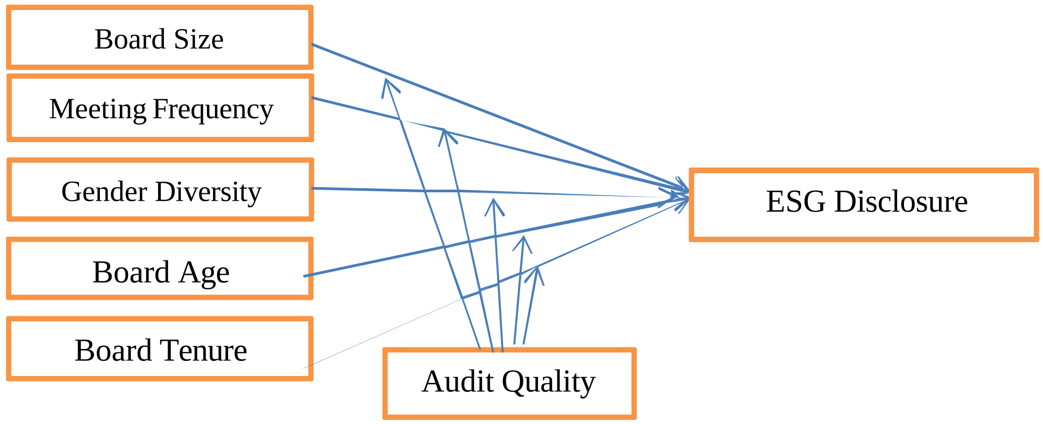
H6b: Audit quality moderates the relationship between the frequency of board meetings and ESG disclosures.

H6c: Audit quality moderates the relationship between board of directors gender safety and ESG disclosure.

H6d: Audit quality moderates the relationship between the age of the board of directors and ESG disclosures.

H6e: Audit quality moderates the relationship between board of directors tenure and ESG disclosure.

Conceptual Framework



RESEARCH METHODS

Data Source

The data in this study are secondary data sourced from non-financial annual reports with the object of research, namely companies that are consecutively included in the LQ 45 period 2020-2024 because in Indonesia companies are starting to be required to report sustainability reports. The data collected were obtained from published reports on the Indonesia Stock Exchange (IDX) which were accessed and downloaded through idx.co.id and the company's official website. This study uses Eviews 12 to test the data. Testing the research data also uses audit quality as a moderating variable and is tested through interactions trems the relationship between X and Y moderated by Z. In the data used, Outlier Tests were carried out 7 times on the meeting frequency variable, 6 times on gender diversity, 3 times on board age and 1 time on board of directors tenure.

Variable Operational Measurement

Table 1 Variable Operational Measurement

Variabel	Information	Measurement
ESG disclosures	Depend on	Using the ESG Index from the IDX
Board Size	Independent	Number of Members of the Board of Directors
Meeting Frequency	Independent	Number of Board Meetings in a Year
Gender Diversity	Independent	Using the Blau Index
Age of the Board	Independent	Average age of the board
Tenure Dewan	Independent	Average term of office of the board
Audit Quality	Moderation	Dummy variables scale 1 for Big Four affiliated KAP and 0 scale for non-Big Four KAP affiliates

Analysis Methods and Hypothesis Testing Design

Analysis Method

The analysis method in this study uses a multiple regression analysis method to determine the influence of the attributes of the board of directors on ESG disclosure with audit quality as moderation.

The regression equations used to test the hypothesis of this study are as follows.

$$ESG_{it} = \alpha + \beta 1PB_{it} + \beta 2FM_{it}\ \beta 3BGD_{it} + \beta 4BA_{it} + \beta 5BT_{it} + \beta 6AQ_{it} + \beta 7PDAQ_{it} + \beta 8FMAQ_{it} +$$
$$\beta 9KBGDAQ_{it} + \beta 10BAAQ_{it} + \beta 11BDAQ_{it} + \varepsilon_{i}$$

Information:
ESG = ESG disclosure
α = Constant
β1-11 = Coefficient Regression
PB = Proportion of the Board/ Size of the Board
FM = frequency of Board Meetings
BGD = Gender Diversity of the Board
BA = Board Age
BT = Board Tenure AQ
= Audit Quality i
= Error
t = Research Year

In using panel data regression, there are several model assumptions that must be examined first. The models are explained as follows:

Common Effect Model (CEM)

CEM or pooled least square is one of the simplest approaches. It is said that, according to Gujarati (2012:239) in CEM regression is quite large without giving importance to the nature of cross section or time series in the data. Based on these assumptions, the equation in the Common Effect Model is obtained as follows:

$$y_{it} = \alpha + \beta X_{it} + u_{it}$$

Fixed Effect Model (FEM)

The Fixed Effect Model (FEM) observes that each observation on the cross section unit in the regression model obtains a different value at each intercept. In contrast to CEM, the value of heterogeneity between cross section units is allowed by giving the entity the value of each intercept. Although there are different interceptions for each subject, the interception of each entity will not change over time and will still assume a constant slope coefficient. Therefore, on this assumption, the Fixed Effect Model equation is obtained as follows:

$$Y_{it} = \alpha_i + \beta X_{it} + u_{it}$$

In determining the model to be used, several tests were carried out to select the appropriate estimation approach method and have a good regression value.

Random Effect Model (REM)

Random effect models can be used to overcome the weaknesses of fixed effect models that use dummy variables. This REM model is often referred to as the Error Component Model (ECM) or the Generalized Least Square (GLS) technique because the difference in interception is accommodated by error terms. The most important assumption in this model is that there is no correlation or relationship between individual errors and explanatory variables in the model. In determining the model between CEM or FEM using the Chow test so that the best regression results between the two are obtained. Meanwhile, in determining the FEM or REM model, the Hausman test must be carried out where the regression results will show a better value between the two tests.

Classic Assumption Test

Classic assumption tests are not all tests used on panel data. If the REM and CEM models are selected, the classical assumption test used is the multicollinearity test and the heteroscedasticity test. If the FEM model is selected, the test used is an autocorrelation test. This is supported by a panel data analysis book with an Ordinary Least Squared (OLS) approach, so that panel data is sufficient to be subjected to multicollinearity tests and heteroscedasticity tests (Basuki, 2021).

Multicollinearity Test

The multicollinearity test aims to test whether the regression model finds a correlation between independent variables (independent variables). A good regression model should not have correlations between independent variables. If the independent variables are correlated with each other, then these variables are not orthogonal. An orthogonal variable is an independent variable whose correlation value between independent variables is equal to zero (Ghozali, 2021). One of the commonly used methods to detect the presence or absence of symptoms of multicollinearity is using the VIF (Variance Inflation Factors) method. The criterion for multicollinearity testing is that if the VIF value is < 10, then it is concluded that the data does not have symptoms of multicollinearity or the assumption that the multicollinearity test has been met. On the other hand, if the value of VIF> 10 is concluded, the data is multicollinearity or the assumption of the multicollinearity test is not met.

Heteroscedasticity Test

The purpose of the heteroscedasticity test is to test whether in the regression model there is an unevenness of variance from one residual observation to another observation, it is called Homoskedasticity and if it is different, it is called Heteroscedasticity. A good regression model is one that Homogeneity or no heteroscedasticity occurs. Most cross section data contain heteroscedasticity situations because these data collect data representing various sizes (small, medium and large). The way to detect the presence or absence of Heteroscedasticity is to use the Glejser test available in the Eviews program. If the Chi-square Probability value < 0.05 indicates the occurrence of heteroscedasticity. Conversely, if the Chi-square Probability value > 0.05 indicates no symptoms of heteroscedasticity.

HYPOTHESIS TESTING

Individual Parameter Significance Test (Statistical Test)

The purpose of statistical testing t is to see the influence of independent variables on dependent variables partially (individually). This test was performed using a significance level of 0.05 (a = 5%). Acceptance or rejection of hypotheses with the following criteria:

1. If the significance value of the P-Value > 0.05 then the alternative hypothesis is rejected or the regression coefficient is insignificant. This means that partially independent variables have no influence on bound variables.
2. If the significance value of P-Value is 0.05, then the alternative hypothesis is accepted or the regression coefficient is significant. This means that partially independent variables have an influence on dependent variables.

Simultaneous Significance Test (Statistical Test F)

The simultaneous significance test or often known as the F test aims to test all independent variables that together have a significant influence on the dependent variables. The F test was performed to see the significance value of F in the output of the regression result with a significance level value of 0.05 (α = 5%). Determine the significance level of 5% as follows:

1. If the significant value of F > 0.05, then HO is accepted and Ha is rejected.
2. If the significant value of F < 0.05 then Ha is accepted and HO is rejected.

Coefficient of Determination Test (R^2)

By definition, the coefficient of determination (R^2) measures the proportion of the variation in the dependent variable described by the independent variable. This determination coefficient is used to measure what percentage of the regression model is able to be explained by its dependent variables (Gujarati, 2011). The value of R2 ranges between 0 and 1 ($0 < R^2 < 1$), then the greater the value of R^2, the greater the variation of the independent variable explaining the dependent variable. And conversely, if R^2 is close to 0, the smaller the variation of the independent variable explains the dependent variable. R-squared (R^2) has its drawbacks, especially when adding independent variables to the model. R-squared will tend to increase regardless of whether the variable significantly affects the bound variable or not.

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RESULTS AND DISCUSSION

Research Sample Description

Based on the table above, samples were obtained from 29 companies that were successively included in LQ45 from the 2020-2025 period. Data obtained from annual reports from 29 companies used as data sources. Of the 29 samples, they always publish their company reports every year so that data can be completely collected. From these criteria, as many as 145 observational data were obtained used in this study.

Descriptive Statistics and Outlier Tests

Table 2 Descriptive and Oulier Statistics

Variabel	outlier	%	N	Min	Max	Mean	Std. Deviation
ESG disclosures	0	0	145	10.9	59.1	10.9	7.13
Board size	0	0	145	3	17	3	2.59
Meeting Frequency	7 x	0,04	145	3	227	3	32.05
Gender Diversity	6 x	0,04	145	0	1.15	0	2.28
Age of the Board	3 x	0,02	145	24.9	62.6	24.9	6.55
Tunure Dewan	1 x	0,01	145	0.08	15.6	0.08	2.8
Audit Quality	0	0	145	0	1	0	0.28

Source : Data processed by authors

Based on the descriptive statistical test in table 4.3 above, the number of samples (N) was 145 with independent variables such as board size, meeting frequency, gender diversity, board age and board tenure. The dependent variables are ESG disclosure and audit quality as moderation. The meeting frequency variable was carried out as many as 7x outliers (0.048% of the total sample), with a minimum value of 3, a maximum value of 227, a mean of 3, and a standard deviation of 32.05. The gender diversity variable was also outlier as many as 6x (0.041% of the total sample), with a minimum value of 0, a maximum value of 1.15, a mean of 0, and a standard deviation of 2.28. In the age variable, the council was carried out as many as 3 outliers (0.020 % of the total sample), with a minimum value of 24.9, a maximum value of 62.5, a mean of 24.9, with a standard deviation of 6.55. Meanwhile, the board tenure variable was also carried out 1x outlier (0.006 of the total sample) with a minimum value of 0.08, a maximum value of 0.15.6, a mean of 0.08, with a standard deviation of 0.28.

Panel Data Regression Model Selection

Chow Test

Table 3 Chow Test

Cross-section F	Prob	Conclusion
8,32	0,00	FEM selected models

Source: Data processed (*Eviews* 12)

The table above shows that the value of the Cross-section probability is 0.00. In this case, it can be seen that the Cross-Section value F< a significant value (0.05), then it can be concluded that the chosen model is the Fixed Effect Model.

Hausman Test

Table 4 Hausman Test

Cross-section random	Prob	Conclusion
3,43	0,75	Selected models REM

Source: Data processed (*Eviews* 12)

Table 4.3 above, the probability value of Cross-Section is > significant value (0.05), so it can be concluded that the model used is the Random Effect Model (REM). There is a difference in the model results obtained from the chow test and the Hausman test, so the last stage as well as the determination of the model used is the Lagrange Multiplier (LM) test

Uji Lagrange Multiplier (LM)

Table 5 Lagrange Multiplier Test

Cross-section Both	Prob	Conclusion
0,93	0,00	Selected models REM

Source: Data processed (*Eviews* 12)

In Table 4.4 above, the probability value < significant value (0.05), it is concluded that the chosen model is the Random Effect Model (REM).

Classic Assumption Test

Multicollinearity Test

This test is used to see whether there is a high level of correlation between the variables in the regression model. The criteria used are that there is a multicollinearity problem, if the correlation value between variables is > 0.10 and if the correlation value between variables is < 0.10, it can be said that there is a multicollinearity problem (Ghozali, 2021), which can be seen in the table below.

Table 6 Multicollinearity Test

variabel	VIVID	Information
Board size	1,11	No Multicollinearity Occurs
Meeting Frequency	1,15	No Multicollinearity Occurs
Gender Diversity	1,02	No Multicollinearity Occurs
Age of the Board	1,03	No Multicollinearity Occurs
Tunure Dewan	1,07	No Multicollinearity Occurs
Audit Quality	1,10	No Multicollinearity Occurs

Source: Data processed (*Eviews* 12)

Based on table 4.5 above, it can be seen that the correlation value of each variable or with the others, there is no correlation value between variables < 0.10. Therefore, it can be concluded that there is no indication of multicolliarity between variables.

Heteroscedasticity Test

This test is used to test the regression model when there is an imbalance of variance and residual from one observation to another. In this study, if the prob chi square is > from a significant value, it is said that there is no heterokedasticity or it passes the heterokedasticity. In this study, it was declared safe from heterokedasticity because it had a Prob Chi Square value of 0.35 > from a significant value of 0.05.

Table 7 Heterokedasticity Test

Prob. F	Prob Chi-Square	Information
0.36	0.35	Safe from heterokedasticity

Source: Data processed (*Eviews* 12)

Uji Hypothesis

In hypothesis testing, there are several tests carried out, including the t-test aimed to determine the influence of the attributes of the board of directors and audit quality as a moderation on ESG disclosure by looking at the test criteria on the probability value < significance value where the influence is considered significant if the probability value is less than the significance level.

The next test is to determine the influence between variables. Therefore, the F test was used to prove that the size of the board, frequency of meetings, gender diversity, age of the board, and tenure of the board to ESG disclosure with audit quality as a moderation variable by looking at the probability value < significant value (0.05) stated to be independent variables that have a simultaneous effect on the variable of the dependent. Based on the results obtained, the probability value (0.27) > significant value (0.05), so it can be said that the attributes of the board of directors and the quality of the audit do not have a simultaneous effect on ESG disclosure.

The last test carried out was the R-square test.in this study, the R-Square test was used to measure the model's ability to apply variable dependent variants. In table 4.9, the result of R square is 0.09 (9%) in this case it can be concluded that the independent variable is able to explain the dependent variable by 9% while the other 91% is explained by other variables that are not used in this study

Table 8 Hypothesis Testing

Variabel	Coeficin	A	Prob	Information
UKD	-0.51	0.05	0.45	Rejected
FRI	0.92	0.05	0.04	Accepted
Medical history	-4.05	0.05	0.38	Rejected
UKD	0.81	0.05	0.15	Rejected
TD	-0.17	0.05	0.71	Rejected
KA	56.44	0.05	0.09	Rejected
UKD_KA	0.18	0.05	0.79	Rejected
FR_KA	-0.94	0.05	0.04	Accepted
KG_KA	2.85	0.05	0.55	Rejected
UD_KA	-0.81	0.05	0.15	Rejected
TD_KA	0.02	0.05	0.95	Rejected
R-Squared	0,09			
F-Statistic	1.22			
Prob. F-Statistic	0.27			

Source: Data processed (*Eviews* 12)

The model chosen in this study is the Random Effect Model (REM) which means this is the equation obtained

$$ESGit = -24,32 - 0,51PBSit + 0,92FMit - 4,05BGDit + 0,81BAit - 0,17BTit + \text{[illegible]}\,0,18PBAQt - 0,94FMAQit + 2,58KGDAQit - 0,08BAAQit + 0,02BTAQit + \varepsilon$$

The Influence of Board Size on ESG Disclosures

Based on the statistical t-test conducted on the variable size of the board of directors, it has a significant value of 0.45 > a significant value of 0.05. Thus, the size of the board of directors has no significant effect on ESG disclosures. Based on agency theory, the increasing number of board members who serve as the board of directors is expected to increase control and supervision of management activities to suppress information asymmetry. However, in practice, a large number of board members can cause problems in coordination, communication and effectiveness in decision- making.

Based on the results of this research, it was found that the size of the board of directors is not related to ESG disclosure, so it is contrary to the agency's theory, but in line with the previous (Halid et al, 2022; Fuad, 2024; Kolsi and Muqattash, 2021). The large number of board members will cause disagreement between the board of directors in making decisions, including in the disclosure of ESG in their companies.

The Effect of Meeting Frequency on ESG Disclosure

Based on the statistical t-test conducted, the frequency of board of directors meetings is a variable that will influence the company to make ESG disclosures. The statistical t-test value obtained by the frequency of board meetings was 0.04 < a significant value of 0.05, which means that the hypothesis of the influence of the frequency of board meetings on ESG disclosure was accepted. The frequency of board of directors meetings has a positive effect on ESG disclosure, which means that the more often the board of directors holds meetings, the better the decisions and strategic steps taken, including sustainability reports such as ESG disclosures.

In line with the findings of research conducted by Khaireddine et al, (2021) that the frequency of meetings has a positive effect on ESG disclosure. He explained that the implementation of the board of directors meeting can carry out tasks more effectively and will motivate a company to disclose as much information as possible as a form of responsibility for a public company. Similar results from previous research show that the frequency of meetings has a significant effect on ESG disclosure (Orazalin & Mahmood., 2018; Iswatin et al., 2019; Suttipun, 2021)

The Influence of Gender Diversity on ESG Disclosure

Based on the statistical t-test conducted on the influence of gender diversity on ESG disclosure, a significant value of 0.38 > a significant value of 0.05 was obtained, which means that the influence of gender diversity on ESG disclosure has no significant effect and means that the hypothesis is rejected. in the disclosure of ESG in this study. In Indonesia, a patrilineal system is used which strongly encourages the formation of a patriarchal system. The difficulty of women entering the board of directors makes there is no real work and representation of women in managing the company.

In line with previous research conducted by Fuad (2024), gender diversity does not have a significant effect on ESG disclosure. Similar findings were made by Aprilya and Kesaulya (2023) that gender diversity has not been maximized in Indonesia and does not show results that can affect ESG disclosure. In fact, women tend to have a cautious attitude that is assumed to affect ESG disclosure (Setiawan and Ridaryantom 2022).

The Influence of Board Age on ESG Disclosure

Based on the statistical t-test conducted on the influence of the age of the board of directors on ESG disclosure, a significant value of 0.15 > a significant value of 0.05 was obtained, which means that the age of the board did not have a significant effect on ESG disclosure, of course the hypothesis was also rejected. This finding is in line with the findings of research conducted by Prasetyo (2025) that the age of the board of directors has no effect on ESG disclosure. Previous research has shown that older and younger and older boards are not directly involved, which affects the company's openness in exposing ESG. This statement supports the findings of this study's results Although the research of Jati et al, (2023) revealed that younger directors tend to be more innovative in sustainability, the expression is not in line with the findings in this study. ESG disclosure can ensure that sustainability intentions in the company's overall strategy are regardless of the age factor of the board of directors (Perevoznic, 2024).

The Influence of Board Tenure on ESG Disclosures.

Based on the results of the statistical t-test, the influence of the tenure of the board of directors on ESG disclosure was obtained with a significant value of 0.71 > a significant value of 0.05 which means that the tenure of the board of directors has no effect on ESG disclosure and the hypothesis is rejected. Theoretically, the longer the term of office of a board of directors, the greater their understanding and mastery of the company's internal conditions. But in practice, boards of directors that have longer tenures tend to be comfortable with old patterns and less responsive to new issues.

These findings are in line with the findings of previous research that the tenure of directors does not have a significant effect on ESG disclosures disclosed by Wilson and Dewi (2023). Similar findings conducted by the research of Oware and Vitor (2021) found no significant influence and also revealed that the board of directors is not the only important factor so it does not have a significant influence on ESG disclosure.

Audit Quality Moderates the Influence of Board of Directors Attributes on ESG Disclosure

Based on the statistical t-test, a significant value of audit quality was obtained > 0.05, which means that audit quality does not have a significant influence as a moderation in the influence of the attributes of the board of directors on ESG disclosure. This means that audit quality seen from the external auditors of companies affiliated with the Big Four is not the only factor that affects the attributes of the board of directors moderated by audit quality.

The audit quality moderated the influence of the attributes of the board of directors on ESG disclosure, including variables independent of the size of the board with a significant value of 0.79>0.05, gender diversity with a significant value of 0.55> 0.05, age of the board with a significant value of 0.15>0.05 and tenure of the board of directors with a significant value of 0.95>0.05. The significant value of audit quality moderates the size of the board, gender diversity, age of the board, and the tenure of the board to ESG disclosure, which means that it has no significant effect and the hypothesis is rejected, It is not in line with the research of Ethelind et al, (2024) that the presence of women is considered more participatory and democratic if they occupy positions as board members and is proven to increase ESG disclosure, especially financial statements that have been audited by external auditors who have credibility and high integrity. It is also inversely proportional to the findings of Simmnet et al, (2009) that stating board attributes can strengthen corporate accountability and credibility is included in ESG disclosures. The findings of this board tenure are in line with the findings of Zahid et al, (2023) which stated that boards that have longer or shorter tenures cannot affect ESG disclosures. This is inversely proportional to previous research found by Francis, (2011) that boards with older ages and longer tenures tend to encourage ESG disclosures that are published with audited reports and have high audit quality.

In addition, audit quality also moderates the frequency of board meetings on ESG disclosures with a significant value of 0.04<0.05 which means that it has a significant influence and the hypothesis is accepted. The findings of this study are that the frequency of board meetings encourages ESG disclosure with the credibility of reports disclosed through high audit quality, which is audited by KAP affiliated with the Big Four This is also supported and in line with the findings of Iswatin et al's research, (2019) that the frequency of board meetings can reduce information asymmetry in implementing governance and can encourage acceleration in decision-making, including disclosure ESG.

CONCLUSION

This study aims to examine the influence of board of directors attributes on ESG disclosure with audit quality as a moderating variable. A total of 29 LQ 45 companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2024 period were obtained, resulting in 145 samples. Testing used EViews 12 software. Based on the previously conducted hypothesis testing, this study can be concluded that board size, gender diversity, tenure, and board age have no significant effect on ESG disclosure. Audit quality cannot moderate board size, gender diversity, board tenure, and board age on ESG disclosure. However, the variables Meeting frequency and meeting frequency, moderated by audit quality, have a significant effect on ESG disclosure. The findings in this study are supported by agency theory, which means that the more active the board works, the better its performance, including ESG reporting. This finding is also in line with legitimacy theory, where companies make ESG disclosures due to pressure from external parties who require such information, not based on the design of the board of directors.

LIMITATIONS AND CONCLUSION

Researchers realize that this study still has some weaknesses and shortcomings. This is due to several limitations that the researcher has, namely: 1. It only focuses on the LQ45 company, so the results may be less generalizable to other industries. 2. Observation of the research time used is limited to a period of 5 years, namely from 2020-2024. 3. The study only used independent variables such as board size, meeting frequency, gender diversity, board age and board tenure, ESG disclosure as a dependent variable and audit quality as a moderation variable. 4. The data used is quantitative and comes from financial statements and secondary data, so it does not explore other qualitative factors.

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