

DISCLOSURE OF SUSTAINABILITY REPORTS IN BASIC MATERIALS AND ENERGY SECTOR COMPANIES

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ABSTRACT

The primary objective of this study was to investigate the interplay between profitability, size, age, and board diversity concerning the disclosure of sustainability reports within the basic material and energy sector of the Indonesia Stock Exchange (IDX). To achieve this, the research employed the purposive sampling technique. The study focused on 20 companies operating within the basic material and energy sector, analyzing data spanning from 2019 to 2021. In total, 60 datasets were meticulously processed using the widely recognized SPSS software. Upon analyzing the data, a noteworthy pattern emerged. Specifically, the study revealed a statistically significant positive relationship between profitability and the extent of sustainability report disclosure. Contrary to expectations, the research findings did not establish any substantial influence stemming from firm size, company age, or board diversity on the level of sustainability reporting. In essence, while profitability appears to serve as a driving force behind increased sustainability report transparency, other factors such as firm size, age, and board diversity do not exhibit a discernible impact in this particular context.

Keywords: *profitability, firm size, age of the company, board of diversity, sustainability report disclosure*

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INTRODUCTION

According to GRI, a sustainability report is an open reporting practice that contains performance information on economic, environmental, and social aspects (GRI-101-Foundation-2016, n.d.). Sustainability reports reveal the company's commitment to running a sustainable business, as well as the company's responsibility to contribute to sustainable development to both internal and external stakeholders (Bhatia dan Tuli, 2017). Sustainability reports present as a global framework with consistent language to measure the transparency of company activities and initiatives in economic and social aspects and can synergize with the environment which refers to the concept of sustainable development.

Sustainability reporting is a balance between profit, people, and the planet, which is known as the Triple Bottom Line (TBL) concept. The concept of the Triple Bottom Line (TBL) was first conceived by John Klington. Through a book entitled Cannibals with Forks, the Triple Bottom Line of Twentieth Century Business, it is explained that companies are not only profit-oriented but are expected to be able to contribute to participate in developing the community and the environment around it (Ariastini dan Semara, 2019). This concept provides the view that companies should prioritize the interests of stakeholders over the interests of shareholders. Because the success of human empowerment and planetary sustainability will automatically bring profit to be enjoyed by management as managing agents to investors as owners of these economic entities (Nurhidayat et al., 2020).

The interests of these stakeholders are summarized into three parts, namely the concept of profit which is not only oriented towards maximum profit but creates fair trade and ethical trade in doing business (Nurhidayat et al., 2020). The concept of people where the company looks after the interests of the workforce and provides labor rights in accordance with labor

procedures, by not exploiting underage workers, providing reasonable wages, and setting reasonable overtime hours (Nurhidayat et al., 2020). The planetary concept emphasizes environmental preservation, especially non-renewable natural resources, does not pollute the environment, recycles production waste, reprocesses industrial waste so that it is safe to return to the environment, and saves energy (Gunawan dan Sjarief, 2022). The concept of profit, people, and the planet is the basis for implementing sustainability reports or disclosures.

In Indonesia, sustainability reporting is supported by a number of government regulations, such as Law No. 23 of 1997 concerning the environment, and Law no. 40 of 2007 concerning corporate social responsibility (Weda dan Sudana, 2021). Unlike mandatory or mandatory financial reports, disclosure of sustainability reports in Indonesia is still voluntary, that is, only voluntary and not yet required by law. Even though, through the disclosure of sustainability reports, stakeholders can find out the types of activities carried out by companies to improve their welfare and interests.

In line with legitimacy theory, disclosure of a sustainability report will show that management has carried out the company's operational activities which are considered legitimate and in accordance with the norms prevailing in society. On the other hand, from the point of view of agency theory, disclosure of sustainability reports will reduce information asymmetry because management as an agent will be responsible for running the company to fulfill the interests of stakeholders as principals covering social and environmental aspects.

As a country with very high natural potential, Indonesia receives a contribution of non-tax state revenue (PNBP) which continues to increase every year through the utilization of natural resources (Kusuma, 2017). The Indonesia Stock Exchange classifies the basic material sector as a company carrying out raw material procurement activities (construction materials, wood products, paper, containers and packaging, non-energy minerals, and metal mining). Meanwhile, the energy sector is a classification for companies carrying out energy extraction activities (minerals, geothermal, coal, and oil and gas). Regarding the exploration of natural resources, the basic materials and energy sector is the main sector contributing 70,000 percent of pollution and environmental damage in Indonesia (Kusuma, 2017). The extraction and production of these basic materials can have negative impacts on the environment such as soil degradation, water pollution, and greenhouse gas emissions. In addition to environmental aspects, basic materials and energy companies also have social impacts that affect local communities, including the health and safety of local communities and economic development.

Quoting the Nationalgeographic.co.id website, the Indonesian state is a contributor to 58,200 percent of tropical forest deforestation due to mining land clearing. Rampant deforestation, which is the world's lungs that donate oxygen and absorb carbon dioxide (CO₂), causes damage to ecosystems, loss of biodiversity, and increases in carbon dioxide (CO₂) pollution. According to Ainurrohmah dan Sudarti (2022) the phenomenon of global warming or global warming as a long-term increase in global average temperature cannot be denied. Citing research from the Intergovernmental Panel on Climate Change (IPCC) obtained through the website (IPCC, n.d.), it shows that the global average temperature is experiencing changes in increasing global average temperatures which will continue to increase until the end of 2020.

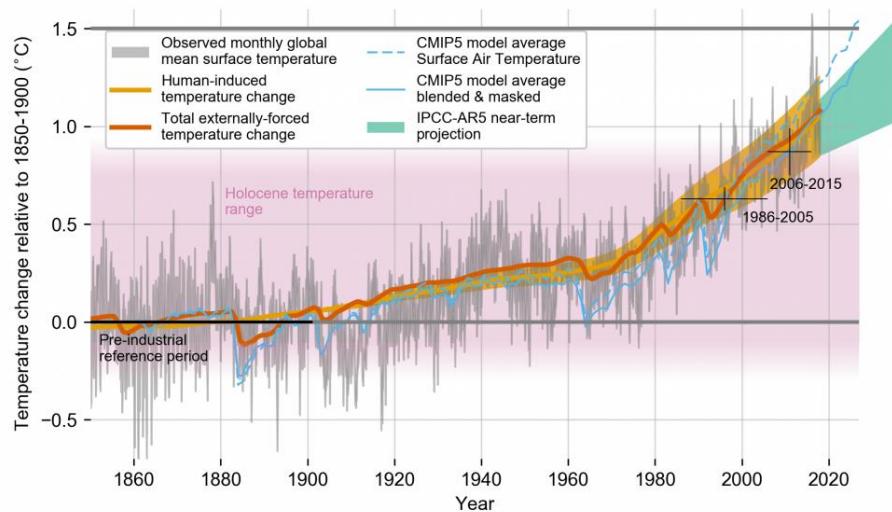


Figure 1. This figure shows a graph of the projected change in the world's average temperature to continue to increase to exceed 1.5°C until the end of 2020

Source: United Nations Environment Program (UNEP)

The determination of the plan to keep global temperatures below 1.5°C is considered to have the possibility of failure. According to the United Nations Environment Program (UNEP) analysis, the earth will continue to warm at 2.7°C (*United Nations Environment Programme*, n.d.). In fact, every year, the average temperature in Indonesia has increased and decreased. However, linearly from 1998 to 2021 the average temperature in Indonesia has increased (Ainurrohmah dan Sudarti, 2022).

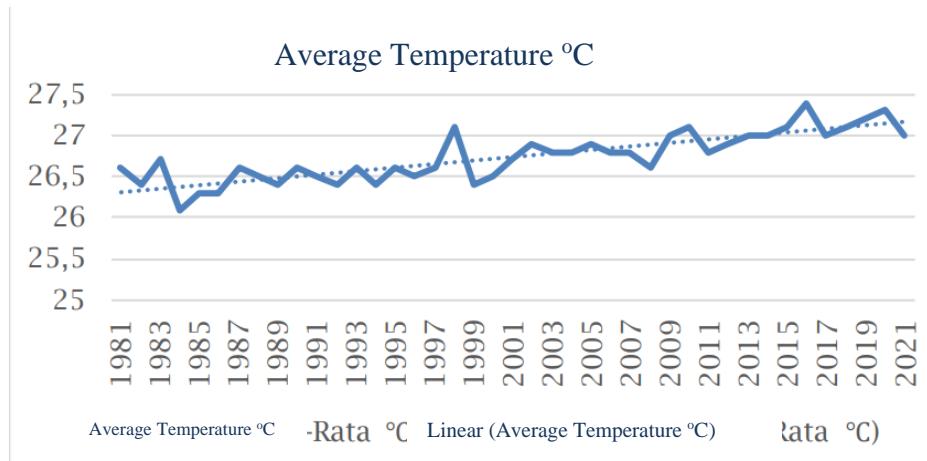


Figure 1. This figure shows a graph of the average temperature in Indonesia which is experiencing an increasing trend until 2021

Source: United Nations Environment Program (UNEP)

According to (Azizah et al., 2022) an increase in the earth's temperature in the long term will cause global warming (Global Warming). This global warming can cause erratic climate change, extreme weather, melting of glaciers and polar ice (Ainurrohmah dan Sudarti, 2022). This condition is an urgent urgency for awareness of companies to be responsible for reducing their environmental damage footprint and their commitment to just social principles in carrying

out company operations to be considered legal and in accordance with the norms prevailing in society. Therefore, the disclosure of the sustainability report plays an important role in overcoming this problem. Sustainability reports help companies identify, measure, report the environmental impacts caused by their operations, and play a role in mitigating natural damage in achieving sustainable development goals to meet stakeholder demands.

(Dewi dan Sari, 2019; Kumar et al., 2021; Liana, 2019; Rahman dan Alsayegh, 2021) in their study found that profitability has a positive and significant effect on the disclosure of sustainability reports. Meanwhile, research results (Bhatia dan Tuli, 2017; Damayanty et al., 2022) state that profitability has a negative and significant effect. However (Madani dan Gayatri, 2021; Setiawan et al., 2019; Wahyuningrum et al., 2022) found that profitability has no significant effect on the disclosure of sustainability reports.

(Kumar et al., 2021; Rahman dan Alsayegh, 2021; Tobing et al., 2019) in their research, they found that company size has a positive and significant effect on sustainability report disclosure. Meanwhile, according to research, (Madani dan Gayatri, 2021; Setiawan et al., 2019; Wahyuningrum et al., 2022) company size has a negative and significant effect. However, the results of this study are in contrast to research results (Thomas et al., 2020; Wahyuningrum et al., 2022) where they found that company size has no significant effect on sustainability report disclosure.

The company age variable was found to have a significant positive effect on sustainability report disclosure in a study conducted by (Bhatia dan Tuli, 2017; Madani dan Gayatri, 2021). However, the results of this empirical study are not in line with the results of research (Maryana dan Carolina, 2021) which state that company age has a negative and significant effect. While the empirical study conducted (Kumar et al., 2021) states that company age does not have a significant effect on sustainability report disclosure.

Furthermore, research conducted by (Kumar et al., 2021) found that board diversity has a positive and significant effect on sustainability report disclosure. The results of this study are not in line with the results of other studies (Aji dan Andesto, 2022; Githaiga, 2023; Wahyuningrum et al., 2022) where they found empirical evidence that board diversity has no significant effect on sustainability report disclosure.

METHOD

This research is a descriptive research design with a quantitative approach. The descriptive research model is research conducted to reveal the situation or situation that is currently being researched based on data that already exists or has been collected previously. Data collection in this study was carried out using a quantitative approach. The quantitative approach is that this research focuses a lot on interpreting and producing data in the form of numbers. Sources of research data can be grouped into two types, namely primary data and secondary data. This study uses secondary data, secondary data is data whose sources come from data published on the internet as well as the results of previous research as supporting data. Secondary data used in this study for profitability, company size, company age and board of directors are obtained from annual financial reports and company sustainability reports. Annual financial reports and sustainability reports can be obtained through the official website of the Indonesia Stock Exchange (IDX) www.idx.co.id and the official websites of each company. The data will be further processed using Microsoft excel and SPSS 27.

This study uses profitability, firm size, firm age, and board diversity as independent variables on the disclosure of sustainability reports as the dependent variable. The subjects of this research are basic material and energy sector companies listed on the Indonesia Stock Exchange in 2019-2021. The research sample was determined by purposive sampling with the following criteria: (1) basic material and energy companies that are listed on the Indonesia Stock Exchange in 2019-2021, (2) basic material and energy companies that publish annual reports in 2019-2021, (3) basic material and energy companies that publish sustainability reports in 2019-2021 using the 2016 GRI Standard. Based on these criteria, it was determined that the number of samples selected was 80 companies from a population of basic material and energy companies of 20 companies for a 3 year period (2019 to 2021) resulting in 60 observations of research data.

The following presents the operationalization of each variable in Table 1:

Table 1. Variable Operationalization

Variable	Size	Scale	Source
Sustainability Report	<i>Number of Items disclosed</i> 148	Ratio	(Marsuking, 2020)
Profitabilitas	$ROA \text{ (Return on Asset)} = \frac{\text{net profit}}{\text{total assets}}$	Ratio	(Bhatia dan Tuli, 2017)
Firm Size	<i>Ln total assets</i>	Ratio	(Rahman dan Alsayegh, 2021)
Company Age	<i>Year of research – Year of the company listed on the IDX</i>	Ratio	(Yuliandhari et al., 2022)
Board of Directors	$\frac{\text{Total female board of directors}}{\text{Total board of directors}}$	Ratio	(Cicchiello et al., 2021)

Secondary data was collected and processed using SPSS using multiple linear regression tests. The following is the research regression equation:

Where the SR symbol represents the sustainability report disclosure, α is constant, β_1 - β_4 is the regression coefficient, PROFIT is profitability, SIZE is company size, AGE is company age, BOD is board diversity, and ϵ is error.

RESULTS AND DISCUSSION

Descriptive statistics. Table 2 explains the results of the descriptive statistical test as follows:

Table 2. Descriptive Statistical Test Results

	Amount of data	Lowest Value	The highest score	Average	Standard Deviation	Variance Statistic
SR	60	0.3040	0.9595	0.5511	0.1498	0.0220
PROFIT	60	-0.0984	0.2853	0.0346	0.0606	0.0040
SIZE	60	27.3395	32.5128	30.7419	1.3002	1.6900
AGE	60	4.0000	44.0000	19.6000	10.0390	100.7860
BOD	60	0.0000	0.4000	0.0749	0.1089	0.0120

Source: Results of Data Processing

Table 2 shows the results of the 2019-2021 descriptive statistical test. The results of this test describe the amount of basic material and energy sector company data studied (N) of 60. Disclosure of sustainability reports has a range of 0.3837 to 0.6554 with a minimum value of 0.3040 and a maximum value of 0.9595. The minimum value of 0.3040 is owned by PT Barito Pacific in 2021, while the maximum value is 0.9595 owned by PT Indika Energi in 2021. Disclosure of sustainability reports also has a mean value of 0.5511 and a standard deviation of 0.1498. The mean value of 0.5511 indicates that mining companies disclose sustainability reports of 55.110 percent. The standard deviation value of 0.1498 indicates that this value is smaller than the average value of 0.5511 so the data distribution in the sustainability report is not wide. On the other hand, this variable has a size of data distribution (variance) reaching 0.0220.

Firm size has a range of 5.1733 with a minimum value of 27.3395 and a maximum value of 32.5128. The minimum value of 27.3395 is owned by PT Petrosea in 2020, while the maximum value is 32.5128 owned by PT Barito Pacific in 2021. In addition, this variable has a mean value of 30.7419, and a standard deviation of 1.3002. The standard deviation value of 1.3002 which is smaller than the average value of 30.7419 indicates that the company size variable data has not a wide distribution of data. On the other hand, this variable has a size of data spread (variance) reaching 1.6900.

The age of the company has a range of 40 with a minimum value of 4 and a maximum value of 44. The minimum value of 4 is owned by PT Merdeka Cooper Gold while the maximum value of 44 is owned by PT Solusi Banung Indonesia. In addition, this variable has a mean value of 19.6000 and a standard deviation of 10.0390. The standard deviation value of 10.0390 is greater than the average value of 19.6000 indicating that the company size variable data has a wide distribution of data with the size of the data distribution (variance) reaching 100.7860.

Board diversity has a range of 0.4000 with a minimum value of 0.0000 and a maximum value of 0.4000. A minimum value of 0.0000 is owned by several companies such as PT Adaro Energi from 2019 to 2021, PT Aneka Tambang in 2019 and 2020, PT Bumi Resource Mineral from 2019 to 2021, PT Barito Pacific in 2019, PT Darma Henwa from 2019 to 2021, PT Elnusa in 2019, PT Indika Energi in 2019, PT Indah Kiat Pulp and Paper from 2019 to 2021, PT Indo Tambangraya Megah in 2019, PT Merdeka Copper Gold in 2019 and 2021, PT Medco Energi

Internasional 2019 to 2021, PT Bukit Asam in 2020 and 2021, PT Bukit Asam in 2019 and 2020, PT Petrosea in 2019, PT Timah in 2019 and 2020, and PT Wintermar Offshore Marine 2019 to 2021. A minimum value of 0.000 indicates that the companies do not have a board of director woman. PT Elnusa has a maximum value of 0.4000 in 2021. Board diversity also has a mean value of 0.0749 and a standard deviation of 0.1089. The standard deviation value of 0.1089 which is greater than the average value of 0.0749 indicates that the board diversity variable data has a wide distribution of data with the size of the data distribution (variance) reaching 0.0120.

The test results show that the regression model of this study has fulfilled all the classical assumption tests consisting of several tests, namely the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

Multiple Determination Coefficient Test. The following is presented in Table 3 for how much the percentage of the independent variable's ability to explain the dependent variable:

Table 3. Multiple Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Durbin-Watson
1	0.413 ^a	0.170	0.110	0.141	1.383
a. Predictors: (Constant), PROFIT, SIZE, AGE, BOD					
b. Dependent Variable: SR					

Table 3 shows the results of the multiple determination coefficient test showing an Adjusted R-squared of 0.110. This shows that 11,000 percent of the variation in sustainability report disclosure can be explained by a variation of a value of 0.110 which can indicate that 11,000 percent of sustainability report disclosures can be explained by the variables of profitability, company size, company age, and board diversity. The remaining 89,000 percent of the dependent variable on sustainability report disclosure can be explained by independent variables outside of the independent variables in this study.

Statistical Test F. The following is presented in Table 4 to find out how much influence all the independent variables have on the dependent variable:

Table 4. F Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	0.226	4	0.056	2.824	0.033 ^b
Residual	1.098	55	0.020		
Total	1.324	59			
a. Dependent Variable: SR					
b. Predictors: (Constant), PROFIT, SIZE, AGE, BOD					

Based on Table 4, it can be seen that the calculated F is 2.824 with a probability of 0.033. The result of 0.033 indicates that the probability F statistic in this study is below the

significance level of 0.05 so that it can be concluded that profitability, firm size, firm age, and diversity of the board have a joint or simultaneous influence on sustainability report disclosure.

Statistical Test t. In the following, Table 4 is presented to find out how much influence each independent variable has on the dependent variable:

Table 4. Statistical Test Results

	Coefisien	t value	Significance figure
(Constant)	-0.459	-0.991	0.326
PROFIT	0.714	2.345	0.023
SIZE	0.031	2.071	0.043
AGE	0.001	0.448	0.656
BOD	0.027	0.150	0.882

Source: Results of Data Processing

Based on Table 5, the form of the regression equation is as follows:

"SR = -0.459 + 0.714PROFIT + 0.031SIZE + 0.001AGE + 0.027BOD + ε "(2)

Table 5 shows a profitability coefficient value of 0.714 and a significant value of 0.023, which means that profitability has a significant and positive effect on sustainability report disclosure so that H1 is accepted. Meanwhile, the coefficient value of firm size is 0.031 and a significant value is 0.043, which means that firm size has a significant and positive effect on sustainability report disclosure, so H2 is accepted. The coefficient value of firm age is 0.001 and a significant value is 0.656, which means that firm age has no significant and positive effect on disclosure of sustainability reports, so H3 is rejected. Next, the board diversity coefficient is 0.027 and a significant value is 0.882, which means that board diversity has no significant and positive effect on sustainability report disclosure, so H4 is rejected.

Effect of Profitability on Disclosure of Sustainability Report

In this study, profitability was found to have a positive effect on sustainability report disclosure. In line with stakeholder theory, companies do not only operate in advancing their own interests but also provide benefits for stakeholders. In this case, stakeholders have the ability to control the resources needed for the survival of the company which affects the success and failure of a company. Therefore, companies in the basic material and energy sector with high profitability will better communicate their social and environmental responsibilities in meeting the interests of stakeholders through the disclosure of sustainability reports.

The above description is also supported by PT Vale Indonesia Tbk, where in 2019 the ROA reached 0.0258 with a number of sustainability report disclosures of 0.4797, but as the ROA increased to 0.0358 in 2021, the number of PT Vale Indonesia sustainability report disclosures was 0.6689. Likewise, with an increase in ROA reaching 0.0670, PT Vale Indonesia made more sustainability report disclosures of 0.7770. So, through the research results described above, it can be concluded that H1 is acceptable.

The results of this study are in line with research (Kumar et al., 2021; Liana, 2019; Tobing et al., 2019) where it is stated that profitability has a positive effect on sustainability report

disclosure so that the higher the company's profitability, the more sustainability report disclosures will be made. carried out by basic material and energy sector companies. Conversely, the results of this study are not in line with research (Wahyuningrum et al., 2022) which states that profitability has no effect on sustainability report disclosure.

The Effect of Company Size on Disclosure of Sustainability Reports

Firm size was found to have a positive effect on sustainability report disclosure. The research results are in accordance with the concept of legitimacy theory. In theory, the legitimacy of the company will continue to exist if the community realizes that the organization operates for a value system that is commensurate with the value system in society. So that large companies with more complex operating activities tend to receive scrutiny from the wider community because they have a greater impact on environmental damage (Fadilah et al., 2022).

So that in fulfilling its social responsibility to show the public that the company has complied with the norms and maintained the company's image in the eyes of the public, companies with larger company sizes tend to disclose more sustainability reports.

Thus, the larger the size of the company, the greater the level of disclosure of the sustainability report. This can be supported by PT Aneka Tambang with a ratio of Ln to total assets as a proxy for company size of 31.0387 in 2019 disclosing a sustainability report of 0.4932. However, as the size of the company increased with a ratio of Ln to total assets of 31.0883 in 2020, PT Aneka Tambang increased the disclosure of sustainability reports by 86 out of 148 items and obtained a result of 0.5811. Likewise, with an increase in company size in 2021 with a ratio of Ln to total assets of 31.1250 in 2020, the disclosure of sustainability reports increased to 0.6014. This finding is in accordance with the results of research conducted by (Bhatia dan Tuli, 2017; Fadilah et al., 2022; Kumar et al., 2021), but contrary to findings (Liana, 2019; Wahyuningrum dkk., 2022) where found that company size did not have a significant effect on sustainability report disclosure.

Effect of Company Age on Sustainability Report Disclosure

Firm age was found to have no effect on sustainability report disclosure, so H3 was rejected. The results of this study are in line with research (Yuliandhari et al., 2022), in the results of this study firm age has no effect on sustainability report disclosure. Conversely, it is not in line with research (Bhatia dan Tuli, 2017; Fadilah et al., 2022; Madani dan Gayatri, 2021).

In fact, many companies with longer lives have been operating before there is widespread awareness of issues of sustainability and environmental and social responsibility and so have not integrated sustainability practices into their operations or have not considered them a top priority. In addition, the condition of government regulations in force in Indonesia which are still voluntary are not yet mandatory, this makes most companies tend to be reluctant to spend additional resources and efforts needed to disclose sustainability reports.

The above description can be supported by PT Barito Pacific, where in 2019 PT Barito Pacific has been established for 42 years since taking the floor on the stock exchange and disclosed a sustainability report of 49 out of 148 items and obtained a result of 0.3311. However, in 2021, PT Barito Pacific only disclosed results of 45 out of 148 items and obtained a result of 0.3041. Based on these results, it can be concluded that even though PT Barito Pacific has been around for a long time, PT Barito Pacific still makes few sustainability report

disclosures. In contrast, PT Vale Indonesia in 2019 disclosed a sustainability report of 71 out of 148 items with a ratio of 0.4797. Then in 2020, the disclosure of sustainability reports increased to 99 of 148 items with a ratio of 0.6689 and increased again to 99 of 148 items with a ratio of 0.6689 in 2021. So it can be concluded that the length of the company's existence does not determine the disclosure of sustainability reports.

The Effect of Board Diversity on Disclosure of Sustainability Reports

Board diversity was found to have no effect on sustainability report disclosure. According to (Manita et al., 2018) if the number of gender directors is less than 30,000 percent of the composition of the board of directors or less than 3 people, it tends to make the views and voices of female directors' decisions have a positive and insignificant effect on the decision to disclose a sustainability report. The small composition of women only positions the role of female directors on the board of directors only as a complement aimed at enhancing the company's image in the eyes of stakeholders to show stakeholders that the company cares about gender equality between female directors and male directors. So that the existence of female directors does not affect the decision on the size of the disclosure of the sustainability report. The results of the study are in line with research (Dyduch dan Krasodomska, 2017; Manita et al., 2018; Yuliandhari et al., 2022) which states that board diversity has no effect on sustainability report disclosure.

Conversely, the results of this study are not in line with research (Cicchiello et al., 2021) which states that board diversity has a positive effect on sustainability report disclosure. The above description can be supported by PT Elnusa, where in 2019 PT Elnusa had 2 female directors out of a total of 5 directors, but PT Elnusa only disclosed a sustainability report of 64 out of 148 items and obtained a result of 0.4459. However, in 2020 PT Elnusa reduced the composition of female directors to 1 female director out of a total of 4 directors, but PT Elnusa actually disclosed a sustainability report of 67 out of 148 items and obtained a result of 0.4527. Meanwhile, when PT Elnusa did not have a female board of directors at all in 2020, PT Elnusa actually reduced the sustainability report disclosures to 66 of 148 items and obtained a result of 0.44597. So it can be concluded that the addition and reduction of the number of female directors in the composition of the board of directors does not determine the amount of sustainability report disclosure.

CONCLUSION

This research was conducted with the aim of knowing the effect of the independent variables on profitability, company size, company age, and board diversity on the dependent variable of sustainability report disclosure in mining companies listed on the Indonesia Stock Exchange (IDX). The method of determining the sample in this study is a purposive sampling method and there are several criteria for sampling. The total sample that met the criteria was 20 basic material and energy companies in the 2019-2021 period so that 60 data were obtained. A list of basic materials and energy companies can be obtained from the official website of the Indonesia Stock Exchange, namely www.idx.co.id. All data used was taken from the official website (website) of the Indonesia Stock Exchange, namely www.idx.co.id and the company's official website which were then processed with Microsoft Excel 2019 for further testing with SPSS 27 software.

This study conducted several data analysis tests, namely by conducting descriptive statistical tests, analyzing the coefficient of multiple determination (adjusted R-squared), simultaneous effect tests (F test), and partial effect tests (t test). To find out whether the regression model is feasible or not, this study conducted a classic assumption test consisting of a normality test, heteroscedasticity test, multicollinearity test, and autocorrelation test. The results of the research model regression test show that profitability and company size have a positive and significant effect on the disclosure of the sustainability report on the basic material and energy sectors listed on the IDX in 2019-2021, while the age of the company and the diversity of the board have no significant effect on the disclosure of the sustainability report on the basic material sector and energy listed on the IDX in 2019-2021.

This research is unique because it discusses the effect of the independent variables on profitability, company size, company age, and board diversity on the disclosure of sustainability reports in the basic materials and energy sectors listed on the IDX (Indonesian Stock Exchange) from 2019 to 2021. The limitations in this study include another is the short research period, the sample does not cover the entire basic material and energy sector and only examines 4 independent variables. Suggestions for further research can add independent variables such as leverage, liquidity, and type of industry and extend the research period so that it can know accurately about the effect of sustainability report disclosure.

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