Do Gender-Diverse Boards and Audit Committees Enhance Integrated Reporting Quality through ESG Performance?

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ABSTRACT

This study examines the influence of gender diversity, audit committee characteristics, and ESG performance on the quality of integrated reporting among firms listed in the ESG Quality 45 Index of IDX KEHATI during the period 2021–2023. The sample comprises 42 firms, yielding a total of 115 firm-year observations. Multiple regression analysis was employed using SPSS Statistics 27 to test the hypotheses. The results indicate that gender diversity and audit committee characteristics do not significantly influence the quality of integrated reporting. In contrast, ESG performance exhibits a positive and significant effect on integrated reporting quality. These findings suggest that companies with stronger ESG performance tend to provide higher-quality integrated reports, reflecting their broader commitment to transparency and accountability. Overall, the study underscores the importance of sustainability and sound corporate governance practices in meeting the information needs of investors and other stakeholders through high-quality integrated reporting. Future research is encouraged to explore alternative measures of the variables and to incorporate moderating or mediating factors to provide a more comprehensive understanding of the determinants of integrated reporting quality.

Keywords: Integrated Reporting Quality; Gender Diversity; Audit Committee; ESG Performance

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Pengaruh Gender Diversity, Komite Audit, & Kinerja ESG Terhadap Kualitas Pelaporan Terintegrasi

ABSTRAK

Penelitian ini memiliki sasaran guna menguji & mendapat bukti empiris bahwa keragaman gender, komite audit, & kinerja ESG memengaruhi kualitas pelaporan terintegrasi di perusahaan yang terindeks ESG Quality 45 IDX KEHATI dari tahun 2021 hingga 2023. Penelitian ini memiliki 42 perusahaan sebagai sampel dan 115 data amatan. Analisis regresi berganda digunakan dalam penelitian ini melalui SPSS statistics 27. Hasilnya menemukan keragaman gender & komite audit tidak memengaruhi kualitas pelaporan terintegrasi. Hasil penelitian juga membuktikan kinerja ESG memengaruhi kualitas pelaporan terintegrasi secara positif. Temuan ini menyiratkan perusahaan harus memerhatikan & meningkatkan keberlanjutan & tata kelola perusahaan guna memenuhi tuntutan investor & pemangku kepentingan lainnya akan informasi berkualitas melalui pelaporan terintegrasi. Penelitian selanjutnya dapat mempertimbangkan penggunaan proksi atau variabel independen lainnya, serta variabel moderasi/mediasi.

Kata Kunci: Kualitas Pelaporan Terintegrasi; Gender Diversity; Komite Audit; Kinerja ESG

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INTRODUCTION

Financial and non-financial information are often disclosed separately, resulting in fragmented communication that fails to meet stakeholders' information needs (Velte, 2022). Investors must review multiple reports to obtain a holistic understanding of a firm's performance. A survey by EY found that 73 percent of investors believe many organisations still fail to deliver high-quality financial and non-financial disclosures (Corson & Bell, 2022). To address this issue, an integrated reporting approach has been proposed to merge financial and non-financial information into a single, coherent report (Ali et al., 2024). Integrated reporting serves as a strategic communication tool between companies and investors, providing a comprehensive understanding of the factors that influence long-term value creation through the connectivity of financial and non-financial information (IIRC, 2021). By bridging the gap between these two domains, integrated reporting offers a concise yet comprehensive perspective on short- and long-term strategies, thereby enhancing the relevance of information for stakeholders (Ciubotariu et al., 2021).

High-quality corporate reporting plays a crucial role in reducing information asymmetry and fostering a shared understanding between managers and stakeholders (Vitolla et al., 2020). High-quality integrated reporting, in particular, highlights the interconnections between diverse dimensions of corporate value creation. A growing body of research has examined the determinants of integrated reporting quality (Cooray et al., 2020; Mans-Kemp & van der Lugt, 2020; Wang et al., 2020; Ciubotariu et al., 2021; Raimo et al., 2021; Erin & Adegboye, 2022; Hichri, 2022; Velte, 2022; Abdelmoneim & El-Deeb, 2024; Ali et al., 2024). The global adoption of integrated reporting frameworks continues to expand as firms recognise the value of communicating a more complete narrative of performance and sustainability (Ciubotariu et al., 2021). However, limited evidence exists from developing economies, such as Indonesia, where companies face increasing pressures for transparency, environmental and social accountability, and sustainable business practices (Erin & Adegboye, 2022). Indonesian firms seeking to attract international investors must therefore provide high-quality integrated reports that articulate the linkage between financial and non-financial dimensions of performance. Despite this need, few studies have investigated integrated reporting quality within the ESG Quality 45 IDX KEHATI Index context.

Prior research identifies several governance and performance factors that may influence integrated reporting quality. This study examines gender diversity and audit committee characteristics as governance mechanisms, and ESG performance as a non-financial performance indicator. Gender diversity and audit committees are selected due to inconsistent findings in prior studies, while ESG performance remains underexplored in relation to integrated reporting. The study contributes to the literature by focusing on firms listed in the ESG Quality 45 IDX KEHATI Index and by measuring ESG performance using Thomson Reuters ESG scores—widely regarded as a robust proxy for sustainability performance (Bătae et al., 2021). The ESG Quality 45 Index considers both financial and non-financial criteria, while the Refinitiv Eikon database provides standardised ESG metrics that enhance measurement reliability. Previous studies have relied on Bloomberg scores, EY award coding, or Global Reporting Initiative (GRI) content analysis, which may lack comparability across contexts.

Gender diversity has been shown to mitigate agency problems by strengthening monitoring and encouraging transparent reporting practices (Chouaibi et al., 2022). Female directors are generally more ethical, risk-averse, and vigilant than their male counterparts, attributes that support the production of high-quality integrated reports (Ali et al., 2024). However, evidence from developing economies remains mixed: Abdelmoneim and El-Deeb (2024) found that gender diversity was negatively associated with reporting quality, suggesting contextual factors may moderate the relationship. Thus, while gender diversity may enhance board effectiveness, its effect on integrated reporting quality remains inconclusive.

The audit committee also plays a vital role in ensuring the credibility of corporate disclosures. Effective audit committees strengthen oversight, enhance internal control, and encourage greater transparency (Murdianingsih et al., 2022; Vitolla et al., 2020). Their characteristics—such as independence, expertise, size, and meeting frequency—have been linked to the quality of financial and non-financial reporting (Wang et al., 2020). Larger committees, in particular, offer broader expertise and perspectives, improving the oversight of reporting processes (Raimo et al., 2021). However, findings remain inconsistent, as some studies (e.g., Febriansyah, 2021) report no significant effect of audit committees on integrated reporting quality. This inconsistency underscores the need for further empirical evidence.

Corporate performance today is assessed not only by financial outcomes but also by non-financial dimensions such as environmental, social, and governance (ESG) factors. ESG performance captures a firm's commitment to sustainable and socially responsible practices (Prabawati & Rahmawati, 2022; Usman et al., 2020). Strong ESG performance signals accountability to stakeholders and aligns closely with the objectives of integrated reporting, which seeks to demonstrate value creation over time. Empirical evidence suggests that firms with superior ESG performance are more likely to produce higher-quality integrated reports (Abdelmoneim & El-Deeb, 2024). However, other studies argue that firms may strategically emphasise ESG disclosures to enhance legitimacy or manage reputation (Beretta et al., 2019), potentially distorting transparency. Given these competing perspectives, this study tests whether ESG performance improves integrated reporting quality.

This research draws upon agency theory as its overarching framework, supported by stakeholder theory and liberal feminist theory. Agency theory explains conflicts of interest between principals and agents that arise from information asymmetry (Jensen & Meckling, 1976). Effective governance mechanisms, such as diverse boards and audit committees, can reduce these conflicts by enhancing the credibility and comprehensiveness of disclosure (Wang et al., 2020). Stakeholder theory (Freeman et al., 2004) posits that firms must address the needs of various stakeholders who influence and are influenced by the firm's activities. High-quality integrated reporting enables firms to communicate value creation and accountability across stakeholder groups (Abdelmoneim & El-Deeb, 2024). Liberal feminist theory further suggests that gender equality in leadership fosters transparency and ethical conduct. Female directors often exhibit attributes such as diligence, caution, and thoroughness, which contribute to more reliable and comprehensive disclosures (Uribe-Bohorquez et al., 2023; Mapuasari & Sholihin, 2019).

Building on these theoretical foundations, gender diversity is expected to enhance reporting transparency and social accountability, thereby improving integrated reporting quality (Vitolla et al., 2020; Chouaibi et al., 2022; Hichri, 2022). Accordingly, the first hypothesis is formulated as follows:

H_1: Board gender diversity has a positive effect on integrated reporting quality.

From the agency theory perspective, the audit committee serves as a monitoring mechanism that mitigates conflicts of interest between managers and shareholders (Febriansyah, 2021). Larger and more competent audit committees are better equipped to oversee the integrity of integrated reports and ensure the completeness of disclosed information (Raimo et al., 2021; Murdianingsih et al., 2022; Hichri, 2022). Thus, the second hypothesis is stated as follows:

H_2: The audit committee has a positive effect on integrated reporting quality.

Finally, based on stakeholder theory, firms with superior ESG performance are more responsive to stakeholder expectations, leading to improved transparency and disclosure quality (Urba-Lista & Wulandari, 2024; Sonia & Khafid, 2020). Empirical evidence demonstrates that strong ESG performance is positively associated with integrated reporting quality (Grassmann et al., 2019; Mans-Kemp & van der Lugt, 2020; Abdelmoneim & El-Deeb, 2024). Hence, the third hypothesis is proposed:

H_3: ESG performance has a positive effect on integrated reporting quality.

The conceptual framework of this study, developed based on the literature and preceding hypotheses, is presented in Figure 1.

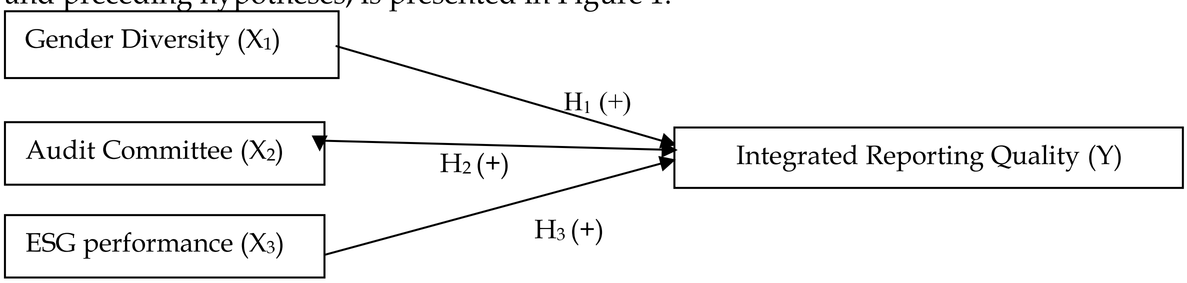

Figure 1. Conceptual Framework

Source: Research Data, 2025

RESEARCH METHODS

This study investigates the effect of gender diversity, audit committee characteristics, and ESG performance on the quality of integrated reporting among firms listed in the ESG Quality 45 IDX KEHATI Index during the period 2021–2023. The research sample and data were obtained from official secondary sources, including the Indonesia Stock Exchange website (www.idx.co.id), the official websites of the respective companies, and the Refinitiv Eikon database (https://eikon.refinitiv.com). Quantitative data were employed to test the hypothesised relationships.

The population of this study comprises all firms included in the ESG Quality 45 IDX KEHATI Index between 2021 and 2023, totaling 72 companies. The sample was selected using a non-probability purposive sampling technique to ensure the inclusion of firms that met specific criteria (Sugiyono, 2020). The final sample consisted of 42 firms that reported ESG scores in the Refinitiv Eikon database during the observation period, yielding 115 firm-year observations. The annual distribution of the sample is presented in Table 1.

Table 1 Number of Observations

No	Description		Total
1	Number of companies in 2021	42	
	The company does not have a Refinitiv Eikon database ESG score in 2021	(10)	
	Number of observations in 2021		32
2	Number of companies in 2022	42	
	The company does not have a Refinitiv Eikon database ESG score in 2022	(1)	
	Number of observations in 2022		41
3	Number of companies in 2023	42	
	The company does not have a Refinitiv Eikon database ESG score in 2023	(0)	
	Number of observations in 2023		42
Total Observations			115

Source: Research Data, 2025

According to the International Integrated Reporting Council (IIRC, 2021), an integrated report is a concise communication that presents an organisation's governance, strategy, performance, and outlook within its external environment, thereby illustrating how value is created, preserved, or eroded over time. The quality of integrated reporting is determined by the extent to which the report adheres to the guiding principles and content elements prescribed in the International Integrated Reporting Framework (IIRF).

In this study, the quality of integrated reporting is assessed through content analysis of the companies' annual reports, based on the IIRF. Content analysis is employed as it represents a systematic and reliable method for evaluating narrative disclosures and composite qualitative information (Hamad et al., 2023). The assessment framework draws on the approach developed by Pistoni et al. (2018), encompassing two analytical dimensions—content and form. The content dimension includes eight elements and two fundamental concepts, while the form dimension comprises three key aspects: (1) readability and comprehensibility, (2) accessibility, reflecting the principles of consistency and comparability, and (3) conciseness.

Each of the 13 indicators is scored on a six-point scale ranging from 0 to 5, resulting in a maximum possible score of 65 points per company. The integrated reporting quality framework adapted from Hamad et al. (2023) is presented in below.

Integrated Reporting Quality = $\frac{\Sigma IR}{t}$ ....(1)

Where:

ΣIR = Total score obtained by the company

t = Maximum score that the company can compete for (65 points)

Gender diversity is the variation between men & women in leadership or top management positions (Akmal & Lestari, 2023). The presence of women on the board can increase transparency & support to improve the quality of integrated reporting (Vitolla et al., 2020). Gender diversity is measured based on the proportion of women on the board of directors taken from Ali et al., (2024), as follows.

Gender Diversity = $\frac{Number\ of\ female\ directorsn}{JNumber\ of\ directors}$ ....(2)

he Audit Committee is a committee of at least three members consisting of independent commissioners & individuals from outside the company to assist the supervisory function of the board of commissioners (Financial Services Authority Regulation No. 55 / POJK.04 / 2015 concerning Establishment & Implementation of Audit Committee Standards, 2015). This study uses audit committee size as a proxy because the effectiveness of the audit committee in overseeing & monitoring quality corporate reporting depends on the number of committee members (Raimo et al., 2021). Audit committee size is determined from the total number of audit committee members as adopted in Raimo et al., (2021), as follows.

Audit committee size = Audit committee members ....(3)

ESG performance reflects a company's ability to manage the environmental, social, and governance dimensions of its operations effectively. Prior studies, including Bătae et al. (2021), Shakil (2021), and Prabawati and Rahmawati (2022), have utilised the Refinitiv Eikon (formerly Thomson Reuters) ESG database as a comprehensive and credible measure of ESG performance. Consistent with these studies, this research adopts ESG scores from the Refinitiv Eikon database, which provides a robust and standardised assessment of firms' sustainability practices (Bătae et al., 2021).

Data for this study were collected using a non-participant observation method. The list of companies included in the ESG Quality 45 IDX KEHATI Index for the 2021–2023 period was obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id). Subsequently, annual report data were retrieved from the respective company websites, while ESG score data were sourced from the Refinitiv Eikon database.

To test the research hypotheses, multiple regression analysis was performed using SPSS Statistics 27. Prior to hypothesis testing, descriptive statistics and classical assumption diagnostics—including tests of normality, multicollinearity, heteroskedasticity, and autocorrelation—were conducted to ensure model validity. The regression model applied in this study is specified as follows:

IRQ = $\alpha + \beta_1$GDIV + β_2ACSIZE + β_3ESG + e……………………………………………(4)

Where:

Y = Integrated Reporting Quality

α = Constant

β1, β2, β3 = Regression Coefficient of Each Variable

GDIV = Gender Diversity of Directors

ACSIZE = Audit Committee Size
X3 = ESG Performance
e = Error

RESULTS & DISCUSSION
The results of the descriptive statistical test of this study are presented in Table 2.
Table 2 Descriptive Statistical Test

Descriptive Statistics					
	N	Minimum	Maximum	Average	Standard Deviation
Gender Diversity	115	0.000	0.545	0.157	0.156
Audit Committee	115	3.000	8.000	3.643	1.148
ESG Performance	115	22.103	88.792	56.382	17.286
Integrated Reporting Quality	115	0.477	0.785	0.699	0,.053
Valid N (listwise)	115				

Source: Research Data, 2025

The descriptive statistics show that gender diversity among board members remains low across the sample. The minimum gender diversity score of 0.000, recorded by AALI during 2021–2023, indicates the complete absence of female directors. Conversely, the highest score of 0.545 was achieved by UNVR in 2023, reflecting a comparatively higher representation of women on the board. The mean gender diversity score of 0.157, with a standard deviation of 0.156, suggests that most companies remain male-dominated, and the data exhibit moderate variation around the mean.

For the audit committee variable, the minimum value of 3.000—recorded by ACES during 2021–2023—reflects compliance with the minimum regulatory requirement. The maximum audit committee size of 8.000, observed in BBRI in 2021, represents the upper range of board oversight structures. On average, firms in the ESG Quality 45 IDX KEHATI Index have between three and four audit committee members (mean = 3.643; standard deviation = 1.148), indicating relatively consistent committee sizes with moderate dispersion.

The ESG performance scores also vary considerably across firms. The lowest score, 22.103, was recorded by Aspirasi Hidup Indonesia Tbk in 2023, while the highest score, 88.792, was achieved by INCO in the same year. The mean ESG performance score is 56.381, with a standard deviation of 17.286, suggesting substantial variability among firms' sustainability practices. These results indicate that while most firms within the ESG Quality 45 IDX KEHATI Index have adopted ESG principles, the extent of implementation differs significantly.

The quality of integrated reporting (IRQ) also varies across firms and years. The lowest IRQ score of 0.477 was reported by ACES in 2021, indicating limited adherence to integrated reporting principles. In contrast, EXCL achieved the highest score of 0.785 in 2023, demonstrating a strong commitment to comprehensive reporting. The average IRQ score of 0.699, with a relatively low standard deviation of 0.053, suggests that reporting quality across the sample is generally consistent, with minimal dispersion.

Prior to conducting regression analysis, the classical assumption tests were performed to ensure the validity of the model. These tests include normality, multicollinearity, heteroskedasticity, and autocorrelation diagnostics. The normality test, conducted using the Kolmogorov–Smirnov method, yielded an Asymp. Sig. (2-tailed) value of 0.200, which exceeds the 5 percent significance level ($\alpha = 0.05$), confirming that the residuals are normally distributed (Ghozali, 2021).

The multicollinearity test assesses potential correlations among independent variables. Following Ghozali (2021), the model is deemed free from multicollinearity when the tolerance value is ≥ 0.1 or the Variance Inflation Factor (VIF) ≤ 10. The results show tolerance values of 0.921 (VIF = 1.086) for gender diversity, 0.865 (VIF = 1.157) for the audit committee, and 0.810 (VIF = 1.234) for ESG performance. All values meet the established thresholds, indicating the absence of multicollinearity.

The heteroskedasticity test was performed using the White test to determine whether the variance of the residuals is constant across observations. The computed R^2 value of 0.074 produces a chi-square (χ^2) statistic of 3.108 ($n \times R^2 = 42 \times 0.074$). At a 5 percent significance level with three independent variables (df = 2, χ^2-table = 5.591), the calculated χ^2 value is less than the critical value, indicating no evidence of heteroskedasticity (Ghozali, 2021).

The autocorrelation test, conducted using the Durbin–Watson (DW) statistic, assesses whether residuals are correlated across time. The DW value of 1.862 lies between the upper (du = 1.7496) and lower (4 – du = 2.2504) critical bounds, satisfying the condition du < d < 4 – du (Ghozali, 2021). Thus, the model is free from autocorrelation.

Multiple linear regression analysis was used to evaluate the effect of gender diversity, audit committee, and ESG performance on integrated reporting quality. The constant term (a) was 0.096, while the regression coefficients were 0.036 for gender diversity (β_1), 0.010 for the audit committee (β_2), and 0.026 for ESG performance (β_3). Accordingly, the estimated regression equation is expressed as follows:

IRQ =0,096+0,036GDIV+0,010ACSIZE+0,026ESG+e……………………………(5)

Table 3 Multiple Linear Regression Analysis Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.096	0.045		2.124	0.036
	Gender Diversity	0.036	0.043	0.069	0.854	0.395
	Audit Committee	0.010	0.019	0.045	0.533	0.595
	ESG Performance	0.026	0.004	0.536	6.207	0.001

Source: Research Data, 2025

Table 4 Model Feasibility Test (F Test)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.259	3	0.086	18.162	0.001[b]
	Residual	0.528	111	0.005		
	Total	0.788	114			

Source: Research Data, 2025

Table 5 Results of Determination Coefficient Analysis

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.574[a]	0.329	0.311	0.069

Source: Research Data, 2025

The constant value of 0.096 indicates that when all independent variables—gender diversity, audit committee, and ESG performance—are held constant at zero, the predicted value of integrated reporting quality is 0.096. The positive regression coefficient of 0.026 for ESG performance suggests that, ceteris paribus, a one-unit increase in ESG performance leads to a 0.026-unit increase in integrated reporting quality.

The F-test was conducted to assess the overall fit of the regression model. Following Ghozali (2021), a model is considered valid when the significance value of the F-test is less than 0.05, indicating that the independent variables jointly influence the dependent variable. As presented in Table 4, the F-statistic yields a significance level of 0.001 (< 0.05), confirming that gender diversity, audit committee characteristics, and ESG performance collectively have a significant effect on integrated reporting quality.

The coefficient of determination (Adjusted R^2) provides insight into the explanatory power of the model. As shown in Table 5, the adjusted R^2 value of 0.311 indicates that 31.1% of the variation in integrated reporting quality is explained by gender diversity, audit committee, and ESG performance, while the remaining 68.9% is attributable to factors not included in the model. This moderate explanatory power suggests that while governance and sustainability attributes contribute meaningfully, other determinants—such as ownership structure, board independence, and firm size—may also play a role.

The t-test results, summarised in Table 6, provide evidence of the partial effects of each independent variable. The gender diversity variable has a significance value of 0.395 (> 0.05), indicating no significant effect on integrated reporting quality. Similarly, the audit committee variable exhibits a significance level of 0.595 (> 0.05), suggesting that audit committee characteristics do not significantly influence reporting quality. In contrast, ESG performance demonstrates a significance value of 0.001 (< 0.05) with a positive coefficient of 0.026, confirming its significant positive effect on integrated reporting quality.

The regression results show that gender diversity has a positive coefficient (0.036) but is statistically insignificant (p = 0.395), leading to the rejection of H1. This implies that the presence of female directors does not yet have a material impact on the quality of integrated reporting. Although female directors enhance board monitoring and ethical decision-making (Erin & Adegboye, 2022), their representation in Indonesian corporations remains limited. The descriptive results reveal that several firms have no female board members, with an average gender diversity level of only 15 percent—below the critical mass necessary to influence strategic decision-making. Consequently, women's voices may not yet be strong enough to shape the reporting culture within firms.

Gender diversity can potentially mitigate information asymmetry by promoting transparency and a broader perspective in reporting (Wisman & Triwacananingrum, 2021; Larasati & Az'mi, 2023). From the liberal feminist perspective, equal opportunities for women and men in leadership roles can improve corporate accountability (Febriansyah, 2021). However, women in executive positions often face structural and cultural barriers that limit their influence on corporate decisions. These findings diverge from El-Deeb and Mohamed (2024), who found a positive association between gender diversity and integrated reporting quality, but are consistent with Cooray et al. (2020), Mawardani and Harymawan (2021), Febriansyah (2021), and Akmal and Lestari (2023), who reported insignificant effects in emerging market contexts.

The audit committee variable also exhibits a positive coefficient (0.010) but an insignificant p-value (0.595), leading to the rejection of H2. This suggests that while larger audit committees may provide broader oversight, their impact on integrated reporting quality is limited. The weak influence may reflect contextual factors such as regulatory frameworks and organisational structures that constrain the committee's scope beyond traditional financial oversight (El-Deeb & Mohamed, 2024). Although audit committees are tasked with overseeing risk management and financial reporting (AALI, 2021), their focus often remains on compliance rather than on ensuring sustainability disclosure or long-term value creation—core elements of integrated reporting. In some firms, the responsibility for integrated reporting may instead reside with dedicated sustainability or ESG committees.

From an agency theory perspective, audit committees help align management's interests with those of shareholders by reducing reporting-related agency problems (Pradnyadari Pemayun & Putra Astika, 2021). A larger committee can facilitate the early identification and resolution of disclosure issues, thereby enhancing transparency (Meinawati & Wirakusuma, 2023). The findings of this study are consistent with Colak and Sarıoğlu (2025) and El-Deeb and Mohamed (2024), who observed a weak relationship between audit committee size and integrated reporting quality, but contrast with Murdianingsih et al. (2022), who found a significant positive effect.

In contrast, ESG performance shows a positive and significant relationship with integrated reporting quality ($\beta = 0.026$, $p = 0.001$), leading to the acceptance of H3. This finding indicates that firms with stronger ESG performance tend to produce higher-quality integrated reports, reflecting a more comprehensive and transparent disclosure culture. High ESG performance signals managerial commitment to sustainability and ethical responsibility, which enhances firms' credibility and responsiveness to stakeholder expectations (Mans-Kemp & van der Lugt, 2020).

Consistent with stakeholder theory, firms with robust ESG performance are more likely to maintain long-term relationships with stakeholders through transparent communication (Lista & Wulandari, 2024). Providing relevant non-financial information not only demonstrates accountability but also builds trust and legitimacy (Sonia & Khafid, 2020). ESG performance thus functions as a proxy for sustainability orientation and is inherently aligned with the objectives of integrated reporting (Velte, 2022). Firms with strong ESG profiles are also more capable of disclosing integrated information comprehensively and systematically, resulting in higher-quality reports. These results support the conclusions of Mans-Kemp and van der Lugt (2020), Grassmann et al. (2019), and Abdelmoneim and El-Deeb (2024), reaffirming that ESG performance is a critical determinant of integrated reporting quality.

Taken together, the findings underscore the continuing relevance of stakeholder theory in explaining the dynamics of non-financial disclosure within emerging market settings. While gender diversity and audit committee characteristics have yet to show strong influence, ESG performance emerges as a significant driver of transparency and reporting quality. Given the limited exploration of integrated reporting quality in Indonesia, these findings offer valuable empirical evidence and provide a foundation for future research on governance, sustainability, and disclosure practices in developing economies.

CONCLUSIONS

Based on the results of the data analysis and discussion, this study concludes that gender diversity and audit committee composition do not significantly influence the quality of integrated reporting. In contrast, ESG performance exerts a positive and significant effect, indicating that firms with stronger ESG performance tend to produce higher-quality integrated reports. This finding highlights the importance of sustainability practices as a key driver of transparency and accountability in corporate reporting. This study is subject to several limitations that offer avenues for future research. First, while previous studies have found significant effects of gender diversity and audit committee characteristics on reporting quality, such relationships were not observed in this study. The absence of a significant effect may be attributed to contextual differences, particularly the limited representation of women in leadership positions and the audit committee's predominant focus on financial oversight rather than integrated reporting practices.

Second, the role of the audit committee in enhancing integrated reporting quality may be constrained by institutional and organisational factors. In many firms, the oversight of sustainability disclosures is performed by other governance bodies, such as the sustainability or ESG committee, which may assume a more active role in guiding non-financial reporting. Accordingly, future studies could consider incorporating these governance structures as independent variables to better capture the organisational mechanisms that shape reporting quality. Finally, future research could extend the current model by introducing moderating or mediating variables to explore the pathways through which governance attributes influence integrated reporting. Alternative proxies for audit committee characteristics—such as committee effectiveness, expertise, or meeting frequency—may also provide deeper insight into their role in ensuring reporting quality. By addressing these aspects, subsequent research can offer a more comprehensive understanding of how corporate governance and sustainability practices jointly contribute to high-quality integrated reporting.

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