International Journal of Economics, Business and Accounting Research (IJEBAR)
Peer Reviewed – International Journal
Vol-7, Issue-4, 2023 (IJEBAR)
E-ISSN: 2614-1280 P-ISSN 2622-4771
https://jurnal.stie-aas.ac.id/index.php/IJEBAR

SDGS DISCLOSURE AND FINANCIAL PERFORMANCE: POINTS OF VIEW FROM GENDER DIVERSITY, CSR AND INDUSTRIAL SENSITIVITY

Khairina Nur Izzaty[1], Taufiq Andre Setiyono[2], Angie Marsha Putri[3], Iffa Dania Hamzah[4]
Accounting Department STIE Bank BPD Jateng[1,2,3,4]
Corresponding email: izzaty33@gmail.com[1]

Abstract: This study aims to examine the factors that are thought to encourage companies to disclose sustainable development goals (SDGs) in their sustainability reports and examine the impact of disclosing SDGs on the company's financial performance. Using a population of companies listed on the Indonesia Stock Exchange and carrying out sustainability reporting, the sample used in this study was 146 firm-years after being eliminated using a purposive sampling method. Quantitative research data was then processed using SPSS 26 software, using two multiple linear regression models. The statistical results show that for the first model, board of directors gender diversity has a significant negative effect on SDGs disclosure, CSR committee and industry sensitivity have a positive effect on SDGs disclosure, while board of directors and commissioners gender diversity and company size have no significant effect on SDGs disclosure. In the second model it is known that the disclosure of SDGs by the company is not able to significantly influence the company's financial performance.

***Keywords**: SDGs, gender diversity, CSR, financial performance*

Submitted: 2023-09-06; Revised: 2023-11-24; Accepted: 2023-11-30

---

1. Introduction

In 2015, the United Nations discussed the 2030 sustainable development agenda at the United Nations General Assembly (UNGA) forum. The event then launched 17 goals which included fair development and a sustainable environment or hereinafter referred to as the Sustainability Development Goals (SDGs). The SDGs consist of 17 goals and 169 targets which are further elaborated into 4 pillars, namely economic, social, environmental, and legal and governance, to facilitate monitoring in their implementation (United Nations, 2020). The government of Indonesia is included in the United Nations members who agreed to implement the SDGs so that Presidential Regulation Number 59 of 2017 was issued concerning the Implementation and Achievement of Sustainable Development Goals (Regulation of the President of the Republic of Indonesia Number 59 of 2017 concerning Implementation of the Achievement of Sustainable Development Goals, 2017). With these regulations, all parties participate in realizing the SDGs target, including business people and companies.

Social and environmental issues are the center of attention of the business world today. Issues of environmental damage and social concern from companies have changed many points of view that the purpose of establishing a company is not only to seek profit (profit) for the maximum prosperity of the owner, but also to pay attention to the environment in which the company operates (planet) and human resources. people who are involved and affected by the company's operations (people). Therefore, the company is obliged to be responsible for fulfilling good governance related to the social and environment in which the company operates. In practice, sustainability reporting in Indonesia is still voluntary. Thus, companies reporting and disclosing SDGs are still limited compared to practices in developed countries (Arifianti & Widianingsih, 2022)

The global goals proclaimed by the United Nations provide practical guidelines for present and future development (UNDP, 2023). The government is unable to implement these global goals without assistance from other parties. The business sector (companies) have financial resources, expertise and other resources which in this case have the ability to be more innovative, responsive and efficient, so that companies can work together with the government and the general public in implementing and achieving sustainable development goals (Haywood & Boihang, 2021). By implementing the SDGs, the company will not only expand opportunities and market segments, but also secure long-term profitability as an illustration of achieving the company's financial performance. The SDGs provide a framework for a sustainable and sustainable business growth strategy (Lawati & Hussainey, 2022). Therefore, it is important for companies to adopt SDGs for their business operations.

Disclosure of SDGs in companies in Indonesia is still voluntary disclosure, so that the main triggering factors are needed that encourage companies to disclose more broadly the implementation of SDGs in their companies. Therefore, this study is structured based on agency theory and stakeholder theory because the disclosure motives of companies are related to their relationship with owners and/or other stakeholders. Agency theory is used to explain the relationship that occurs between stakeholders (principals) and management as agents. The principal gives trust to the agent to manage all company activities, which means that the agent will have more information than the principal and cause information asymmetry (agency gap). To minimize information asymmetry, companies disclose more information, either mandatory or voluntary. The information contained in the sustainability report is believed to be able to reduce information asymmetry and agency costs (Wahyuningrum et al., 2022).

Stakeholder theory (Gray et al., 1996) provides a lens for analyzing the relationship between an organization and its stakeholders. According to this perspective, companies should engage impartially with the needs of stakeholder groups that provide them with the essential resources necessary for their survival. Since the SDGs primarily focus on the needs of a few stakeholders in society (UNDP, 2023), companies may disclose their efforts towards global goals to release accountability and gain their stakeholder approval and support (Zampone et al., 2022).

Based on the background above, this study has two objectives, namely: first, to examine the factors that are thought to influence the disclosure of SDGs in corporate sustainability reports; and second, analyzing the effect of SDGs disclosure on the company's financial performance. The factors that are thought to influence the company's intention to disclose information on the implementation of the SDGs are in terms of company characteristics and corporate governance. Therefore, the formulation of the problem in this study is: (a) Does the gender diversity of the board of directors affect the disclosure of SDGs? (b) Does the board of commissioners' gender diversity affect the disclosure of SDGs? (c) Does the existence of a CSR committee affect SDGs disclosure? (d) Does company size affect SDGs disclosure? (e) Does industry sensitivity affect SDGs disclosure? (f) Does SDGs disclosure affect the company's financial performance?

Hypothesis Development

The board of directors is obliged to compile a list of shareholders, keep an overview of the GMS and board of directors' meetings, prepare an annual report and be responsible for all company financial data and documents (Undang-Undang Republik Indonesia Nomor 40 Tahun 2007 Tentang Perseroan Terbatas, 2007). Female directors tend to be more sensitive to socially responsible behavior than male directors. Gender diversity in the board of directors increases a company's effectiveness in implementing environmentally friendly strategies (Nicolò, Zampone, et al., 2022). Based on research (D. N. Farida, 2019; Nicolò, Zampone, et al., 2022; Said & Ridwan, 2022; Sekarlangit & Wardhani, 2021) a board of directors that is more diverse in terms of gender has been proven to have a positive effect on disclosures in reports related to SDGs. Therefore, the following hypotheses can be formulated:
H1: Gender Diversity of the Board of Directors has a positive effect on SDGs Disclosure

The board of commissioners has duties including supervising the board of directors in their performance (Said & Ridwan, 2022). In accordance with agency theory, a board of commissioners that has more diverse members in terms of gender tends to provide more trust in aligning goals (goal congruence) between owners and management. In addition, based on stakeholder theory, gender diversity in the board of commissioners also meets the expectations of stakeholders who also have diverse expectations (Liao et al., 2015). Research from (D. N. Farida, 2019; Nicolò, Aversano, et al., 2022; Said & Ridwan, 2022) tates that when a company has female commissioners, the company will be more concerned with the social and environmental responsibility process which is interpreted in the sustainability report. From the description above, the second hypothesis formulated in this research is as follows:
H2: Gender Diversity of the Board of Commissioners has a positive effect on SDGs Disclosure

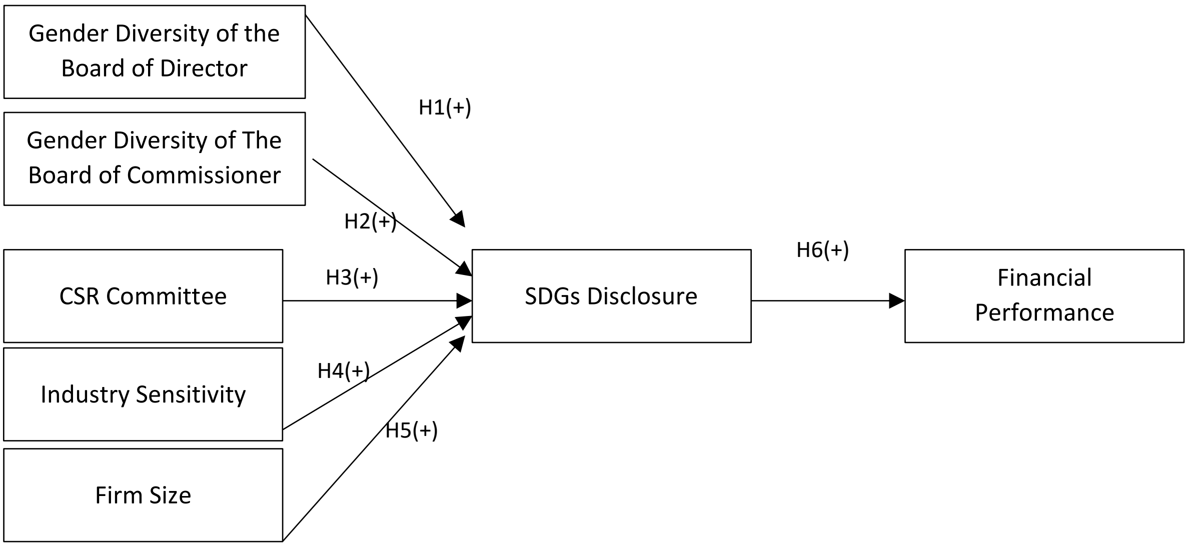
The existence of a CSR committee in the company management organizational structure is one of the most important factors that contributes to the company's success in achieving its goals (Amran et al., 2014). Based on an agency theory perspective, the presence of a CSR committee can also reduce agency problems that may occur and a CSR committee increases transparency by increasing information openness (Fuente et al., 2017). Research from (A. L. Farida, 2022) explains that companies that implement CSR tend to be successful in implementing SDGs. Therefore, the existence of a CSR committee is expected to support the disclosure of SDGs information in sustainability reports (Sekarlangit & Wardhani, 2021). Based on this explanation, a third hypothesis can be formulated as follows:
H3: The existence of a CSR Committee has a positive effect on SDGs Disclosure

Based on the environmental approach, industries can be divided into two types, namely high-profile industries (high environmental sensitivity) and low-profile industries (low environmental sensitivity). High-profile companies face more intense monitoring, greater social visibility, and public pressure because their operations have the potential to cause direct and widespread impacts on the environment (Wang et al., 2013). Research results from (Wahyuningrum et al., 2022) state that companies that are in a more sensitive industrial environment will reveal more SDGs issues in their sustainability reports. On the basis of this explanation, the following hypothesis can be formulated:
H4: Industry sensitivity has a positive effect on SDGs disclosure

Larger companies tend to disclose more accountability information regarding their environmental activities than smaller companies. This happens because large companies receive wider public attention because the company's activities have more impact on the environment or society (Wahyuningrum et al., 2022). Therefore, larger companies will disclose SDGs information to meet stakeholder requests (Arifianti & Widianingsih, 2022). Based on this explanation, the following hypothesis can be formulated:
H5: Company size has a positive effect on SDGs disclosure

Based on stakeholder theory, companies implement SDGs to respond to environmental and social requirements of stakeholders thereby contributing to financial performance (Izzo et al., 2020). With optimal stakeholder management, companies can strengthen their competitive advantages (Endrikat et al., 2014). Based on previous research conducted (A. L. Farida, 2022; Lawati & Hussainey, 2022) the implementation of SDGs has a positive influence on company financial performance as measured by profitability.
H6: SDGs disclosure has a positive effect on financial performance

Research Framework



2. Research Method

This research is a quantitative study by conducting empirical testing using a regression model. The data used in this research is secondary data, namely in the form of company sustainability reports and annual reports. The population of this research is all companies listed on the Indonesia Stock Exchange that have published sustainability reports. The sampling method in this research uses a purposive sampling method with the following criteria: (1) Companies that publish sustainability reports regularly in 2019-2022; (2) Companies that regularly publish annual reports for 2019 – 2022; (3) Sustainability reports and company annual reports that present data on the variables studied.

The analytical method used is the regression method which examines the effect of the independent variables on the dependent variable. Before testing the hypothesis, the classical assumptions were tested first so that the data tested was free from bias. The results of regression analysis are used to answer research questions because it can be seen whether the proposed hypothesis is acceptable or not regarding the influence between variables. The regression model in this study is structured as follows:

Model 1:

$Y = \alpha + \beta X1 + \beta X2 + \beta X3 + \beta X4 + \beta X5 + e$

Where:

Y = SDGs Disclosure
X1 = Gender Diversity of the Board of Director
X2 = Gender Diversity of the Board of Commissioner
X3 = CSR Committee
X5 = Industry Sensitivity
X6 = Firm Size

Model 2:

$Y = \alpha + \beta X1 + e$

Dimana:

Y = Financial Performance
X1 = SDGs Disclosure

3. Result and Discussion

3.1 Result

Description of Research Object

The population selected in this research are companies listed on the Indonesia Stock Exchange that publish sustainability reports. The following is a breakdown of the final sample size based on sampling criteria.

Table 1. Sampling Criteria

Criteria	**Number of Firms**
Firms listed on the Indonesia Stock Exchange in 2022 that publish sustainability reports	140
Firms that do not publish sustainability reports regularly in 2019 - 2022	(63)
Companies that do not present complete financial report data, sustainability reports and annual reports for 2019-2022 related to the variables used in the research	(25)
Final Sample	**52**
Number of Observation : 52 x 4 years	**208**
Outlier Data	**(62)**
Final Sample after deleting outlier data	**146**

Source: Processed secondary data, 2023

There are 140 companies listed on the Indonesia Stock Exchange that issue sustainability reports. Of the 140 companies, only companies consistently publish sustainability reports. Furthermore, after going through the sample sorting process, there were 25 companies that incompletely presented sustainability reports and annual reports from 2019-2022 so that the required research variables could not be observed from the reports collected. Therefore, the final sample of this study was 52 companies during 4 years of observation so that there were

208 firm-years. However, after testing the classical assumptions, there were abnormal data and heteroscedasticity occurred in the data, so 62 data outliers had to be removed, so that the final sample results were processed as many as 146 firm-years.

Descriptive statistics

The results of descriptive statistical tests provide an overview or description of a data seen from the average value (mean), standard deviation, minimum, and maximum. To provide an overview of descriptive statistical analysis, the following table presents an analysis of the research variables:

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender Div. of Director	146	0,000	0,545	0,25045	0,125512
Gender Div. of Comm.	146	0,000	0,500	0,12080	0,128196
Firm Size	146	13,711	21,413	17,72583	1,830177
SDGS	146	0,294	1,000	0,63417	0,185180
Financial Performance	146	-0,087	1,875	0,15136	0,198764
Valid N (listwise)	146				

Source: Processed secondary data, 2023

Based on the SPSS output, it can be seen that the number of observation samples (N) is 146. Of the 146 samples, the smallest SDGS disclosure level is 29.4% and the largest is 100% with an average segment disclosure rate of 63.4% and a standard deviation of 0.185. With an average of 63.4%, it shows that on average companies have properly disclosed their sustainable development goals (SDGS) in their sustainability reports. Based on the data, the company with the lowest level of SDGS disclosure is PT. Bank Permata Tbk and PT. XL Axiata Tbk. Meanwhile, the company with the highest level of SDGS disclosure is PT. Adaro Energy Tbk.

By conducting an analysis using SDG target mapping with sustainability issues based on GRI in company sustainability reports, it was found things that are often not disclosed by companies in their sustainability reports, namely regarding sustainable cities and communities, zero cases of hunger, rights of indigenous people around, life under water , life on earth, as well as institutions that are safe, peaceful and strong.

The smallest value of the gender diversity variable for the board of directors is 0%, including PT. Kalbe Farma, Tbk and PT. Bukit Asam Tbk does not have a female director in its board of director structure. Meanwhile, the highest proportion of gender diversity in directors is PT. Bank CIMB Niaga Tbk with a figure of 54%, where the bank has 6 female directors in its board of director structure. The average gender diversity of the board of directors in the observed sample is 25% with a standard deviation of 16.6%.

Gender diversity on the board of commissioners also has the lowest score of 0%, namely 62 sample companies do not have female commissioners in their board of commissioner structure. On the other hand, the company that has the highest proportion of gender diversity in commissioners is PT. Merck, Tbk which is equal to 50%. The average gender diversity of commissioners in the observed sample was 9.5% with a standard deviation of 12.5%.

The smallest value of the company size variable as measured by total company assets is owned by PT. Merck Tbk in 2019 was IDR 900 billion, and the largest asset value was PT. Bank Mandiri in 2022 with a total asset value of 1,992 trillion Rupiah. The average company size is 12.15 trillion Rupiah with a standard deviation of 29.85 trillion Rupiah. This shows that in general the companies included in the research sample are classified as large companies. The company with the smallest size, MERK, discloses 53% of SDGS. Meanwhile, BMRI, as the company with the largest size, disclosed 52% of the SDGS.

The financial performance variable as measured by Return on Equity (ROE) has the lowest value -8.7%, namely at PT. Waskita Karya (Persero) Tbk in 2022. The highest value of the financial performance variable is owned by PT. Unilever Tbk in 2019 with an ROE value of 187.5%. The average ROE value in the observed samples was 15.1% with a standard deviation of 19.8%.

Table 3. Descriptive Statistics of Dummy Variable

No.	Name of Variable	Total Score 0	Total Score 1
1.	CSR Commitee	129 sample	17 sample
2.	Industry Sensitivity	79 sample	67 sample

Source: Processed secondary data, 2023

From these data it can be explained that of the 146 samples observed, only 17 sample companies had a CSR committee in their organizational structure, and the remaining 129 sample companies did not have a CSR committee. Meanwhile, for the industry sensitivity variable, it can be explained that 79 sample companies are included in low-profile industries or companies with low environmental risk, while 67 sample companies are included in high-profile industries or companies with high environmental risk.

Classic assumption test

The summary of the classical assumptions in this study is as follows:

Table 4. Classic Assumption Test Results Model I

Normality		**Multicollinearity**			**Autocorrelation**		**Heteroskedastisitas**	
			Tolerance	**VIF**				
K.S.Z Asym. Sig (2 tailed)	0,045 0,200	Gender Div. of Director Gender Div of Comm. CSR committee Industry Sensitivity Firm Size	0,845 0,969 0,909 0,707 0,659	1,184 1,032 1,100 1,414 1,517	Uji Runs	0,184	Uji Glesjer Gender Div. of Director Gender Div of Comm. CSR committee Industry Sensitivity Firm Size	0,083 0,825 0,554 0,051 0,278
Complied		Complied			Complied		Complied	

Source: Processed secondary data, 2023

Table 5. Classic Assumption Test Result of Model II

Normality			**Multicollinearity**			**Autocorrelation**		**Heteroskedastisitas**	
				Tolerance	**VIF**				
K.S.Z Asym. Sig (2 tailed)	0,762 0,057		SDGS	1.000	1.000	Uji Runs	0,740	Uji Glesjer SDGS	0,099
Complied			Complied			Complied		Complied	

Source: Processed secondary data, 2023

Normality Test Results

The results of the K-S test are as presented in table 4 above, namely for equation I, the Kolmogorof-Smirnov value is 0.045 and the significance value is 0.200, which is not significant at 0.05. Then, for equation II, the Kolmogorof-Smirnov value is 0.762 and the significance value is 0.057, which is not significant at 0.05. This means that H0 is accepted, so it can be concluded that the residual data is normally distributed (Ghozali, 2021).

Multicollinearity Test Results

The results of calculating the Tolerance value in both equation I and Equation II show that there are no independent variables that have a Tolerance value of less than 0.10, which means there is no correlation between the independent variables whose value is more than 95%. The results of calculating the Variance Inflation Factor (VIF) values also show the same thing where there is no single independent variable that has a VIF value of more than 10. So it can be concluded that there is no multicollinearity between independent variables in the regression model (Ghozali, 2021).

Autocorrelation Test

The SPSS output results show that for equation I the test value is 0.0049 with a probability of 0.184, and for equation II the test value is -0.038 with a significance value of 0.740, where the results of the test runs for both equations are not significant at 0.05 which means the null hypothesis (H0) is accepted, so it can be concluded that the residual is random (random) or it can be said that there is no autocorrelation between residual values (Ghozali, 2021)

Heteroscedasticity Test

The results of the Glejser test with the SPSS output display clearly show that none of the independent variables is regressive to the residual absolute value which is significant at 0.05. So it can be concluded that heteroscedasticity does not occur in the regression model (Ghozali, 2021)

Coefficient of Determination Test (R^2)

The coefficient of determination shows the percentage of the dependent variable that can be explained by the independent variables. The value of the coefficient of determination can be obtained from the adjusted R^2 value. Based on the SPSS output results, the adjusted R^2 value can be seen in Table 6 and 7 as follows:

Table 6. Coefficient of Determination of Model I

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,589[a]	0,346	0,323	0,152351
a. Predictors: (Constant), Firm Size, Gender Commision, CSR committee, Gender Director, Industry Sens				

b. Dependent Variable: SDGS

Source: Processed secondary data, 2023

Table 7. Coefficient of Determination of Model II

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,095[a]	0,009	0,002	0,198547
a. Predictors: (Constant), SDGS				

b. Dependent Variable: Financial Performance

Source: Processed secondary data, 2023

Seen from Table 6 the value of the coefficient of determination (adjusted R2) is 0.323 or 32.3 percent, meaning that 32 percent of the effect of SDGS disclosure can be explained by variations of the five independent variables, namely gender diversity of Directors, gender diversity of commissioners, CSR committee, company size, and industry sensitivity . while the remaining 67.7% is explained by other causes outside the regression model and equation 2 table 7 of 0.002 or 0.02%, which means that only 0.02% of financial performance can be explained by the SDGS disclosure factor, while the remaining 99.8% is explained by other variables outside the regression model.

F Test (Simultaneous Influence Test)

Based on the results of the SPSS output, it appears that the joint effect of the 4 independent variables (NPL, CAR, ROA and GCG) on the ZScore is shown in Tables 8 and 9 as follows:

Table 8. Calculation of Simultaneous Regression of Model I

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1,723	5	0,345	14,844	0,000[b]
	Residual	3,250	140	0,023		
	Total	4,972	145			

a. Dependent Variable: SDGS

Predictors: (Constant), Firm Size, Gender Div. of Commissioner, CSR committee, Gender Div. of Director, Industry Sensitivity

Source: Processed secondary data, 2023

Table 9. Calculation of Simultaneous Regression of Model II

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0,052	1	0,052	1,317	0,253[b]
	Residual	5,677	144	0,039		
	Total	5,729	145			

a. Dependent Variable: Financial performance
b. Predictors: (Constant), SDGS

Source: Processed secondary data, 2023

From the calculation results in Table 8, a significance value of 0.000 <0.05 is obtained, so it can be concluded that the independent variables have a simultaneous effect on the dependent variable. while from the calculation results of equation 2 table 9 obtained a significance value of 0.253> 0.05, it can be concluded that the independent variables do not simultaneously affect the independent variables.

T test (Partial influence test)

Based on the SPSS output results it appears that the partial influence of the 5 independent variables (Directors, commissioners, CSR committee, size, and industry sensitivity) has a partial effect on SDGS disclosure as shown in Tables 10 and 11 as follows:

Table 10. Calculation of Partial Regression of Model I

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,663	0,171		3,887	0,000
	Gender Div of Director	-0,480	0,110	-0,325	-4,372	0,000
	Gender Div of Commissioner	-0,146	0,100	-0,101	-1,459	0,147
	CSR Committee	0,131	0,041	0,227	3,171	0,002
	Industry Sensitivity	0,118	0,030	0,319	3,927	0,000
	FirmSize	0,002	0,009	0,022	0,260	0,796

a. Dependent Variable: SDGS

Source: Processed secondary data, 2023

Table 11. Calculation of Partial Regression of Model II

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,087	0,059		1,472	0,143
	SDGS	0,102	0,089	0,095	1,148	0,253

a. Dependent Variable: Financial Performance

Source: Processed secondary data, 2023

Regression Model

From Table 10, the multiple linear regression equation can be prepared as follows:

Equation I

SDGS Disclosure = 0,663 - 0,325 Gender Diversity of Director – 0,101Gender Diversity of Commissioners + 0,227CSR Committee + 0,319Industry Sensitivity + 0,022 FirmSize + e

From the regression equation above it can be interpreted as follows:

1. Director gender diversity coefficient = -0.325, this shows that every additional female director in the board of directors structure will reduce SDGs disclosure by 0.325 assuming it has a significant influence.
2. Commissioner gender diversity coefficient = -0.101, this shows that every additional female commissioner in the board of directors structure will reduce SDGs disclosure by 0.101 assuming it has a significant influence.
3. CSR committee coefficient = 0.227, this shows that every additional function of the CSR committee in the company will increase SDGs disclosure by 0.227 assuming it has a significant influence.

4. Industry sensitivity coefficient = 0.319, this shows that each additional industry sensitivity will increase SDGs disclosure by 0.319 assuming it has a significant influence.
5. Company size coefficient = 0.022, this shows that each increase in company size will increase SDGs disclosure by 0.022, assuming it has a significant influence.

From Table 11, the multiple linear regression equation can be prepared as follows:
Equation II
Financial Performance = 0.095SDGS Disclosure + e
From the regression equation above it can be interpreted as follows:
SDGs disclosure coefficient = 0.095, this shows that every increase in SDGs disclosure value will increase financial performance by 0.095 assuming it has a significant influence

Partial Test

The t test on equation I is used to determine the partial effect of the board of directors' gender diversity variables, board of commissioners' gender diversity, CSR committee, industry sensitivity, and company size on SDGS disclosure. The calculation results in table 10 for the gender diversity variable for the board of directors get a t value of -4.372 with a significance of 0.000. A significance value of less than 0.05 indicates that gender diversity of the board of directors has a significant negative effect on SDGS disclosure, so the first hypothesis (H1) is rejected.

The results of multiple regression analysis for the board of commissioners' gender diversity variable show that the independent variable has a regression coefficient with a negative sign of -1.459, which means that the effect of gender diversity on the board of commissioners has a negative direction on SDGS disclosure. Furthermore, the significance value is 0.147 which is greater than the degree of confidence (α) 0.05. Thus, the second hypothesis (H2) is rejected.

The results of testing the CSR Committee variable show a positive direction where the t value is 3.171 with a significance value of 0.002 <0.05 which shows that the CSR committee has a significant positive effect on SDGS disclosure, so the third hypothesis (H3) is accepted. Furthermore, industry sensitivity also shows a positive direction with a t value of 3.927 and a significance value of 0.000 <0.05. Thus it can be said that industry sensitivity has a significant positive effect on SDGS disclosure or the fourth hypothesis (H4) is accepted.

The company size variable gets a t value of 0.260 with a significance greater than 0.05, namely 0.796. This shows that company size has no significant effect on SDGS disclosure so that the fifth hypothesis (H5) is rejected. The results of the regression analysis of equation II show that the SDGS variable has a t value of 1.148 but with a significance value of 0.253 > 0.05, so that the sixth hypothesis (H6) which states SDGS disclosure has a positive effect on financial performance, is rejected.

Table 12. Summary of Hypothesis Test Results

Hypothesis		Decisions
H1	Gender Diversity of The Board of Director → SDGs Disclosure	Rejected
H2	Gender Diversity of The Board of Commissioners → SDGs Disclosure	Rejected
H3	CSR Committee → SDGs Disclosure	Accepted
H4	Industry Sensitivity → SDGs Disclosure	Accepted
H5	Firm Size → SDGs Disclosure	Rejected
H6	SDGs Disclosure → Financial Performance	Rejected

Source: Processed secondary data, 2023

3.2 Discussion

The Effect of Gender Diversity of the Board of Directors on Disclosure of SDGs

The first hypothesis states that the board of directors' gender diversity has a positive effect on SDGS disclosure. Based on linear regression testing, the results obtained actually state the opposite, where gender diversity of the board of directors has a significant negative effect on SDGs disclosure. These results are supported by research data where a sample of companies that do not have female directors in their board of directors structure, one of which is PT. Kalbe Farma, Tbk disclosed SDGS in its sustainability report for 14 items out of a total of 17 items or 85% of the GRI disclosure target. On the other hand, PT. Bank CIMB Niaga Tbk, which has 6 female directors, discloses only 35% of SDGs.

The results of this research are not in accordance with research from (Nicolò, Zampone, et al., 2022) which states that more diverse gender in the structure of the board of directors has a positive influence on the disclosure of reports related to the SDGs. These different results are possible due to cultural differences in Indonesia which have not fully elaborated opportunities for women to occupy the highest positions in the management of large companies. Therefore, gender diversity among top leaders in Indonesian companies is still not varied, so support for achieving sustainable development goals is still not optimal.

The Effect of Gender Diversity of the Board of Commissioners on Disclosure of SDGs

The results of the regression test show that the second hypothesis which states that gender diversity in the board of commissioners has a positive effect on SDGs disclosure, is not supported. This can be interpreted as meaning that the role of women in the board of commissioners structure has not had an influence on the size of the SDGs target achievements disclosed by the company in the sustainability report. This result is not in accordance with research (Said & Ridwan, 2022), (D. N. Farida, 2019), and (Zampone et al., 2022) hich states that companies with female commissioners will be more concerned about the social environment so that SDGs disclosure will be higher.

This may be because the companies sampled in this study rarely have female commissioners in their board of commissioners structure. There were 62 companies whose overall board of commissioners structure was occupied by the male gender. Of the 62 companies, the average SDGs disclosure made was 68%. Meanwhile, for companies that have a female board of commissioners, the average SDGs disclosure is 60%. Therefore, support from female commissioners, who are expected to be more obedient and care about the environment, cannot be maximized by companies in Indonesia.

The Influence of the CSR Committee on SDGs Disclosure

The third hypothesis which states that the CSR committee has a positive effect on SDGs disclosure, is accepted. This can be interpreted that when a company has a CSR committee in managing its social and environmental responsibilities, the company will reveal more SDGs target achievements in their sustainability report. These results are in accordance with research (Amran et al., 2014) and (Fuente et al., 2017) hich states that the presence of a CSR committee is the most important factor in transparency of CSR management in order to achieve the sustainable development goals contained in the GRI. Companies that have CSR committees mean that they are serious about managing social and environmental responsibilities. Including in this case the fulfillment of SDGs targets in sustainability reports, the existence of a CSR committee will reflect better compliance and information disclosure. Based on research data, companies that do not have a CSR committee have an average level of SDGs disclosure at

61%, while companies that have a CSR committee have an average level of SDGs disclosure at 81.6%. This proves that the existence of a CSR committee significantly increases the disclosure of SDGs.

Effect of Industry Sensitivity on Disclosure of SDGs

The fourth hypothesis, which states that industry sensitivity has a positive effect on SDGs disclosure, is accepted based on the results of multiple regression analysis. This can be interpreted as meaning that companies in industries with high environmental sensitivity will reveal more sustainable development goals in their sustainability reports. On the other hand, companies that are members of low-profile industries or industries with low environmental sensitivity will report fewer sustainable development goal items in their sustainability report.

This result is in accordance with research from (Wahyuningrum et al., 2022) which explains that increasing industry sensitivity will also increase SDGs disclosure in its reports. This is proven by research data which shows that the average company in a low-profile industry discloses SDGs at an average rate of 57.3%, while companies in a high-profile industry disclose an average of 70.5% of SDGs. This proves that industry sensitivity is one of the factors driving companies to disclose more SDGs in their sustainability reports.

The Influence of Company Size on SDGs Disclosure

The fifth hypothesis stating that company size has a positive effect on SDGs disclosure is rejected. The regression results show that the size of the company does not determine whether the company reports more on achieving sustainable goals in their reports. These results are inconsistent with research (Arifianti & Widianingsih, 2022) and (Wahyuningrum et al., 2022) which state that larger companies tend to disclose more SDGs information. This can be proven from the research data, that companies with smaller than average sizes make disclosures of 62.4%, while companies with larger sizes than average disclose SDGs of 64.3%. This data can prove that the size of a company cannot significantly increase SDGs disclosure. Companies that have larger assets may be more focused on maintaining performance, especially during the observation period (2019-2022), many companies have been affected by the Covid-19 pandemic.

The Effect of SDGS Disclosure on Financial Performance

The results of the regression analysis state that the sixth hypothesis, which states that SDGS has a positive effect on financial performance, is rejected. This can be interpreted, the disclosure of sustainable development goals carried out by companies in sustainability reports, has not been able to have an impact on improving financial performance, which in this case is measured by ROE. These results are inconsistent with research of (Lawati & Hussainey, 2022) and (A. L. Farida, 2022) which state that disclosure of SDGs by companies can improve financial performance as measured by profitability. However, these results are consistent with research (Arifianti & Widianingsih, 2022) which explains that disclosing the company's role in participating in realizing the SDGs goals both qualitatively and quantitatively is unable to contribute to improving the company's financial performance. This may be due to the company disclosing SDGs in its sustainability report because it is closely related to environmental performance caused by the company's operational processes, but has not yet touched on the financial impact, because investors in making their investments have not paid attention to the company's sustainability report.

4. Conclusions

Based on the tests that have been carried out, it can be concluded that the results of this study are:

1. The board of directors' gender diversity has a significant negative effect on SDGs disclosure;
2. Gender diversity of the board of commissioners does not have a significant effect on SDGs disclosure;
3. The CSR Committee has a significant positive effect on SDGs disclosure;
4. Industry sensitivity has a significant positive effect on SDGs disclosure;
5. Company size does not have a significant effect on SDGs disclosure;
6. SDGs disclosure does not have a significant effect on the company's financial performance.

The limitations of this study are that many companies do not consistently report sustainability reports in the year of observation (2019-2022), and many companies do not have women directors and commissioners in their leadership structure, so the results of this study may differ from what was planned. Apart from that, the coefficient of determination for both model 1 and model 2 is also very low. This means that further research might be able to add other factors such as environmental performance or implementation of CSR in research related to SDGs.

References

Amran, A., Lee, S. P., & Devi, S. S. (2014). The Influence of Governance Structure and Strategic Corporate Sosial Responsibility Toward Sustainability Reporting Quality. *Business Strategy and The Environment*, *4*.

Arifianti, N. P., & Widianingsih, L. P. (2022). Kualitas Pengungkapan Sustainable Development Goals (SDGs) dan Financial performance Keuangan: Bukti Empiris atas Perusahaan Pertambangan di Indonesia. *Akuntansi Dewantara*, *6*(3), 68–78.

Endrikat, J., Guenther, E., & Hoppe, H. (2014). Making sense of conflicting empirical findings: A meta-analytic review of the relationship between corporate environmental and financial performance. *European Management Journal*, *32*.

Farida, A. L. (2022). Pengujian financial performance keuangan: Sustainable development goals sebagai intervening di Bursa Efek Indonesia. *Fair Value: Jurnal Ilmiah Akuntansi Dan Keuangan*, *4*(10), 4790–4796. https://doi.org/10.32670/fairvalue.v4i10.1650

Farida, D. N. (2019). Pengaruh Diversitas Gender Terhadap Pengungkapan Sustainability Development Goals. *Jurnal Akuntansi Indonesia*, *8*(2), 89. https://doi.org/10.30659/jai.8.2.89-107

Fuente, J. A., Garcia-Sanchez, I. M., & Lozano, M. B. (2017). The Role of The Board of Directors in The Adoption of GRI Guidelines for The Disclosure of CSR Information. *Journal of Cleaner Production*, *141*.

Ghozali, I. (2021). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 26* (10th ed.). Badan Penerbit Universitas Diponegoro.

Gray, R., Owen, D., & Adams, C. (1996). Changes and Challenges in Corporate Social and Environmental Reporting. In *Accounting and Accountability*. Prentice-Hall.

Haywood, L. K., & Boihang, M. (2021). Business and the SDGs: Examining the early disclosure of the SDGs in annual reports. *Development Southern Africa*, *38*(2), 175–188. https://doi.org/10.1080/0376835X.2020.1818548

Undang-Undang Republik Indonesia Nomor 40 Tahun 2007 Tentang Perseroan Terbatas, LL SETNEG 1 (2007). http://digilib.unila.ac.id/4949/15/BAB II.pdf

Izzo, M., Ciaburri, M., & Tiscini, R. (2020). The challenge of sustainable development goal reporting: The first evidence from Italian listed companies. *Sustainability*, *12*.

Lawati, H. Al, & Hussainey, K. (2022). Does Sustainable Development Goals Disclosure Affect Corporate Financial Performance? *Sustainability (Switzerland)*, *14*(13), 1–14. https://doi.org/10.3390/su14137815

Liao, L., Luo, L., & Tang, Q. (2015). Gender Diversity, Board Independence, Environmental Committee and Greenhouse Gas Disclosure. *The British Accounting Review*, *47*(4), 409–424.

Nicolò, G., Aversano, N., Sannino, G., & Tartaglia Polcini, P. (2022). Online sustainability disclosure practices in the university context. The role of the board of directors. *Corporate Governance (Bingley)*. https://doi.org/10.1108/CG-05-2022-0224

Nicolò, G., Zampone, G., Sannino, G., & De Iorio, S. (2022). Sustainable corporate governance and non-financial disclosure in Europe: does the gender diversity matter? *Journal of Applied Accounting Research*, *23*(1), 227–249. https://doi.org/10.1108/JAAR-04-2021-0100

Said, S. N. R., & Ridwan, R. A. (2022). Peran Diversitas Gender Dalam Pengungkapan Sustainibility Development Goals Pada Perusahaan Pertambangan Yang Terdaftar Di BEI. *Jurnal Mirai Management*, *7*(3), 321–329. https://doi.org/10.37531/mirai.v7i3.3467

Sekarlangit, L. D., & Wardhani, R. (2021). The Effect of The Characteristics and Activities of The Board of Directors on Sustainable Development Goal (SDG) Disclosures: Empirical Evidence from Southeast Asia. *Sustainability (Switzerland)*, *13*(14). https://doi.org/10.3390/su13148007

UNDP. (2023). *The SDGs in Action*. Undp.Org. https://www.undp.org/sustainable-development-goals

United Nations. (2020). *Take Action for The Sustainable Development Goals*. Un.Org. https://sdgs.un.org/goals

Wahyuningrum, I. F. S., Oktavilia, S., & Utami, S. (2022). The Effect of Company Characteristics and Gender Diversity on Disclosures Related to Sustainable Development Goals. *Sustainability (Switzerland)*, *14*(20), 1–13. https://doi.org/10.3390/su142013301

Wang, J., Song, L., & Yao, S. (2013). The Determinants Of Corporate Social Responsibility Disclosure: Evidence From China. *Journal of Applied Business Responsibility*, *29*.

Zampone, G., Nicolò, G., Sannino, G., & De Iorio, S. (2022). Gender diversity and SDG disclosure: the mediating role of the sustainability committee. *Journal of Applied Accounting Research*. https://doi.org/10.1108/JAAR-06-2022-0151