



## Sustainable development goals disclosure in the state-owned enterprises: Highlighting the role of the board of commissioners

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### Abstract

The Sustainable Development Goals (SDGs) are the second 15-year cycle after the Millennium Development Goals (MDGs), which purposes to maintain the balance of the three main dimensions of sustainable development, encompassing the environment, social and economy into a common and universal goal. Indonesia, as a country involved in the SDGs agreement, has followed up with the preparation of relevant programs in accordance with the main tasks of the relevant ministries and institutions. However, the achievement of SDGs should not be solely the task of the state or government. All elements in a country should participate in it, including business entities, especially State Owned Enterprises (SOEs). Therefore, this study aims to see how the role of business entities especially SOEs in supporting the achievement of the SDGs. The role of SOEs in this paper, is seen from corporate governance (CG) perspectives with concerning on the board of commissioners. A total of 20 SOEs became the sample of this study and produce 80 observations for three consecutive years (2015-2018). Secondary data in the form of corporate social responsibility disclosure in the annual report is the object of research. The annual report is obtained from the Indonesia Stock Exchange (IDX) database, completed by the data from the website of each SOEs. The financial data is sourced from the Bloomberg database.

The result shows that the board of commissioners (the board size of commissioners and independent commissioners) had a significant role in encouraging SOEs to achieve the SDGs presented in CSR disclosures. Gender on the board of commissioners and the number of meetings has not shown a significant role. Other findings indicate that company size is still a significant factor determining the disclosure of SDGs.

This study contributes on methodological aspect, that is the different perspective in viewing CSR based on SDGs item as measurement disclosure. It also provides evident that stakeholder theory is still relevant to explain the relationship between corporate governance and SDGs Disclosure. Last but not least, the findings lead to related parties in encouraging business entity to be more aware how important SDGs achievement is.

**Keywords:** Board of commissioners, corporate governance, SDGs, SOEs

### Introduction

Development principle “no one will be left behind” has come programme up to achieve *sustainable development goals* (SDGs) or *global goals*. The United Nation (UN) through United Nations Development Programme (UNDP) has declared agenda for SDGs on September 2015. The agenda is the second 15 years cycle after millennium development goals (MDGs) that finish on 2015. It aims to end poverty, protect the earth, and ensure that humans get peace and prosperity (undp.org, 2019).

The agenda invites all parties in every country, which involve in agreements to transform the world on the 2030 agenda SDGs; one of them is business entity. Business entity has an opportunity to give efforts in achieving the SDGs, to execute their wider responsibilities to embrace the societies in which the entities operate. (Oxfam, 2017). To address this challenge, good corporate governance (GCG) concepts can support corporations by encouraging CG organs to concern on the SDGs agenda. Monitoring the involvement of various parties requires supervision and control as a feedback to evaluate the running programs. However, the information about the involvement of business entity on development goals achievement is still very limited in both Millenium Development Goals (MDGs) and SDGs agendas. Such research can facilitate to identify the causes of achievement those programs.

Studies on corporate social responsibility have no specific encompassed on MDGs or SDGs. Most of them focus on extent of CSR disclosure with various measurements, for example, Giannarakis (2014, 2016) <sup>[8]</sup> used score ESG as CSR disclosure measurement and modified ESG score. Current CSR disclosure is deemed insufficient to describe SDGs programs. It requires a different direction and reporting model. Even, the United Nations Global Compact (UNGC) and the Global Reporting Initiative (GRI) collaborate to develop the ground-breaking Action Platform Reporting on the SDGs. They are inviting representatives from leading businesses to join its Corporate Action Group in 2018 to help influence a greater multi-stakeholder movement that will play a pivotal role in shaping the future of corporate reporting on the SDGs

Responding to the call for the involvement of business entities in achieving the SDGs, this study starts by looking at state-owned companies. State-owned companies should be pioneers in the success of government programs in supporting the UN program. The successful achievement of SDGs should be supported by the highest organizational body, represented by the board of commissioners. Therefore, this study aims to analyze how the role of SOEs in supporting the achievement of SDGs. The role of SOEs is understood from the structure and mechanism of CG with a focus on the board of commissioners.

The board of commissioners has been the focus of research in previous studies, which are linked to CSR. Some of the characteristics that have been of concern to researchers are board size, as in the research of Solikhah & Winarsih (2016)<sup>[23]</sup>, Restu et al. (2017)<sup>[21]</sup>, Qa'dan & Suwaidan (2018), Giannarakis (2014)<sup>[8]</sup>, Kilic et al. (2014)<sup>[13]</sup>, Said et al (2017)<sup>[22]</sup>, Leksono & Butar Butar (2018)<sup>[14]</sup>. Other characteristics are board independence (as in the studies of Kilic et al (2014)<sup>[13]</sup>, Said et al (2017)<sup>[22]</sup>, Ibrahim & Hanefah (2016)<sup>[11]</sup> Giannarakis (2014)<sup>[8]</sup>), gender on the board (as in the studies of Kilic et al (2014)<sup>[13]</sup>, Ibrahim & Hanefah (2016)<sup>[11]</sup> Giannarakis (2014)<sup>[8]</sup>), Muttakin et al. (2015)<sup>[16]</sup>. Company size is used as a control variable as in the research of Giannarakis (2014)<sup>[8]</sup>, Muttakin et al. (2015)<sup>[16]</sup> Leksono & Butar Butar (2018)<sup>[14]</sup>. All the characteristics of the board of commissioners that have been mentioned are contained in the Giannarakis (2014)<sup>[8]</sup> model which is the main reference for this study.

In previous research, the impetus for companies to participate in achieving SDGs is explained by stakeholder theory. Another view that views the achievement of SDGs as a corporate strategy uses legitimacy theory, including if you want to see the consequences of achieving SDGs for the company. In this study only focuses on the antecedent or determinant factors of SDGs disclosure, related to this this research only uses stakeholder theory.

This study is expected to contribute in providing information and feedback to the government about the role of business entities, especially SOEs, in achieving SDGs. This study can also be a trigger for similar research in other sectors and efforts to identify the determinants of SDGs disclosure that indicate the achievement of SDGs.

## 2. Literature Review and Hypothesis Development

Stakeholder theory starts with the assumption that value is an explicit and undeniable part of business activities (Freeman, 1984)<sup>[5]</sup>. In stakeholder theory, it is stated that companies are not entities that only operate for their own interests but must provide benefits to their stakeholders. Stakeholder theory states that all stakeholders have the right to obtain information about the company's activities that can influence their decision-making. Stakeholders may choose not to use such information and may not even play a direct role in a company (Deegan et al., 2006)<sup>[2]</sup>. This is because stakeholders are considered to influence but can also be influenced by the company. Thus, the existence of the company is greatly influenced by the support that stakeholders provide to the company.

### Sustainable Development Goals (SDGs) Disclosure

What is meant by SDGs disclosure in this study is the SDGs content disclosed in the company's annual report in the CSR sub-chapter section, namely 17 goals. Seventeen Sustainable Development Goals Items (SDGs) are the world's best plan to build a better world for people and our planet by 2030. The SDGs were adopted by all United Nation (UN) member States in 2015. The SDGs are a call to action by all countries - poor, rich and middle income to promote well-being while protecting the environment. They recognize that poverty alleviation must go hand in hand with strategies that build economic growth and address a range of social needs including education, health, equality and employment opportunities, while tackling climate change and working to preserve oceans and forests (United Nations, 2019).

### Effect of Board size of Commissioners on SDGs Disclosure

The number of commissioners is considered important for the effectiveness of the board of commissioners, because a large board of commissioners represents a collection of expertise and organizational resources, such as having a specialization in auditing, specialization as a former top official of Bank Indonesia, and bringing his expertise into the company. A large board size should benefit the organization because it provides maximum supervision (Effendi, 2016)<sup>[4]</sup>.

Based on legitimacy theory, the board of commissioners needs to provide supervision so that the organization can carry out an economic and social action that is aligned and in line so that the company can legitimize its existence and contribute to the environment and society in which it operates. The large size of the board of commissioners in a company can make environmental disclosures of higher quality because there is a good supervision and monitoring system from the company (Solikhah & Winarsih, 2016)<sup>[23]</sup>. The large size of the board of commissioners results in effective coordination, communication, and decision making. Therefore, the board of commissioners will find it easier to control the CEO to disclose SDGs items. It is estimated that effective coordination in communication and decision making will lead to high quality of disclosure because the board of commissioners can carry out their role efficiently in controlling management performance for SDGs disclosure (Restu et al, 2017)<sup>[21]</sup>.

The description above is supported by the results of research by Solikhah Winarsih, (2016)<sup>[23]</sup>, Qa'dan & Suwaidan (2018), and Restu et al, (2017)<sup>[21]</sup> which state that the number of commissioners has a positive effect on SDGs disclosure. Based on the description above, the hypothesis formed is as follows:

H1: Board size of commissioners has a positive effect on SDGs disclosure

### Effect of Independent Commissioners on SDGs Disclosure

An independent board of commissioners is a member of the board of commissioners who is not affiliated with the board of directors, board of commissioners, controlling shareholders, and is free from any business relationship or other relationship that may affect the ability to act independently or only act for the benefit of the company (Ibrahim & Hanefah, 2016)<sup>[11]</sup>. An independent commissioner is needed to increase the independence of board members so that they are not always concerned with the interests of majority shareholders.

In stakeholder theory, companies need to think about the interests of all stakeholders and not just shareholders. This is because the company is in direct contact with individuals, people, and society in running their business. With the presence of independent commissioners, it is expected that the company can think more about the stakeholders affected by its business operations. Thus, a large proportion of independent commissioners will increase the board's ability to make decisions to protect stakeholders and prioritize the company (Kiliç, et al., 2014).

With the presence of independent commissioners, it is hoped that companies will pay more attention to disclosing SDGs because this program is a UN program that involves the whole world including business entities.

This description is in accordance with the results of research by Kilic et al (2014)<sup>[13]</sup>, Ibrahim & Hanefah (2016)<sup>[11]</sup> and Said (2017)<sup>[22]</sup> which state that the disclosure of SDGs is a priority for the company. With the presence of independent commissioners, it is hoped that companies will pay more attention to disclosing SDGs because this program is a UN program that involves the whole world, including business entities. Those researchers state that the proportion of independent commissioners has a positive effect on SDGs disclosure. Based on the description, the hypothesis formed is as follows:

H2: Independent commissioners has a positive effect on SDGs disclosure.

### **Effect of Female Board of Commissioners on SDGs Disclosure**

Diversity in the board structure has a better effect on managing the monitoring function, as diversity will increase the independence of the board structure. A board structure with diverse gender, ethnicity, or cultural backgrounds is likely to cause problems or questions that would not arise on a board with traditional characteristics (Muttakin et al. 2015)<sup>[16]</sup>.

Based on legitimacy theory, the existence of gender diversity in the company can make the company gain legitimacy from stakeholders because the company pays attention to gender equality by placing important structural positions. This can legitimize the company's position that if the company is willing to pay attention to the position of women in the company as a manifestation of the implementation of corporate social values, the company will be able to justify its existence as a company that performs legitimate social actions and upholds the rules, values and norms of society.

Gender diversity on boards produces positive effects on the decision-making process and firm performance as female directors are diligent, committed and engaged. Companies with female directors tend to have stronger corporate governance mechanisms than companies without female directors (Giannarakis, 2014)<sup>[8]</sup>. Female boards tend to use more non-financial performance such as innovation and corporate social responsibility to evaluate company performance (Giannarakis, 2014)<sup>[8]</sup>. SDGs disclosure is non-financial information so that with the presence of female commissioners they will tend to encourage SDGs disclosure compared to male commissioners so that if there are female commissioners SDGs disclosure will be higher. As a result, it has been suggested that gender diversity on the board of commissioners will be positively associated with the level of environmental disclosure (Ibrahim & Hanefah, 2016)<sup>[11]</sup>.

The description above is supported by the results of research by Kiliç et al (2014) and Ibrahim & Hanefah, (2016)<sup>[11]</sup> which state that the gender proportion of the board of commissioners has a positive effect on SDGs disclosure. Based on the description above, the hypothesis formed is as follows:

H3: Female board of commissioners has a positive effect on SDGs disclosure.

### **The Effect of Board of Commissioners Meeting on SDGs Disclosure**

From a stakeholder theory perspective, the frequency of meetings can be seen as a proxy for the time used by the board to carry out their duties and the level of monitoring activities (Effendi, 2016)<sup>[4]</sup>. FCGI (2011) states that board of commissioners meetings are a medium of communication and coordination between management. Thus, meetings are held to ensure the company can run well. Meetings will discuss issues related to the direction and strategy of the company, evaluate policies that have been taken or carried out by management, and address conflict of interest issues. Therefore, the more often the board of commissioners meets can be expected to increase the level of supervision of managers to encourage the level of voluntary disclosure information (Giannarakis, 2014)<sup>[8]</sup>.

SDGs disclosure has not been regulated in business entities, while SDGs disclosure is an important issue to be discussed in the board of commissioners meeting because SDGs disclosure is included in voluntary disclosure, it can be seen from SDGs matters which contain environmental sustainability and the sustainability of the lives of surrounding communities. Therefore, the more meetings held by the board of commissioners will make the company disclose more about the level of SDG disclosure.

This description is in accordance with the results of research by Leksono & Butar Butar (2018)<sup>[14]</sup> which states that the frequency of board of commissioners meetings has a positive effect on SDGs disclosure. Based on the description above, the hypothesis formed is as follows:

H4: Board of commissioners meetings has a positive effect on SDGs disclosure.

### **Research Methods**

This research uses a quantitative approach in the form of hypothesis testing, using secondary data. The research model connects four independent variables, and one control variable with one dependent variable, namely SDGs disclosure. The four independent variables consist of four components of good corporate governance (GCG), namely the number of commissioners and the independence of the board of commissioners, the proportion of gender in the board of commissioners and the frequency of board meetings, which are characteristics of the board of commissioners, while the control variable uses company size. Table 1 presents the research variables, their definitions and measurements.

Data on the disclosure of SDGs, board size, the proportion of independent commissioners, and the proportion of gender in commissioners are obtained from the annual reports of state-owned companies listed on the Indonesia Stock Exchange in the 2015-2018 period. Annual reports are obtained from two sources, namely the IDX website and also from the company website. Hypothesis testing is carried out by multiple linear regression analysis with, previously, a classical assumption test, so that the coefficient of each variable is free from bias (Ghozali, 2011).

**Table 1:** Variables and the Measurements

<b>Dependent Variable</b>	
<b>Variable's name</b>	<b>Measurement</b>
SDGs Disclosure	<p>SDGs disclosure is the submission of information regarding the support provided by the company to the Sustainable Development Goals (SDGs) program in the company's annual report.</p> $PSDGs: \frac{\text{Disclosure items of SDGs}}{\text{total item SGDs}} \times 100\%$ <p>For the number of goals disclosed, if there are goals disclosed, a number 1 will be given and goals that are not disclosed will be given a number 0, then summed and divided by the total SDGs items. Total items = 17 goals in sustainable development</p>
<b>Independent Variable</b>	
Board size	The size of the board of commissioners is the total number of members of the board of commissioners in one period of the company's financial year (Husnan, 2006)
Board Independence	<p>The proportion of commissioners is the percentage of the number of independent commissioners compared to all members of the board of commissioners (FCGI, 2010)</p> $PKI: \frac{\text{Number of independent commissioner}}{\text{Board size}} \times 100\%$
Gender of the board of commissioners (Female Board)	<p>The gender proportion of commissioners is the number of members of the board of commissioners who are female compared to all members of the board of commissioners (Kiliç et al., 2014)</p> $PGK: \frac{\text{Number of female commissioners}}{\text{Board size}} \times 100\%$
Board meetings	The frequency of commissioners' meetings is the number of meetings of the board of commissioners in one period of the company's financial year (FCGI, 2010).
<b>Control Variable</b>	
Company Size	The size of the company can be seen from the total asset value of the company in one period of the company's financial year ( Muttakin et al. 2015) <sup>[16]</sup> .

**Research Results**

There are a total of 27 SOEs from various sectors, which are listed on the Indonesia Stock Exchange. However, only 20 SOEs, which consecutively during the 2015-2018 period have complete data needed in this study, so that the total number of observations for four years is 80 (20 x 4).

Table 2 shows the results of descriptive statistical analysis of all variables used in this study. The average value of SDGs disclosure is 38.08%. This result shows that the average SOEs only discloses 6 items out of 17 SDGs items. For the first three years, six items of disclosure is an encouraging number, it is hoped that in the next 12 years SDG content can be added to the company's strategy and program so that at the end of 2030 the company can participate in achieving these targets better. The highest disclosure was made by Bank BRI in 2018 and the lowest disclosure was made by PT Jasa Marga in 2016.

Variables related to the board of commissioners include the board size of commissioners, commissioners independence, female board of commissioners, and the board meetings. The average value of the size of the board of commissioners is 6.4. This average value indicates that the sample companies have an average of six members of the board of commissioners. The highest number of board members (9 people) is owned by PT. Bank BNI Tbk. (2015 to 2018), PT. Bank BTN, Tbk. (2017 and 2018), PT. Bank BRI, Tbk. (2016 to 2017) and PT. Bank Mandiri, Tbk. (2015), while

the lowest number of board members (3 people) is owned by PT. Indofarma, Tbk. in 2016 to 2018.

The variable proportion of independent commissioners has an average value of 40.97%. The absolute data shows that the average sample company has three independent commissioners. The highest proportion of independent commissioners of 71.43% (6 people) was owned by PT. Bank BTN, Tbk. in 2016 and the lowest proportion of independent commissioners of 16.67% (1 person) was owned by PT. Jasa Marga (Persero) Tbk. in 2016.

The average proportion of female commissioners is 2.17%, indicating that not many of the sample companies have female commissioners. There are only 11 observations out of 80 observations, sample banks that have female commissioners. And there is only one observation of a sample bank that has two female commissioners, namely PT. Bank BTN, Tbk. in 2015. The largest proportion of female commissioners is 28.57%, while banks with no female commissioners are 69 observations.

The highest number of board of commissioners meetings was achieved by PT. Bank BTN, Tbk. in 2017, while the least number of meetings was held by PT. Garuda Indonesia (Persero) Tbk. in 2015 and 2016. The average frequency of meetings is 17.96, meaning that the average meeting conducted by the SOEs board of commissioners is 18 times a year.

**Table 2:** Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	Std. Deviation
Board size	80	6,00	3,00	9,00	6,4000	1,43730
Board Independence	80	54,76	16,67	71,43	40,9732	10,82015
Female board	80	28,57	,00	28,57	2,1721	5,75218
Board Meeting	80	45,00	6,00	51,00	17,9625	10,29618
Company size	80	6,84	14,14	20,98	17,7372	1,72061
SDGs	80	41,18	17,65	58,82	38,0882	8,82849
Valid N (listwise)	80					

The largest SOEs is PT. Bank BRI, Tbk in 2018, while the smallest company is PT. Indofarma, Tbk. in 2016. The average SOEs listed on the Indonesia Stock Exchange for the 2015-2018 period has a company size of Rp17.73. The average value of company size shows that the average SOEs is a large company because of this average value is closer to the highest value. All variables have a standard deviation smaller than 30% of the mean, except for the gender proportion of the board of commissioners (5.75) and the number of board meetings (10.30). This shows that except for these two variables, there is little variation.

**Statistical Test and Goodness of Fit Model**

Several tests were conducted to ensure that the coefficients in the regression test results would produce the best linear unbiased estimation, namely normality, multicollinearity, heteroscedasticity and autocorrelation tests. All tests show compliance with the specified criteria. All test results are shown in Table 3. The normality test results are shown by the Kolmogorov Smirnov value of 0.447 with a significance level greater than 0.988. This result indicates that the residual data is normally distributed, which means that the normality assumption is met. Multicollinearity, the results of which can be seen in table 4.5. Table. 4.5 shows that all

variables have a tolerance value greater than 0.1 and VIF smaller than 10 according to the criteria. These results explain that there is no multicollinearity problem in the research model. The Glejser test is used to see if heteroscedasticity occurs. Based on the Glejser test results, it can be seen that all independent variables have a significance value greater than 0.05, so there is no heteroscedasticity in this model. To determine the presence or absence of autocorrelation, the Durbin Watson (DW) test is used. The DW value is 1.848, greater than the dU value (1.7716) and smaller than 4-dU (2.2284) with n = 80 and k = 5. Based on these condition criteria, it can be concluded that there is no positive or negative autocorrelation.

The goodness of fit model test results show good results, as seen from the F coefficient value = 4.321 (sig 0.002). Goodness of fit model can also be seen from the determination value represented by the Adjusted R Square value. The research model has an Adjusted R Square value of 0.174. For social research, the value of 0.174 is considered good enough to represent the model, because there are so many factors in the field that could affect the dependent variable, but are not included in this study. The F value and adjusted R square are presented in table 3.

**Table 3:** Results of t, Collinearity, and Heteroscedasticity Test

	Standardized Coefficients			Collinearity Statistics		Heteroscedasticiy	
	Beta	t	sig	Tolerance	VIF	t	sig
Board size	-0,456	-2,06	0,043	0,214	4,678	1,268	0,209
Board Independence	0,416	3,254	0,002	0,639	1,565	-0,289	0,773
Woman board	-0,104	-0,965	0,338	0,904	1,106	-1,54	0,128
Board Meeting	-0,126	-0,911	0,365	0,544	1,837	-0,098	0,922
Company size	0,613	2,823	0,006	0,222	4,503	-1,59	0,116
Adjusted R Square	: 0,174						
F (sig)	: 4.321 (0,002)						
Durbin Watson (DW)	: 1,848						
Kolmogorof-Sminor Z (sig)	: 0,447 (0,988)						
a. Dependent Variable: SDGS							

**Hypothesis Test Results**

Multiple linear regression analysis was used to test four hypotheses. Of the four hypotheses, there is one accepted hypothesis, namely H2. Hypothesis 1 shows a significant relationship, but the direction is opposite to what was hypothesized. Hypotheses 3 and 4 show an insignificant relationship, so H1, 3, and 4 are not supported in this study. The hypothesis test results are presented in Table 3 in the standardized coefficients column.

Hypothesis 1 connects the number of board sizes with SDGs disclosure. The results of the analysis show a negative coefficient of the number of board of commissioners variable of 2.060 with a significance level of 0.043. This result indicates that the greater the number of board of

commissioners, the more SOEs play a role in achieving SDGs, which is indicated by the more SDGs content that is disclosed. Hypothesis 2 links board independence with SDGs disclosure. The regression analysis results show a positive board independence variable coefficient of 3.254 with a significance level of 0.002. This shows that independent commissioners have a significant positive effect on SDGs disclosure, as hypothesized. Hypothesis 3 is the effect of Gender of the board of commissioners on SDGs Disclosure. From the results of the analysis, a positive variable coefficient of 0.0965 was obtained with a significance level of 0.338. These results indicate that the gender of the board of commissioners has no significant effect on SDGs disclosure. Hypothesis 4 examines the effect

of the frequency of commissioners' meetings on SDGs disclosure. The board meeting coefficient is negative 0.126 with a significance level of 0.365 greater than 0.05. These results explain that the frequency of commissioner meetings has no effect on SDGs disclosure contrary to what is hypothesized. This study also found that company size (control variable) is significantly positively related to SDGs disclosure with a coefficient of 0.613 at a significance level of 0.006.

## Discussion

### Effect of Board size of Commissioners on SDGs Disclosure

The size of the board of commissioners has a significant negative effect on SDGs disclosure. This result indicates that the number of board members does not encourage companies to further improve SDGs disclosure. Some research explains that a larger board size has the potential to increase conflict between managers and shareholders (Raheja, 2003; Lipton and Lorsh, 1992). More board members also make it difficult to unify ideas (Brown and Mahoney, 1992), and difficulty making strategic decisions (Goodstein et al., 1994). These results are in accordance with the research of Solikhah & Winarsih (2016) [23], and Restu et al (2017) [21] which state that the number of commissioners has a negative effect on sustainability report (SR) and corporate social responsibility (CSR) disclosure.

### The Effect of Board Independence on SDGs Disclosure

The results of the analysis show that independent commissioners have a positive effect on SDGs disclosure as hypothesized. This finding shows the role of board independence in carrying out its function in encouraging management to fulfill the interests of various stakeholders. Members of the board of commissioners who are not affiliated with the board of directors, board of commissioners, controlling shareholders, and are free from any business relationships or other relationships that may affect the ability to act independently or only act for the benefit of the company (Ibrahim & Hanefah, 2016) [11] in the long term. A larger proportion of independent commissioners will increase the board's ability to make decisions to protect stakeholders and the company (Kilic et al., 2014) [13]. With an independent board of commissioners, company management is more effective and can improve company performance. Board independence is perceived as a check and balance mechanism to guarantee companies act in the interests of stakeholders (Khan, 2010). A larger or more dominant number of independent commissioners can also reduce agency problems and increase their power to pressure management to improve the quality of disclosure information. The findings of this study are in line with the research of Kilic et al (2014) [13], Ibrahim & Hanefah (2016) [11] and Said et al (2017) [22] which state that independent commissioners have a positive effect on disclosure.

### The Effect of Commissioner Gender on SDGs Disclosure

Based on the results of the calculations that have been carried out, the test results show that gender commissioners have no effect on SDGs disclosure. The presence of women on the board of commissioners and directors has no significant effect on SDGs disclosure. This result is not as hypothesized. Descriptive statistics show that the proportion of women on the board averages only 2.17%. The presence

of women on the board is still relatively small (minority), and may not play a role in determining decisions made by the board related to SDGs disclosure. The lack of role of women in decision-making can be caused by several things, including: differences in attitudes between women and men, where women tend to be risk averse and men who tend to take risks (risk taker), for example. This can make the already small proportion of women on the board of commissioners even more unacceptable. Another reason may be due to parental nurture. This allows that there is a cautious attitude of women in behavior and action which affects the decisions taken, coupled with the minority of women in the company resulting in the small influence of the board of directors and commissioners with female gender in determining a decision, in this case the disclosure of SDGs. This possibility, of course, still requires further analysis to prove it.

Women's positive traits such as being diligent, obedient, more ethical are not able to be proven to play a role in encouraging the achievement of SDGs, which is represented by more SDGs disclosures. Proportion, perhaps, on the other hand, is indeed one of the problems in Indonesia. This finding is in line with Giannarakis' (2014) [8] research which states that the gender proportion of commissioners has no effect on CSR disclosure.

### Effect of Board Meeting on SDGs Disclosure

This study found that the number of boards of commissioner's meetings has no effect on SDGs disclosure. The board of commissioners meeting is indeed a process for making a decision regarding company policy and a medium of communication, coordination among members of the board of commissioners in carrying out their duties as management supervisors to fulfill stakeholder interests, but what is discussed in the meeting may not only focus on SDGs. When viewed from the data, Table 1 shows an average of 17 meetings per year from the highest number of meetings of 51 times. The frequency of meetings is at least 6 times. From this data, it means that on average the Company meets once a month or occasionally twice. Perhaps this number is still insufficient to discuss all matters, including SDGs disclosure. Another possibility is that SDGs disclosures are made to fulfill government requirements and then handed over to a certain section for reporting, so they are not the focus of board meetings. However, further research is needed to ascertain the reasons for this. In previous research, related to CSR disclosure, Giannarakis (2014) [8] documented that the frequency of commissioner meetings has no effect on CSR disclosure, in line with this research finding.

### The Effect of Company Size (Control Variables) on SDGs Disclosure

Another finding that contributes to this research model is the significant influence of company size on SDGs disclosure. The larger the SOE, the more it will be able to fulfill the achievement of SDGs and disclose it in the company's report. Large companies are more highlighted by stakeholders and are more required to be able to fulfill the interests of various stakeholders, especially government-owned companies. In addition, large companies have more resources, both material and human resources to be able to meet the demands of the government as outlined through regulations and government fulfillment with other motives,

such as politics or national or international policies. The relationship between company size and disclosure has been widely proven to be significant and positive as in the research of Zaid, et al. (2019), company size is associated with CSR disclosure. Another finding that is identical to the findings of this study is given by Purnama & Prastiwi (2023) in the context of manufacturing companies.

### Conclusion

This study aims to investigate how the role of business entities especially SOEs in supporting the achievement of the SDGs by highlighting commissioner's board. The analysis concludes that board independence can play a role in encouraging company management to fulfill stakeholder interests through the achievement and disclosure of SDGs. The findings also inform management and investors to carefully determine the number of board members, because a large number of members does not contribute positively to SDGs disclosure. Board meetings and female board are not proven to encourage higher SDGs disclosure. Whether the frequency of meetings and the number of female board members are the cause needs to be studied further. Company size as a variable corroborates previous findings related to disclosure, namely that the larger the company, the more capable it is to carry out activities requested by stakeholders, thus increasing disclosure including SDGs disclosure.

The results of this study contribute to strengthening stakeholder theory in underpinning the relationship between the board of commissioners and SDGs disclosure, this time in the context of SOEs. In addition, stakeholders can use the proportion of board independence to see the effectiveness of the board of commissioners' duties as supervisors. SOEs management can use these findings to obtain feedback related to board meetings, female board and board size to be wiser in making decisions to increase or decrease their number.

Researchers should be more judicious in using these findings due to the following limitations. First, this research was conducted when there was no standard or report that facilitated the identification of SDGs content. The content analysis conducted is still based on CSR disclosure, so the level of subjectivity is very high, even though it has been reviewed by other parties. Recently, companies have been more transparent in communicating their activities and reporting on SDGs achievements as understanding of the importance of SDGs grows, so future research could be conducted to validate these findings. Secondly, the context of SOEs may not be generalizable to different corporate sectors, hence research in specific industries, for example, finance or banking should be conducted. Finally, this study has an adjusted R Square of 17.4%, which indicates that there are many other variables that can be studied such as ownership structure, company fundamentals.

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