Achieving SDGs: The Role of Independent Commissioners, Managerial Ownership, Audit Committees, and Profitability in the Manufacturing Industry

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Abstract. This research examines the influence of Independent Commissioners, Managerial Ownership, Audit Committees, and Profitability on the disclosure of Sustainable Development Goals (SDGs) in manufacturing companies in Indonesia. This secondary research uses quantitative data on 84 manufacturing companies that report sustainability reports from 2020 to 2022, with a total sample of 252. Independent commissioners are proxied by the ratio of the number of independent commissioners to total commissioners, managerial ownership is measured using the managerial ownership ratio, audit committees are measured using the number of audit committees, profitability is measured using return on assets, and SDGs disclosure is measured using the number of SDGs objectives. SPSS was used for hypothesis testing in this research. The results show that independent commissioners, managerial ownership, audit committees, and profitability have an impact on SDG disclosure.

1 Introduction

The United Nations (UN) adopted the Sustainable Development Goals Agenda, often known as the SDGs, in New York on September 25, 2015, as an international accord for global development. The SDGs contain a sustainable development agenda by identifying 17 goals that will be achieved by countries under the auspices of the United Nations by 2030 [1]. According to Presidential Regulation Number 59 of 2019, Article 3, the Indonesian government is dedicated to the disclosure of the SDGs. This regulation stipulates that national targets that are in accordance with the SDGs are not only a reference for government organizations, but also for non-governmental organizations, civil society organizations, philanthropy, business actors, academics, and other stakeholders who are involved in the planning, implementation, and evaluation of the SDGs in Indonesia.

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Presidency Regulation 59 of 2019 appoints the National Development Planning Agency (Bappenas) of the Republic of Indonesia to coordinate the SDGs' implementation in Indonesia. The Financial Services Authority (OJK) of Indonesia issued Regulation No. 51/POJK.03/2019 in 2019, mandating that all financial institutions, issuers, and public companies work towards the Sustainable Development Goals (SDGs) via the implementation of sustainable financing. Principles such as social and environmental risk management, inclusiveness, open and honest communication, collaboration, prioritization of important sectors, and responsible investment guide the execution of sustainable finance [2]. The stipulations delineated in the Financial Services Authority Regulation and the Presidential Regulation provide substantial justification for implementing the SDGs inside Indonesia's public corporations. This research looks at all companies that are listed on the Indonesia Stock Exchange (IDX) using both annual and ongoing reporting.

All of a company's actions in the areas of governance, economics, society, and the environment are its responsibility. The obligation to optimize responsibility still needs to be fulfilled, as seen by numerous companies in Indonesia that prioritize corporate value or profit over the significance of sound future governance [3]. According to [4], it is imperative that various manufacturing businesses be well-versed in sustainable development and the SDGs. With an emphasis on supply chain and corporate governance reporting, this research will analyze how manufacturing sector businesses disclose the Sustainable Development Goals (SDGs).

The disclosure of Sustainable Development Goals (SDGs) by corporations exhibits the notion of legitimacy. Legitimacy theory is seen as a resource for organizations to maintain commercial sustainability [5]. A corporation may have resources to ensure business continuity or use particular methods to achieve public awareness and approval. Disclosure of CSR initiatives or Sustainable Development Goals (SDGs) adopted by businesses might be part of the legitimacy strategy. Several factors, such as the presence of independent commissioners, the ownership structure by managers, the effectiveness of audit committees, and the return on assets (ROA), may impact the disclosure of Sustainable Development Goals (SDGs).

The appointment of independent commissioners, who comprise the company's managerial composition, is the primary factor that influences the SDGs. The General Meeting of Shareholders (GMS) resolutions are the basis for the selection of these commissioners. They must meet the criterion of being external members, ensuring their independence in executing their responsibilities [6]. The board of commissioners is tasked with independently overseeing and advising the board of directors to ensure compliance with corporate governance principles, as articulated in [7]. Research by [8] and [9] indicates that independent commissioners positively influence the disclosure of Sustainable Development Goals (SDGs). This suggests that the board of commissioners' involvement in the organization may enhance the dissemination of sustainability reports. This contrasts the research conducted by [10], which indicated that independent commissioners adversely affect sustainability reporting about Sustainable Development Goals. This suggests that corporations with an independent board of commissioners may need help to compel other companies to provide sustainable report disclosures.

The second element influencing the SDGs is managerial ownership, defined as the proportion of shares held by business management members [11]. Managerial ownership represents a dual role performed by firm management, functioning both as internal management and as shareholders, as stated in [12]. Managerial ownership significantly influences the company's structure, as it reflects the extent of power held by the manager who possesses shares in the organization. A higher degree of managerial ownership correlates with increased managerial authority and influence, enhancing the manager's capacity to impact strategic decision-making and reporting, ultimately benefiting the company. Research

by [13] and [14] indicated that managerial ownership positively influences the disclosure of sustainability reports in achieving Sustainable Development Goals. The significant ownership held by the company's management may compel the organization to publish its sustainability report. Conversely, the research conducted by [10] indicates that managerial ownership negatively impacts the disclosure of Sustainable Development Goals, suggesting that the level of managerial ownership inside the organization does not influence the disclosure of its sustainability governance report.

The third factor affecting the Sustainable Development Goals (SDGs) of the audit committee, as outlined by the National Committee on Governance Policy, states that the audit committee consists of individuals appointed by a larger assembly to execute designated responsibilities, charged with examining the company to ensure its independence is maintained [15]. An audit committee is a defined entity tasked with supervising and assessing the company's reporting process, requiring effective communication and coordination among its members to execute their responsibilities [16]. As stated in [17], the efficacy of internal control, particularly concerning information disclosure related to Sustainable Development Goals, shall be enhanced through the conduct of meetings and the integrity of the internal audit committee. Investigations carried out by [18] and [19] The Audit Committee positively influence the sustainability report's disclosure of the Sustainable Development Goals (SDGs). This illustrates the substantial influence of the audit committee in facilitating the dissemination of sustainability reports inside the firm. The research conducted by [20] indicates that the audit committee adversely impacts the disclosure of Sustainable Development Goals in manufacturing firms listed on the IDX in 2019, as the committee primarily concentrates on addressing audit findings and evaluating the quality of financial statements, neglecting the broader aspect of sustainable report disclosure.

The fourth aspect influencing the SDGs is ROA (Return on Assets), a ratio utilized to assess the overall efficacy in generating profits from accessible assets and the capacity to yield revenues from invested capital [21]. Return on Assets (ROA) is a frequently emphasized profitability measure, as it effectively demonstrates a company's potential to generate profits [22]. A more significant ROA number, indicative of profitability, correlates with increased information sharing by the company, including sustainability reports. Research by [23] indicated that return on assets (ROA) positively influences the disclosure of sustainability reports as a measure of profitability. A favorable correlation between profitability and managerial efforts in providing sustainability reports may be established. This indicates the management's intention to persuade investors of profitability and managerial competency, encouraging stakeholders to allocate their funds.

Research by [24] indicates that profitability, as measured by ROA, adversely affects the disclosure of the Sustainable Development Goals (SDGs). This suggests that companies with robust economic health exhibit minimal engagement with the SDGs, as profit-driven firms perceive social responsibility disclosures as detrimental to their profit margins. Research conducted by [25] indicated that Return on Assets (ROA) does not influence the disclosure of Sustainable Development Goals (SDGs), suggesting that the ROA figures in corporations cannot be utilized to produce sustainable reporting.

This study modifies research completed by [10], which investigates the independent board of commissioners, audit committees, and managerial ownership of Sustainable Development Goals (SDGs). This study will incorporate an independent variable, specifically Return on Assets (ROA), to assess the company's profitability. The inclusion of this variable is predicated on the notion that ROA can enhance the transparency of sustainability reports, leading organizations with higher profitability to demonstrate greater accountability to the public and stakeholders by disclosing more information than their peers in the same sector [26]. Research on the SDGs has not been done too much and still has different results. This is reinforced by [27] who stated that the number of accounting research

related to the SDGs is still small because the SDGs are a sustainability disclosure that has just been set by the government. Similarly, the research conducted by [28] which states that few researchers evaluate the quality of SDGs reports and suggest for further research in order to contribute to the assessment of characteristics that affect the reporting of companies in other countries. [29] in their research revealed the importance of studying the involvement of companies in the implementation of the SDGs.

1.1 Theoretical foundations

1.1.1 Theory of legitimacy

The legitimacy thesis was initially proposed by Dowling and Prefer in 1975. The legitimacy thesis posits that corporations must uphold duty and accountability to society. This is undertaken to achieve social acceptance and credibility by addressing community needs and establishing legitimacy as a corporation [30, 31]. Legitimacy theory is employed in research to examine the implementation of a company's environmental and social disclosures. Community support is essential for sustainability, continuity, expansion, and corporate reputation [32]. Legitimacy theory primarily examines the interplay between corporations and society. The legitimacy thesis posits that institutions are integral to society and must adhere to societal norms, as compliance enhances their legitimacy [33]. According to [19], Legitimacy theory is a corporate management strategy that aligns with the community, government, individuals, and community groups to ensure the company's sustainability. Internal stakeholders, including the independent commissioner, the extent of managerial ownership, the audit committee's function, and the company's varying return on assets (ROA) affect continuous disclosure.

1.1.2 Sustainable development goals (SDGs)

Sustainable Development Goals (SDGs) are a collection of initiatives that are intended to attain sustainable development on a global scale. These operations benefit individuals, the planet, prosperity, and international peace, including three dimensions: economic, social, and environmental [34]. The purposes and objectives of the SDGs are interrelated, universal, and broadly relevant across nations globally. The Sustainable Development Goals consist of 17 goals and 169 targets, effective from 2016 to 2030.

1.1.2.1 Basic principles of SDGs

According to [26], the SDGs encompass five fundamental principles that harmonize economic, social, and environmental factors. The five principles are:

1) People
2) Planet (Earth or environment)
3) Prosperity
4) Peace
5) Partnership

The principles in the above point are known as the 5 P's and contain 17 goals and 169 goals that are connected to each other so that they will be integrated for the sake of future sustainability that is more optimal in development.

1.1.2.2 History of sustainable development goals

The United Nations General Assembly established the Sustainable Development Goals (SDGs) in New York on September 25, 2015, and subsequently approved by 193 heads of state and government worldwide. The Sustainable Development Goals (SDGs) continue the Millennium Development Goals (MDGs) initiated by UN member states in 2000. The FAO (Food and Agriculture Organization of the United Nations) initiated the MDGs. They were driven by the inadequacy of food supply and the absence of a definitive commitment to address this issue. In 1974, the Declaration of the World Food Conference explicitly stated that every human being has the right to be free from starvation and malnutrition. After several summits, the idea of creating a special agenda in the form of a work plan for human welfare emerged. Finally, in September 2000, a global development commitment for the welfare of the people was made which was signed by 147 heads of government and heads of state, in the form of the Millennium Development Goals (MDGs). The MDGs is a declaration that sets 8 goals to be achieved in 2015. After the concept of the MDGs ends in 2015, the SDGs are here to replace the MDGs to answer the challenges in the coming year.

1.1.2.3 Differences between SDGs and MDGs

According to [26], The distinction between the SDGs and the MDGs lies in the fact that the MDGs impose significant responsibility for developmental performance objectives on poor and impoverished nations, while neglecting to assign a commensurate role to wealthy countries. Despite the MDGs, the SDGs more completely address the effect of development, both qualitatively by including concerns absent from the MDGs and numerically by aiming for the full achievement of each goal and objective. The Sustainable Development Goals (SDGs) emphasize the equitable involvement of all nations—developed, developing, and least developed—in the pursuit of development, ensuring that each country has equal roles and responsibilities in attaining the SDGs. The design and implementation of the MDGs is characterized by exclusivity and rigidity, excluding the participation of non-governmental stakeholders, including civil society organizations, academia, the business sector, and other groups. In contrast to the MDGs, the process of formulating the SDGs prioritizes a participatory process. In 2013, the UN Secretary-General created a forum or forum for a wide meeting with non-government stakeholders or government stakeholders of companies listed on the Indonesia Stock Exchange to prepare a sustainable development agenda. This is marked by the preparation of the SDGs which are adjusted by UN regulations internationally with previously a survey has been conducted to find out its implementation in Indonesia.

1.1.2.4 SDGs goals

The Sustainable Development objectives are 169 specific targets and 17 objectives. The Sustainable Development Goals (SDGs) are as follows:

1) Eliminate destitution in all of its forms on a global scale.
2) Promote sustainable agriculture, eliminate poverty, and improve food and nutrition security.
3) Guarantee the well-being of individuals of all ages and promote healthful living.
4) Guarantee that all individuals have access to quality education that is inclusive and equitable and provides support for continuous learning programs.
5) Empower all women and children and achieve gender equality.
6) Guarantee the sustainable management and availability of pure water and sanitation for all populations.

7) Guarantee universal access to modern, sustainable, affordable, and dependable energy.
8) Advocate for sustainable and inclusive economic growth, a completely productive workforce, and fair employment opportunities for all.
9) Develop resilient infrastructure that promotes inclusive and sustainable industrialization and facilitates innovation.
10) Address inequality on a global and domestic scale.
11) Create urban areas and communities that are sustainable, resilient, secure, and inclusive.
12) Guarantee sustainable production and consumption patterns.
13) Promptly implement measures to mitigate the effects of climate change.
14) Ensure the sustainable development of marine, oceanic, and maritime resources by converting and sustaining their utilization.
15) While inhibiting biodiversity loss, protect, restore, and promote sustainable use, combat desertification, and prevent and reverse soil degradation.
16) Encourage the development of inclusive and peaceful societies to assure equitable access to justice for all, promote sustainable development, and establish effective, accountable, and inclusive institutions at all levels.
17) Revitalize international partnerships and expand the scope of implementation to promote sustainable development.

1.1.3 Independent commissioner

The independent board of commissioners is essential for the corporation, tasked with comprehensive and detailed oversight in accordance with the articles of association and providing counsel to the board of directors (Law Number 40 of 2007). As stated in [7], the independent board of commissioners is responsible for independently overseeing and advising the board of directors to ensure that it performs its duties appropriately and complies with corporate governance standards. Law Number 40 of 2007 about Limited Liability Companies delineates that the responsibilities and roles of the independent board of commissioners include general and/or specialized oversight as stipulated in the articles of association, in addition to offering counsel to the board of directors. Article 108, paragraph (1) of Law Number 40 of 2007 stipulates that the board of commissioners oversees the management policy and overall operational direction of the company and its activities while also providing counsel to the board of directors. It is used to attain the company's objectives and goals.

According to [35], the substantial size of the independent board of commissioners allows for the inclusion of multiple specialists from diverse disciplines. The expertise and experience of certain specialists can be utilized to inform strategic decisions that enhance the company's value. The independent board of commissioners can significantly impact the disclosure of sustainability reports related to the SDGs, as they enhance corporate awareness regarding such disclosures. Independent commissioners ensure that the board of directors fulfills its responsibilities effectively and adheres to corporate governance standards [9].

1.1.4 Managerial ownership

Managerial ownership refers to a shareholder who also holds a managerial position within the organization, influencing decision-making processes [36]. Managerial ownership constitutes a dual role of firm management, functioning as internal managers and

shareholders, as noted in [12]. As stated in [37], managerial ownership enables managers to choose the company's plans and policies, as they simultaneously function as shareholders. Management ownership is the requisite percentage of shares held by management that actively participates in the company's decision-making processes, including commissioners and directors. Management ownership serves as an incentive for managers to attain optimal control and performance.

Increased management ownership of shares will enhance managerial performance. This is due to the positions they will assume, specifically in management and as proprietors of the organization. These managers will possess authority within the organization, both in decision-making and in accountability for the decisions made. Managers will diligently behave in the interests of shareholders, as their decisions impact future management performance and, consequently, the company's worth. Managerial ownership can influence the disclosure of Sustainable Development Goals (SDGs); greater managerial ownership in a corporation may exert pressure to publish the company's sustainability report [13].

1.1.5 Audit committee

The Financial Services Authority asserts that the audit committee is a group formed by corporate stakeholders, responsible to the firm's commissioners, charged with fulfilling the board of commissioners' responsibilities concerning financial information accountability. According to Financial Services Authority Regulation Number 55/POJK.04/2015, the audit committee must have at least three independent commissioners or external individuals who must perform their duties independently. The audit committee oversees corporate financial disclosures. Financial information management demands knowledge to conduct efficiently.

As delineated by the National Committee for Governance Policy, the audit committee comprises individuals appointed by a more extensive body to perform specific tasks, primarily overseeing the company's operations to ensure its independence is upheld [15]. An audit committee is a collective of individuals designated to oversee and evaluate the company's reporting process, necessitating communication and collaboration among its members to fulfill their duties [16]. The audit committee oversees financial accounts and non-financial reports, including sustainability reports, influencing the extent of a company's sustainability report disclosures based on the number of audit committees present. The recommendations for establishing a successful audit committee delineate various objectives, as noted in [15].

1) Financial Reporting
   The audit committee conducts independent supervision of the financial reporting process and external audits intended for dissemination to shareholders and other external entities.
2) Risk Management and Control
   The company's risk and control process is overseen by the audit committee, which acts independently to evaluate the board of directors' and commissioners' responsibility.
3) Corporate Governance
   To ensure that sound business practices are put into place, the audit committee conducts impartial oversight of the company's board of directors.

1.1.6 ROA

Return on Assets (ROA) is a metric used to evaluate a company's profitability relative to its assets, indicating its capacity to create profits from invested capital. Return on Assets (ROA) is a prominent profitability metric, effectively demonstrating a company's potential to generate profits [22]. A more significant ROA number, indicative of profitability, correlates with increased information sharing by the company, including sustainability reports. [21]

Articulated the benefits of Return on Assets (ROA) to assess a company's profitability. These benefits include aiding companies in identifying the optimal return on invested capital, evaluating the efficiency of various operational actions, and serving as a financial sector profitability analysis tool. Return on Assets (ROA) is crucial for evaluating a company's profitability. It serves as a tool for investors to assess the firm's performance, which subsequently influences their decisions to buy or sell shares associated with the company.
According to [38], ROA is the ratio of net profit to total assets, assessing the return on total assets post-interest and taxes. The return on total assets (ROA) is determined by comparing the net profit of common shareholders with total assets.

$$ROA = \frac{Nett\ profit}{Total\ Asset} \qquad (1)$$

A higher ROA value indicates superior corporate performance, reflecting an increased return on investment. A low Return on Assets (ROA) suggests the company's reliance on excessive debt, leading to elevated interest expenses that diminish net profit. The resultant value signifies the company's return on all assets allocated to it [37]. Return on Assets (ROA) can influence the disclosure of sustainability reports inside a corporation, as profitability, driven by managerial initiatives, may impact the reporting of sustainability efforts. This statement indicates the necessity for trust between shareholders and the company on the profitability and capability of the management team [23].

1.1.6.1 Independent commissioner for the sustainable development goals (SDGs)

Independent commissioners are the managerial composition of the company appointed based on the resolution of the General Meeting of Shareholders (GMS) with the criteria of being members from outside the company so that in carrying out their duties, members of the board of commissioners must be independent [6]. SDGs or Sustainable Development Goals is a sustainability report that reveals sustainable development goals globally [29]. Disclosure Sustainable Development Goals (SDGs) influenced by independent commissioners is an application of the theory of legitimacy. The theory of legitimacy is considered a resource for companies to maintain business continuity by making disclosures. The disclosure in question is to provide a social relationship between the company and the community. This is because the company has a responsibility to the community so that the community is able to accept and have social credibility by fulfilling the aspects contained in the Sustainable Development Goals (SDGs) for the needs of the community. Research conducted by [8,9] which explains Independent commissioners provide a beneficial influence on Sustainable Development Goals (SDGs). The positive correlation indicates that an increase in the number of independent commissioners inside the organization may enhance its understanding and propensity to publish sustainability reports, using the 17 Sustainable Development Goals (SDGs). This study formulates a hypothesis based on the theoretical framework and prior research about the impact of management ownership on the Sustainable Development Goals (SDGs),

H1: Independent commissioners have a positive and significant impact on the Sustainable Development Goals (SDGs).

1.1.6.2 Managerial ownership of the sustainable development goals (SDGs)

What constitutes managerial ownership is the proportion of a company's total shares owned by individuals in managerial roles [11]. According to [12], managerial ownership is a form of dual role carried out by company management by acting as the company's internal management and shareholders. Sustainable Development Goals (SDGs) are activities aimed

at sustainable development globally with three dimensions, namely economic, social, and environmental implemented in the form of activities for people, the earth, prosperity, and world peace [34]. The influence between managerial ownership and the disclosure of sustainability reports with the SDGs is related to the theory of legitimacy which is a management system in the company that will side with the community, the government, individuals and community groups that will support the company to continue to be sustainable. This is because company managers will make decisions in accordance with the interests of the company, namely by disclosing social information as widely as possible in order to increase the company's positive image to the public.

Research conducted by [13] and [14] explained shows the publication of sustainability reports has a favorable influence on the realization of Sustainable Development Goals when management ownership is present. The disclosure of SDGs will be positively affected by managerial ownership of a company's shares. This is because companies with strong managerial ownership are more likely to be pressured to submit their sustainability reports. Managerial ownership's effect on the SDGs has been the subject of prior study and theoretical analysis, a hypothesis is formulated in this study:

H2: Managerial ownership has a positive and significant effect on the Sustainable Development Goals (SDGs)

1.1.6.3 Audit committee to sustainable development goals (SDGs)

An audit committee is a group of individuals appointed to supervise and assess the company's reporting process which requires communication and coordination between audit members to carry out their job responsibilities [16]. SDGs is a sustainability report that has 17 goals that include 5 principles, namely people, planet, propertiy, peace and partnership [39]. The internal audit committee is responsible for overseeing supervision, financial reporting, risk management, and the execution of corporate sustainability reports, thereby linking its role to the relationship between the company and the community, a concept known as the theory of legitimacy. An audit committee within the company will motivate management to fulfill environmental and social responsibilities to the community, enhancing social credibility and acceptance among community members. Studies undertaken by [18] and [19] The Audit Committee positively influence the sustainability report's disclosure about the Sustainable Development Goals (SDGs). A positive influence suggests that the Audit Committee plays a significant role in guaranteeing the publication of sustainability reports within the organization, contributing to the creation of the Sustainable Development Goals (SDGs). This study formulates a hypothesis, as follows:

H3: The Audit Committee has a positive and significant impact on the Sustainable Development Goals (SDGs)

1.1.6.4 ROA to sustainable development goals (SDGs)

Return on Assets (ROA) is a statistic employed to evaluate the efficiency of generating profits from available assets and the ability to produce earnings from invested capital [21]. Return on Assets (ROA) is a significant profitability metric, accurately reflecting a company's capacity to earn profits [22]. One of the company's goals is to guarantee the sustainability of operational activities while optimizing profitability. Consequently, in addition to the anticipated long-term profits, the company's activities must align with its integrity and safeguard the surrounding environment. The SDGs will assist companies in attracting investor interest, establishing objectives, measuring performance, and managing adjustments to enhance the sustainability of their operations [27]. As assessed by ROA, profitability is associated with the company's legitimacy theory, which posits that a firm must optimize

profits and potential. Consequently, profitability indicates the company's viability and capacity to generate funds, enabling it to contribute socially and environmentally to society. Research by [26] indicated that profitability, as assessed by ROA, positively influences the disclosure of the Sustainable Development Goals (SDGs). A favorable correlation can be established between profitability and managerial efforts in providing sustainability reports, as management seeks to persuade investors of profitability and managerial competence, encouraging stakeholders to allocate their capital. This study formulates a hypothesis based on the theoretical framework and prior research concerning the impact of ROA on the SDGs, as follows:

H4: ROA has a positive and significant effect on the Sustainable Development Goals (SDGs)

2 Research model

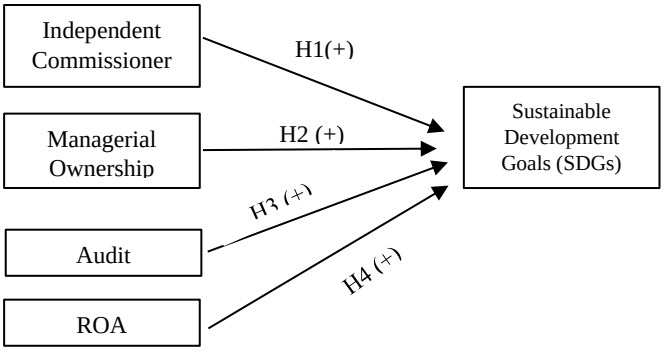

Fig 1. Research model

3 Research methods

3.1 Research object

This research examines manufacturing firms listed on the Indonesia Stock Exchange (IDX) from 2020 to 2022. The IDX facilitates the buying and selling of securities by providing relevant company information and serves as a capital market operator in Indonesia. With a vision of being a competitive and credible world-class exchange, IDX aims to create a trusted financial market infrastructure through innovative products and services. It offers information on trade summaries, statistical reports, stock data, bonds, sukuk, ETFs, derivatives, and company financial statements, among other data. IDX hosts public companies across various sectors, including agriculture, mining, industry, consumer goods, property, infrastructure, finance, and trade.

This research employs secondary data, including financial statements and sustainability reports from the IDX, government publications, and prior studies. According to [40], a population includes objects or subjects with certain qualities and characteristics the researcher defines. Sugiyono explains that a sample is used when studying all populations, which is impractical due to limited funds, energy, and time. This study examines a cohort of manufacturing firms listed on the Indonesia Stock Exchange (IDX) from 2020 to 2022. The selection of respondents was executed by purposive sampling. Purposive sampling denotes the selection of a sample according to predetermined criteria. The criteria for this study sample are:

1) Manufacturing companies that are registered on the IDX and have been fully audited during 2020-2022.
2) Manufacturing companies that have published a full sustainability report during 2020-2022.

3.2 Research variables

The Independent variable is often called the predictor stimulus variable, the antecedent. According to [40], an independent variable is a variable that either influences or causes the change or appearance of the dependent variable (bound). This research consists of two independent variables, namely Independent Commissioner (X1), Managerial Ownership (X2), Audit Committee (X3), and Return on Asset (X4).

A dependent variable is affected by or results from an independent variable [40]. The dependent variable in this research is the Sustainable Development Goals (SDGs).

3.3 Variable operational definition

3.3.1 Independent commissioner

The company's managerial composition comprises independent commissioners appointed by the General Meeting of Shareholders (GMS). These members are required to be independent in the performance of their responsibilities [6]. The computation for the independent board of commissioners variable in this study, as cited in article [7], entails dividing the entire count of independent commissioners by the overall membership of the board of commissioners. The computation can be ascertained using the subsequent formula:

$$Independent\ commissioner = \frac{Number\ of\ independent\ commissioners}{Number\ of\ commissioners} \quad (2)$$

3.3.2 Managerial ownership

The percentage of shares owned by a company's management members is called managerial ownership [11]. Managerial ownership represents a dual role of firm management, functioning as internal and shareholder, as noted in [12]. This study calculates managerial ownership based on the methodology outlined in [10] by determining the percentage of shares held by management relative to the total number of outstanding shares. The calculation of management ownership can be determined using the below formula:

$$Managerial\ Ownership = \frac{Number\ of\ shares\ owned\ by\ management}{Number\ of\ Shares\ Outstanding} \quad (3)$$

3.3.3 Audit committee

An audit committee is a group of individuals appointed to supervise and assess the company's reporting process which requires communication and coordination between audit members to carry out their job responsibilities [16]. According to [10], the audit committee variable can be measured by the availability of the number of audit committees within the company, which can be seen in the annual report of each company.

3.3.4 Return on asset (ROA)

Return on Assets (ROA) is a frequently emphasized profitability measure, as it effectively demonstrates a company's potential to generate profits [22]. As stated in [38] in the research of [25], ROA is the ratio of net profit to total assets, quantifying the return on total assets after accounting for interest and taxes. Return on total assets (ROA) is determined by evaluating the net profit attributable to common shareholders about total assets.

$$ROA = \frac{Nett\ profit}{Total\ Asset} \qquad (4)$$

3.3.5 Sustainable development goals (SDGs)

The United Nations characterizes the Sustainable Development Goals (SDGs) as a worldwide initiative for sustainable development. The Sustainable Development Goals comprise 17 objectives: 1) Eradication of poverty; 2) Elimination of hunger; 3) Healthy and prosperous existence; 4) High-quality education; 5) Gender parity; 6) Access to clean water and adequate sanitation; 7) Affordable and clean energy; 8) Decent employment and economic development; 9) Industry, innovation, and infrastructure; 10) Narrowing the disparity; 11) Sustainable urban areas and communities; 12) Ethical consumption and production; 13) Climate change mitigation; 14) Marine ecosystems; 15) Terrestrial ecosystems; 16) Peace, justice, and resilient institutions; and 17) Collaborative efforts to attain objectives. This study measures the implementation of SDGs by the number of goals articulated by the company, with a maximum value of 17, as referenced in research conducted by [39, 41].

3.4 Test data instruments

3.4.1 Classical assumption test

The classical assumption test functions as an initial screening in a regression model so that it will give rise to an assessment regarding the main research requirements and the fulfillment of data standards in processing. This test will assess the data with the Best Linear Unbiased Estimator so that the data must be tested for classical regression assumptions, namely as follows:

3.4.1.1 Normality test

A normality test was performed to ascertain if the variables had a normal distribution inside the regression model. An effective regression model has a standard or approximately normal distribution of data. Data that follows a normal distribution will diminish the likelihood of bias.

The Kolmogorov-Smirnov (K-S) nonparametric statistical test is employed to assess the normality of residuals. If the Kolmogorov-Smirnov test yields a significant result below 0.05, the residual data is not normally distributed. The residual data is regularly distributed if the Kolmogorov-Smirnov test yields a considerable result beyond 0.05.

3.4.1.2 Autocorrelation test

The autocorrelation test investigates the relationship between variables in periods t and t1 in a linear regression equation. Autocorrelation typically occurs in regressions with time series data, such as monthly or yearly observations, so the test pertains to temporal aspects. An ideal

regression model should have no autocorrelation. The Durbin-Watson (D-W) test, as stated in [42], will ascertain the presence of autocorrelation. The specifications for the Durbin-Watson test are as follows:

1) The null hypothesis is rejected, indicating the presence of autocorrelation when d < dL or > (4-dL),
2) When d is situated between dU and (4-dU), the null hypothesis is accepted, indicating the absence of autocorrelation.
3) If dL is situated between dU and dU or between (4-dU) and (4-dL), it fails to yield a definitive result.

3.4.1.3 Heteroscedasticity test

The heteroscedasticity test assesses if there is a variance inequality among the residuals of the regression model. Variations in residual variances among observations are referred to as heteroscedasticity. An effective regression model does not display heteroscedasticity [42].

The Glejser test can identify heteroscedasticity. The Glejser test detects heteroscedasticity by regressing the absolute value of the residuals against the independent variable that significantly influences the dependent variable. If the significance probability value exceeds the 5 percent confidence threshold, it is inferred that the regression model is free from heteroscedasticity.

3.4.1.4 Multicollinearity test

The multicollinearity test assesses the regression model and examines the correlation among independent variables, as stated in [42]. An efficient regression model should have no correlation with its independent variables. The tolerance value and the variance inflation factor (VIF) used to analyze multicollinearity. The multicollinearity assessment is deemed good if the tolerance value surpasses 0.10 (10%) and the VIF value remains below 10, indicating the absence of multicollinearity.

3.5 Hypothesis testing and data analysis

This study developed a model of multiple regression equations to determine the influence of interdependence on both variables [42].

3.5.1 Multiple linear regression analysis

This analysis was carried out using multiple regression with the regression equation as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4\ e \qquad (5)$$

Where:

Y	: Sustainable Development Goals (SDGs)
X1	: Independent Commissioner
X2	: Managerial Ownership
X3	: Audit Committee
X4	: Return on Asset
a	: Constant.
B1-B4	: Regression coefficient
e	: error term

3.5.2 Test f

According to [42], the F statistical test determines if all independent variables in the regression model collectively influence the dependent variable. The criteria for decision-making stipulates that if the F value exceeds 4, then the null hypothesis (Ho) is rejected at a 5% significance level. This indicates the acceptance of Ha, signifying the simultaneous and meaningful impact of all independent factors on the dependent variable.

3.5.3 Coefficient of determination test

The coefficient of determination (R^2) fundamentally assesses the model's capacity to explain the variability in the dependent variable [42]. The coefficient of determination ranges from zero to one. The coefficient of determination is influenced by the number of independent variables in the model, its primary limitation. Consequently, using the R^2 value for assessing the optimal regression model is advantageous.

3.5.4 Test t

The t-statistical test indicates the extent to which an individual independent variable accounts for the variation in the dependent variable, as stated in [42]. The t-test is employed for hypothesis testing at a significance level of 5%. The hypothesis is accepted if the P value (significance) is below 0.05 and the regression coefficient corresponds with the hypothesis. All assessments in this study, including classical assumption tests and statistical analyses, utilize the SPSS for Windows software.

4 Research results and discussion

4.1 Overview of research objects

This study utilizes a quantitative technique using secondary data. The data used consists of financial statements from the Indonesia Stock Exchange (IDX) and sustainability reports released by the firm. The population of this research consists of manufacturing companies listed on the Indonesia Stock Exchange from 2020 to 2022. The selected sample is a manufacturing business picked based on the criteria set by the researcher. The sampling technique utilizes purposive sampling, resulting in a dataset including 252 samples.

4.2 Descriptive statistical analysis

Based on the responses of respondents in the questionnaire data that has been thoroughly processed, descriptive statistics offer a comprehensive view of each measurement item on all variables. In this context, mean values, standard deviations, and supplementary information, including maximum and minimum values, are present. Descriptive statistics effectively offer a comprehensive perspective on the data distribution and the primary characteristics that can be inferred from each observed variable. The table below illustrates the outcomes of descriptive statistics:

Table 1. Descriptive Test Results

Variable	Minimum	Maximum	Mean	Std. Deviation
Independent Commissioner	,17	,83	,4156	,12755

Variable	Minimum	Maximum	Mean	Std. Deviation
Managerial Ownership	,00	120,00	,5922	7,57261
Audit Committee	1,00	5,00	3,0357	,38227
Return on Asset	,00	,82	,0814	,10403
Sustainable Development Goals	,00	17,00	6,4563	6,09634

Source: Attached SPSS Output

From the table, it can be known about the characteristics and distribution of data on several variables that are the focus of the research. First, when looking at the mean value of the Independent Commissioner variable of 0.4156, it can be concluded that the respondents generally show a positive attitude and have a good understanding of the statements on the Independent Commissioner item. This indication shows that respondents tend to have a fairly good level of manufacturing companies in reporting the disclosure of the SDGs. The Managerial Ownership variable with a mean value of 0.5922 reflects the average level of respondents in showing poor ability to make statements on the Managerial Ownership item. This indicates that respondents generally need more disclosure in sustainability reports about achieving the Sustainable Development Goals (SDGs). The Audit Committee's mean value of 3.0357 indicates the average respondents' positive attitude and comprehension of the Audit Committee's assertions. This indication shows that respondents tend to be quite good in having a level of disclosure of sustainability reports with SDGs consideration. Switching to Return on Asset (ROA) with a mean value of 0.0814, this figure reflects the average level of respondents in showing a poor understanding of statements on ROA items. This indication shows that respondents tend to have a poor level of disclosure of sustainability reports with SDGs measurement. Finally, the Sustainable Development Goals (SDGs) with an average score of 6.4563 respondents in showing a poor understanding in reporting the SDGs.

The managerial ownership variable has the highest standard deviation value of 7.57261. This can be interpreted as the existence of a very varied and widespread variation of answers among respondents related to statements on managerial ownership items. With a high standard deviation value, it can be concluded that the distribution of data on the item covers a wider range, indicating a large diversity in respondents' responses to managerial ownership. In contrast, the lowest standard deviation is found in ROA items with a value of 0.10403. The interpretation of this value is that the ROA item indicates a more limited or narrow distribution of data, with the variation of answers given by respondents tending to be uniform or similar to each other. This standard deviation analysis provides further insight into the distribution of data and the degree of variation in respondents' responses to each questionnaire item.

4.3 Classical assumption test

4.3.1 Normality test

The normality test is a statistical procedure used to determine if the data collected from the research instrument adheres to a normal distribution. The normalcy test seeks to clarify the data's distribution patterns and assist the researcher in evaluating whether the data meets the normality assumptions often required in later statistical analysis. The significance value, or Sig., is pivotal in decision-making derived from the normality test results. If the significance value exceeds the critical threshold of 0.05, it can be concluded that the investigated data demonstrates a normal distribution. A significance value below the critical threshold of 0.05 indicates that the investigated data does not adhere to the assumptions of a normal distribution. The results of the normality evaluation are displayed in the table below:

Table 2. Normality Test Results

Variable	Mr	border	Information
Unstandar Residual	0.358	> 0,05	Usual

Source: Attached SPSS Output

The results in Table 2 indicate that the asymp.sig value is 0.358, which much exceeds the critical threshold of 0.05. Consequently, the observed data tends to have a normal distribution. A significance value surpassing the crucial threshold of 0.05 suggests a lack of statistical evidence to substantiate the premise that the data do not conform to a normal distribution.

4.3.2 Heteroscedasticity test

The homoscedasticity test in the multiple linear regression model emphasizes that the interference or error that occurs in the regression must have a constant or equal variation. This means that the variation of the permutation should not change along the range of independent variable values. Ensuring homoskedasticity is important to maintain the validity of regression analysis results, as heteroscedasticity, or inconsistent variation of disturbances, can result in inaccurate parameter estimation and standard errors that can lead to misinterpretation and improper decision-making. The outcomes of the Heteroscedasticity test are presented in the subsequent table:

Table 3. Heteroscedasticity Test Results

Variable	Sig	border	Information
Independent Commissioner	0.431	>0.05	No heteroscedasticity occurs
Managerial Ownership	0.609	>0.05	No heteroscedasticity occurs
Audit Committee	0.561	>0.05	No heteroscedasticity occurs
Return on Asset	0.534	>0.05	No heteroscedasticity occurs

Source: Attached SPSS Output

It may be inferred from Table 3's data that the limit or probability value (p-value) is higher than 0.05. This suggests that the null hypothesis—that there is no heteroscedasticity in the variables examined in the research, including Independent Commissioners, Managerial Ownership, Audit Committee, and ROA—can not be rejected statistically. The variables suggested in the research tend to fulfill the assumption of homoscedasticity, where the variation of interference or error in the regression model is generally constant, if the probability value is greater than the critical threshold of 0.05. This conclusion strengthens the reliability of the regression analysis and ensures that parameter estimation and interpretation of results can be considered more valid in the context of homoscedasticity assumptions.

4.3.3 Multicollinearity test

The multicollinearity test determines the correlation among independent variables within the regression model. An effective regression model must exhibit no correlations among independent variables. The author utilizes Variance Inflation Factors (VIF) for the multicollinearity testing phase. The assumptions are as follows.

1) The VIF<10 value and the tolerance value of >0.01 mean that the model is free from multicollinearity symptoms.

2) The VIF>10 value and the tolerance value of <0.01 mean that the model has symptoms of multicollinearity.

Table 4. Multicollinearity Test Results

Variable	Tolerance	VIF	Information
Independent Commissioner	0.505	1.979	No multilinearity occurs
Managerial Ownership	0.662	1.511	No multilinearity occurs
Audit Committee	0.848	1.179	No multilinearity occurs
Return on Asset	0.547	1.829	No multilinearity occurs

Source: Attached SPSS Output

According to Table 4, the multicollinearity test results indicate that each independent variable possesses a tolerance value beyond 0.01 and a VIF value below 10, confirming that the model lacks multicollinearity symptoms.

4.3.4 Autocorrelation test

In a linear regression model, the autocorrelation test seeks to determine if the perturbation error in the t-period and the perturbation error in the t-1 period are related. An autocorrelation issue occurs when there is a correlation. Autocorrelation may be found using statistical techniques like the Durbin-Watson test (DW test). It does have one significant drawback, though: further clarification is needed on the precise distribution of the data. The following are the findings of this study's Durbin-Watson test (DW test):

Table 5. Autocorrelation Test Results

DU	DW	4-DU	Information
1,7279	1.829	2.2721	No Autocorrelation

Source: Attached SPSS Output

The computation indicates that the DW value of 1.829 lies between the du and (4-du) values of 1.7279 and 2.2721 (du < DW < 4-du), leading to the conclusion that there is no autocorrelation in the regression model employed in this investigation.

4.4 Hypothesis test and data analysis results

4.4.1 Determination coefficient test (R^2)

The coefficient of determination (R^2) is a statistic used to evaluate the degree to which a model accounts for variations in dependent variables by simultaneously including all independent variables. Increased R^2 values indicate a greater ability of independent variables to explain dependent ones. This research uses the R^2 value because several independent variables contribute to the explanation of the dependent variable. The following findings relate to the coefficient of determination test.

Table 6. Determination Coefficient Test Results

R-squared	0,257
F count	22,648
Sig F	0,000

Source: Attached SPSS Output

Table 6 reveals that the coefficient of determination (R^2) is 0.257, indicating that the independent variables—specifically, independent commissioner, management ownership, audit committee, and return on assets—together explain 25.7% of the variation in the sustainable development objectives variable. The remaining 74.3% is due to factors not included in this study model.

4.4.2 Test f

As indicated in [42], the F statistical test assesses whether all independent variables in the regression model collectively influence the dependent variable. The decision-making criterion is established when the significant value of F is below the confidence level of 5% or 0.05. On the other hand, the hypothesis (Ha) is adopted, suggesting that the dependent variables are significantly and simultaneously influenced by all independent factors. The author investigates whether the dependent variable, specifically sustainable development objectives, is concurrently influenced by all independent factors during this testing phase.

Table 7. Test Result F

R-squared	0,257
F count	22,648
Sig F	0,000

Source: Attached SPSS Output

The probability value of F is calculated as 22,648 and the probability is 0.000, as indicated by the results of the F test in Table 7. The sustainable development objectives are influenced by the variables of independent commissioner, managerial ownership, audit committee, and return on assets, as the sig value is 0.000 < 0.05.

4.4.3 Test t

The t-statistical test is a fundamental tool that illustrates the degree to which a single independent variable explains the variation in the dependent variable [42]. The hypothesis test employs the t-test with a significance level of 5%. The criterion stipulates that if the P value (sig) is less than 0.05 and the regression coefficient aligns with the hypothesis, the hypothesis is accepted.

Table 8. Test Results t

Variable	B	t count	Sig t	Information
(Constant)	0.446			
Independent Commissioner	0.431	2.611	0.010	Significant
Managerial Ownership	0.188	2.113	0.036	Significant
Audit Committee	0.242	3.238	0.001	Significant
Return on Asset	0.240	2.028	0.044	Significant

Source: Attached SPSS Output

A partial t-test was performed to assess the independent variable's partial impact on the dependent variable.

1) Table 8 above indicates that the regression test results indicate a probability value of 0.010 < 0.05 and a positive direction of 0.431. This demonstrates that hypothesis 1 can be accepted. Consequently, "independent commissioners have a positive effect on sustainable development goals".

2) According to Table 8, the regression test results indicate a probability value of 0.036, which is less than 0.05, and a positive coefficient of 0.188. This indicates that hypothesis 2 is validated. Managerial ownership positively influences sustainable development objectives.
3) The regression test findings shown in Table 8 indicate a probability value of 0.001, which is less than 0.05, and a positive direction of 0.242. This indicates the acceptance of hypothesis 3. The audit committee positively influences the sustainable development objectives.
4) The regression test outcomes obtained from table 8 above indicate that the probability value is 0.044, which is less than 0.05 and has a positive orientation of 0.240. This demonstrates that hypothesis 4 is approved. This indicates that "return on assets has a positive effect on sustainable development goals".

4.5 Discussion

4.5.1 The influence of independent commissioners on the sustainable development goals

Hypothesis (H_1) test results for variables independent commissioner indicates that independent commissioners have an influence on sustainable development goals. The findings of this study align with the research undertaken by [8,9], which indicates that independent commissioners positively influence Sustainable Development Goals (SDGs). The positive correlation is evidenced by the increase in independent commissioners within the company, which enhances the organization's awareness and propensity to disclose sustainability reports aligned with the 17 Sustainable Development Goals (SDGs) [35]. The impact of independent commissioners on the disclosure of Sustainable Development Goals (SDGs) exemplifies the application of legitimacy theory. The principle of legitimacy serves as a resource for corporations to ensure company survival through disclosures. The disclosure establishes a social engagement between the corporation and the community. The corporation must ensure its acceptance and social credibility by addressing the elements outlined in the Sustainable Development Goals (SDGs) for the community's needs.

An independent commissioner within a firm can influence the organization's reporting concerning the Sustainable Development Goals (SDGs). Independent commissioners typically possess a more expansive and impartial viewpoint regarding environmental, social, and corporate governance (ESG) matters. This may motivate corporations to embrace more responsible and sustainable business practices following sustainable development goals. Including independent commissioners can enhance the integrity and transparency of corporate reporting about attaining the SDGs, as they typically supervise the reporting process and guarantee that the information provided to stakeholders is precise and pertinent. Independent commissioners can significantly contribute to ensuring that corporations implement tangible and sustainable measures supporting the sustainable development objective. Consequently, it is determined that an increased presence and influence of independent commissioners within a corporation correlates with enhanced reporting on the Sustainable Development Goals (SDGs).

4.5.2 The effect of managerial ownership on sustainable development goals

Hypothesis test results (H2) for variables Managerial ownership indicates that Managerial ownership affect the sustainable development goals. The results of this study are in line with the results of research conducted by [13, 14, 43] explained that managerial ownership has a

positive effect on the disclosure of sustainability reports in realizing Sustainable Development Goals. Managerial ownership of shares in a company will have a good influence on the disclosure of SDGs because with the high ownership Managerial Companies can put pressure on them to disclose their sustainability reports. Managerial ownership, which refers to stock ownership by managers or high-level executives within a company, can affect the reporting of related companies Sustainable Development Goals (SDGs) in several ways. Managers with shareholdings often own a long-term vested interest in the company's success, prompting them to include environmental, social, and corporate governance (ESG) factors in their business choices and reporting. Furthermore, the presence of a firm manager will facilitate decision-making aligned with the company's goals, namely by disseminating social information extensively to enhance the company's favorable public image. Managers with equity stakes are often more aware of the long-term consequences of their actions on the company's image, financial performance, and stakeholder relations. Therefore, managerial ownership can enhance the organization's dedication to sustainable business practices and augment accountability over attaining the SDGs in corporate reporting. Consequently, managerial ownership inside a corporation enhances its reporting on the Sustainable Development Goals (SDGs).

4.5.3 The impact of the audit committee on the sustainable development goals

Hypothesis test results (H3) for variables Audit Committee indicates that Audit Committee affect the sustainable development goals. The findings of this study align with the outcomes of research undertaken by [18] and [19]. The Audit Committee improves the clarity of the sustainability report's disclosures. Quantification The audit committee is essential for facilitating the publication of sustainability reports inside the organization, assisting in the formulation of the Sustainable Development Goals (SDGs). The internal audit committee supervises financial reporting, risk management, and the execution of the business's sustainability report, so linking its function to the connection between the firm and the community, a notion referred to as the principle of legitimacy. The presence of an audit committee inside the business will motivate management to fulfill environmental and social responsibilities to the community, hence enhancing community acceptability and social legitimacy. Moreover, the audit committee's supervision and examination of the company's financial and operational statements can guarantee that the information in the company's report is precise, transparent, and relevant to sustainable development objectives. By concentrating on ESG (environmental, social, and corporate governance) elements, the audit committee may ensure that firms appropriately identify, evaluate, and report their performance in achieving the SDG targets [44]. By offering management advice, the audit committee may help the firm adopt more sustainable business practices. By the sustainable development aim, an important audit committee may improve the company's reports' integrity and trustworthiness. Thus, a company's SDG reporting will benefit from its audit committee.

4.5.4 The influence return on asset on sustainable development goals

The hypothesis testing results (H3) indicate that return on assets influences sustainable development goals. The findings of this study align with the research conducted by [26], which shows that profitability, as measured by ROA, positively influences the disclosure of the Sustainable Development Goals (SDGs). This positive correlation arises from the relationship between profitability and managerial initiatives in reporting sustainability. The management aims to persuade investors of profitability and managerial competency to encourage shareholder investment. A high Return on Assets (ROA) may indicate a firm's

efficient use of assets to create revenues and be good for its environmental and social impacts [21]. Firms exhibiting elevated ROA tend to possess more excellent resources for investment in sustainable business strategies, including reducing carbon emissions, environmental protection, community development, and enhancing eco-friendly products and services [22]. Consequently, corporate reporting encompassing financial performance metrics like ROA can offer a more comprehensive understanding of the company's role in advancing the SDGs, thereby enhancing openness and accountability in sustainable development initiatives.

5 Conclusions and suggestions

5.1 Conclusion

The study results have resulted in conclusions on the elements affecting Sustainable Development Goals (SDGs) in manufacturing firms listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. This research investigates the independent variables of independent commissioners, management ownership, audit committees, and return on assets (ROA). This paper delineates the study's findings.

1. Variable Independent commissioners have a positive effect on sustainable development goals. In other words, an increase in the number of independent commissioners will increase sustainable development goals, This is in line with research carried out by [8,9] and [35].
2. Managerial ownership variables have a positive effect on sustainable development goals. In other words, increasing managerial ownership will increase suistainable development goals, This is in line with research carried out by [13, 14, 43].
3. Audit committee variables have a positive effect on sustainable development goals. In other words, the increase in the number of audit committees will increase sustainable development goals, This is in line with research conducted by [18, 19, 44].
4. Variable return on asset has a positive effect on sustainable development goals. In other words, the increase in the number return on asset will improve sustainable development goals, This is in line with research done by [21, 22, 26].

5.2 Research limitations

This study has several limitations such as the limited time span of the study between 2019 and 2022 may limit the understanding of significant changes that occur after that period, such as policy changes or more actual market dynamics. In addition, geographical restrictions on companies listed on the Indonesia Stock Exchange (IDX) can make it difficult to generalize research results to industries or companies outside the geographical area.

Data collection methods also have potential limitations, especially if there is bias in the inaccuracy of the company's annual financial statements. In addition, this study is correlational, so it is difficult to establish cause and effect in the relationship between the variables studied. The characteristics of manufacturing company variations that may not be fully accommodated in the analysis can affect the generalization of the research findings. Finally, the sustainability of SDGs data may face delays or inconsistencies, which can affect the validity and reliability of the data.

5.3 Implication

5.3.1 *Theoretical implications*

This study seeks to improve the understanding of the implementation of sustainable development goals (SDGs), the role of independent commissioners, management ownership, audit committees, and return on assets (ROA). It also serves as an important reference for future research exploring these topics in more depth.

5.3.2 *Practical implications*

This study aims to provide insights for manufacturing companies, particularly those listed on the Indonesia Stock Exchange (IDX), about the actual use and comprehension of Sustainable Development Goals (SDGs) practices. The results may provide a reference for enhancing business performance, hence promoting improved impact and alignment with SDG objectives in the future.

5.4 Suggestion

Future research is expected to analyze the influence of the SDGs on manufacturing firms by incorporating a more diverse, thorough, and extensive sample of companies listed on the IDX. Expanding the sample's coverage can yield more profound and representative insights into the effects of SDG implementation in the industrial sector. Moreover, subsequent studies are anticipated to incorporate more recent and current data from each organization under investigation. Updating the data enables research to yield a more precise comprehension of the evolution and engagement of manufacturing firms in sustainable practices. Consequently, forthcoming research is anticipated to significantly enhance our understanding of the correlation between the SDGs and the performance of manufacturing firms, inform policy, and offer guidance for sustainable business practices moving forward.

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