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THE EFFECT OF FINANCIAL PERFORMANCE, ENVIRONMENTAL PERFORMANCE, TAX AVOIDANCE, AND GENDER DIVERSITY ON SUSTAINABLE DEVELOPMENT GOALS (SDGs)

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ABSTRACT

The purpose of this study is to determine the influence of financial performance, environmental performance, tax avoidance, and gender diversity on sustainable development goals (SDGs). Based on the background and after deepening the literature, the researcher found a research gap from previous research that examined the relationship between the Company and the SDGs. Until now, research that connects the influence of financial, environmental, and diversity factors on achieving the SDGs is still minimal. Therefore, this study aims to analyze the influence of the current ratio, free cash flow, environmental performance, tax avoidance, and gender diversity in the board on the company's contribution to supporting the SDGs goals. This research is expected to contribute to academic literature and business practices related to the role of companies in sustainable development.

This study uses a quantitative approach. The population in this study is all companies listed in the DES (Sharia Securities List) that have annual reports and sustainability reports for the 2021-2023 period. The sampling technique used in this study is purposive sampling. The sample in this study is 70 companies. The data collection technique in this study is using documentation techniques. The hypothesis test in this study uses the formula 1) T-test, 2) F-test, and 3) Determination Coefficient Test.

Based on the results of the data analysis processed and the discussion that has been described by the researcher, the following conclusions are reached: 1) The current ratio of companies has a positive effect on the SDGs. This is because companies that show greater liquidity and profitability tend to have the necessary resources to support the SDGs. 2) Free cash flow does not influence the SDGs. This can happen because free cash flow only shows the availability of funds, and how the funds are used. 3) Environmental performance has a positive effect on the SDGs. This can happen because by increasing environmental performance, companies can help support the global goals (SDGs) related to environmental sustainability. 4) Tax avoidance carried out by companies will hurt the SDGs. This is because taxes are one of the largest revenues owned by the state. 5) Board gender diversity has a positive influence on the SDGs. This happens because the level of equality in the board can encourage an inclusive work culture and will have an impact on company productivity.

Keywords: *financial performance,* environmental performance, tax avoidance, gender diversity, sustainable development goals *(SDGs).*

INTRODUCTION

Sustainable development goals (SDGs) are a global agenda that was agreed upon by the United Nations in 2015 to achieve inclusive, sustainable, and environmentally friendly development. The SDGs include 17 main goals with 169 targets covering social, economic, and environmental aspects, as well as encouraging the role of the business sector in achieving them (Andr, et.,all, 2024).

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Currently, the paradigm used in development in Indonesia is slowly starting to shift and no longer focuses on economic growth alone and is no longer based on the growth of physical infrastructure, but is more inclined to the development and development of the quality of its human resources. Efforts are made to develop the quality of existing human resources through education and improving the quality of the environment (Kahibela dan M. Djodi, 2020).

As an economic entity, companies have various internal factors that can affect their contribution to the SDGs. Issuers or companies are expected not only to focus on creating value or profits for the benefit of the company itself (Setyawan, et., al, 2022). The company also has responsibility for the social, economic, environmental, legal, and governance impacts of all company operating activities. Financial performance is an important thing that must be achieved by every company anywhere because performance is a reflection of the company's ability to manage and allocate its resources (Prasojo, 2015). In this case, the magnitude of a company's financial resources has a direct impact on its ability to achieve the SDGs because the implementation of effective corporate strategies for sustainability and competitive advantage requires the right financial resources (Pizzi et.,all, 2021).

In addition to the company's financial performance which has an impact on the growth of the SDGs, the company's environmental performance is an indicator of commitment to environmental preservation which is also one of the important pillars of the SDGs. Environmental performance refers to how a company plays a role in creating a green environment, which is an important step to achieving business success (Deomega, F. R., & Sari, B, 2023).

In addition to financial and environmental performance, tax avoidance is also a relevant issue. Indonesia is included in the countries categorized as developing countries. As an effort to support the development of the country, of course, a very large amount of funds are needed. One of the very large sources of funds in Indonesia can come from tax funds. Taxes are intrinsically related to development because taxation provides the revenue a country needs to mobilize resources and strengthen a country's infrastructure (Halim dan Rahman, 2022).

On the other hand, gender diversity in the board reflects the aspect of social inclusion in corporate governance. With a balance in the council, in this case, different genders, it will prevent the dominance of a group of parties in the decision-making process. The diversity in the composition of the board will bring different knowledge, skills, and perspectives into the decision-making process and will have an impact and contribute to the success and performance of the company (Fanesha, M., & Sebrina, N, 2024).

Based on the results of the analysis, there are still gaps related to *the Sustainable Development Goals* (SDGs) in Indonesia. These gaps include that there are still companies reluctant to make *sustainability reports.* Companies may be reluctant to make sustainability reports because they lack transparency in running their business, are not committed to being a good corporate governance company, or consider sustainability reports as an additional cost. This is because companies that do more indicators in the SDGs can cause a decrease in the company's profitability level. In fact, until now many companies in Indonesia have had a bad impact on the surrounding and the 4 pillars of the SDGs. Sustainability Reports based on law in Indonesia are still voluntary, so there are still few that make and publish them when compared to other developed countries. Sustainability Reports based on law in Indonesia are still voluntary, so there are still few that make and publish them when compared to other developed countries. According to the IDX from the attachment of the Voluntary National Review (VNR) Indonesia 2021, only 100 companies published their Sustainability Report in 2019. Then in Indonesia's Voluntary National Review (VNR) 2021, as of October 2020, the same as the previous year, namely only 100 companies have published Sustainability Reports. However, based on data from the Financial Services Authority, this condition is quite good compared to 2016 when only 55 companies published Sustainability Reports.

Based on the above background and after deepening the literature, the researcher found a research gap from previous research that examined the relationship between the Company and the SDGs. Until now, research that connects the influence of financial, environmental, and diversity factors on achieving the SDGs is still minimal. Therefore, this study aims to analyze the influence of the current ratio, free cash flow, environmental performance, tax avoidance, and gender diversity in the board on the company's contribution to supporting the SDGs goals. This research is expected to contribute to academic literature and business practices related to the role of companies in sustainable development.

LITERATURE REVIEW

Sustainable Development

The concept of sustainable development refers to the idea that human beings must maintain their survival by meeting their basic needs while ensuring that future generations must be able to meet their needs (Chams, N., & García-Blandón, J). These indicators include economic development, environmental quality, and social justice. The concept has been developed since 1972, through an international community that pays great attention to the relationship between environmental quality and the United Nations Conference on the Human Environment in Stockholm. The term sustainable development in 1987 was defined as a development concept that can meet the needs of regeneration now without sacrificing the ability of future generations to meet their own needs (WCED, S. W. S., 1987). The orientation of the concept of sustainable development emphasizes the importance of integrated decision-making that balances the economic, and social needs of the community, and the regenerative capacity of the natural environment. Sustainable development policies have a dynamic process of change where resource exploitation, investment, technological development orientation, and institutional change are designed consistently by taking into account the needs of the present and the future (Jeronen, E., 2020).

Sustainable Development Goals (SDGs)

SDGs is a system that has been planned and also has a commitment by the nation's leaders, including Indonesian leaders. These SDGs are implemented globally and macro. The goals of the SDGs are to eradicate poverty, minimize inequality, and protect the environment (Pangestu, F. P, et., all). The Sustainable Development Goals have the potential to transform Indonesia into a country that can develop in all fields and apply sustainable economic principles appropriately. The Sustainable Development Goals were ratified at the United Nations Headquarters on September 25, 2015. Around 193 national leaders, including Indonesia, were also present at the meeting. Indonesia at that time was represented by the Vice President, Mr. Jusuf Kalla. The SDGs include 17 goals and 169 goals, which are expected to be achieved by 2030. The UN agenda to ratify the SDGs is indeed a positive decision (Alisjahbana, A. S., & Murniningtyas, E., 2018).

Financial Performance

Financial performance is a benchmark of a company's ability to manage and allocate the company's resources. It can be interpreted that performance is the result of achievements that have been made by the company in a certain period. The company must continue to improve the company's performance so that the company's goals are achieved (Melati, R., & Suranta, E., 2024). Good financial performance reflects the company's condition in good condition. The results of financial performance can be used as an evaluation for the company in the future. Financial performance functions as a medium of communication between the company and the external. The information reflected in the financial performance is used to reduce the thinning of outside trust and help the outside members (Aprelia, S., & Pernamasari, R., 2023). This is very much by the theory of signaling. For investors and business people, information is very important because information presents records, information, or an overview of current, current, and future conditions related to the survival of a company and its market impact. Publication of company conditions is necessary to create a good corporate image so that outsiders are interested in joining as investors because there is an information asymmetry between the company and outsiders. Capital market investors urgently need complete, relevant, accurate, and timely information to help them make investment decisions (Andr, et., al, 2024).

Environmental performance

Environmental performance is an assessment or evaluation of the effectiveness of an organization, especially a company, in managing the impact of its operational activities on the environment. This aspect involves preventive measures and reduction of negative impacts, such as waste management, efficient use of resources, and compliance with environmental regulatory standards. The main objective of environmental performance is to maintain the continuity of the company's operations while minimizing adverse impacts on the ecosystem and supporting social welfare. Companies that have good environmental performance can give a signal that the company has implemented environmentally friendly business activities (Mastrandrea, R., ter Burg, R., Shan, Y., Hubacek, K., & Ruzzenenti, F., 2024).

Tax avoidance

Tax avoidance is a legitimate practice carried out by individuals or companies to reduce the amount of tax paid by taking advantage of loopholes in tax regulations. This practice involves careful financial planning to maximize tax savings, but still by applicable legal provisions. Tax evasion is a legal act and is different from tax evasion, where tax evasion involves violating the law by deceiving or hiding important information in tax returns. In tax avoidance, taxpayers take advantage of loopholes in the regulations to legally reduce tax liabilities, while tax evasion involves fraudulent acts and violations of tax laws (Dyreng, 2008).

Board gender diversity

The gender diversity of the board is an overview of the proportion of the board of commissioners and the board of directors. Gender diversity in a company is an important aspect of developing a company, this can create value, which is the reason it can create an increase in contribution with the number of alternatives considered and it can be influenced by creativity and product quality (Anggraini, F., Annisa, & Zefriyenni, 2023). Previous studies have examined the role of women directors in a company's economic, social, and environmental performance and disclosure, drawing on a variety of theoretical frameworks. The most prominent among them are agency theory, resource dependency theory, and stakeholder theory. Although each of these theories individually provides valuable insights, there is a need to reflect on the multi-dimensional relationship between women's board representation and corporate performance (Mehadi & Mazumder, 2024).

RESEARCH METHODS

This study uses a quantitative approach to test a theory on the reality of the problem faced by looking at the relationship between two variables. Furthermore, this approach will utilize data in the form of clear unit numbers, so that it can be processed using statistical tests. The population in this study is all companies listed in the DES (Sharia Securities List) that have annual reports and sustainability reports for the 2021-2023 period. The sample in this study is based on several specific criteria. The sampling technique used in this study is purposive sampling. Based on the criteria that have been determined, the researcher found 70 companies that are eligible to be used as a sample in this study (Indriantoro, 2023).

The operational definition of variables in this study is as follows:

1. Variable dependent

   The dependent variable is the main concern of the researcher in the investigation. The variable data used is by using SDGs Quality obtained based on scoring using the 2021 GRI standard in the sustainability report issued by the company. The following is the calculation formula used:

$$\text{SDGs Quality} = \frac{\text{Disclosed Item}}{\text{Total Items}}$$

2. Independent Variable

   Independent variables are variables that affect bound variables. The independent variables in this study are as follows:

   a. Financial Performance

      Financial performance is the ability of a company to benefit from the company's business activities. In this study, financial performance is measured by *the Current Ratio* and *FCF ratio* (Free cash flow).

      1) Current ratio

         The following formula is used in calculating the current ratio*:*

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Liabilities}}$$

      2) FCF (Free cash flow)

         The following is the formula used in calculating *the FCF ratio:*

$$\text{FCF Ratio} = \frac{\text{AKO} - \text{Capex}}{\text{Total Asset}}$$

   b. Environmental performance

Environmental performance is measured using PROPER which is assessed by the Ministry of Environment.

Table 1
Proper Scale

It	Proper Scale	Information
1	5	Gold Color
2	4	Color: Green
3	3	Blue
4	2	Red
5	1	Black

c. Tax Avoidance

CETR is calculated by dividing the cash incurred to pay taxes by the profit before tax.

$$Cash\ Effective\ Rates\ (CERT) = \frac{Tax\ Income\ Expense}{Income\ Before\ Tax}$$

d. Board gender diversity

The following is a solid formula used in measuring *the Blau index:*

$$f(x) = 1 - \sum_{i=1}^{k}(Pi^2)$$

The type of data used in this study is secondary data. Secondary data refers to information collected from various existing sources. This study combines secondary data of the (Sekaran, U., & Bougie, R, 2016) cross-section with time series, so that the combination of the two is called the data panel. The data collection technique in this study is using documentation technique, where researchers directly visit certain sites or pages to collect the data needed.

This study uses panel data regression analysis techniques. Data was collected over time (time series) on some objects (cross-section) (Croissant, Y., & Millo, G, 2018). The hypothesis test in this study uses the following formula:

1. T-statistical test

   The t-statistical test is used to test the influence of independent variables on partial non-independent variables. The t-test can be formulated as follows:

$$t = \frac{r\sqrt{n-k\ -1}}{\sqrt{1-r^2}}$$

   Information:
   T: Test t
   r: Partial correlation
   n: Number of samples
   k: Number of Independent Variables

2. F-Stats Test

   The F-statistical test is to test the influence of independent variables on independent variables as a whole (simultaneous). The hypothesis test used can be formulated as follows:

$$F = \frac{R^2 \,/\, k}{(1-k^2)\,/\,(n\, -\, k\, -\, 1)}$$

Information:
F: Test F
n: Number of samples
k: Number of independent variables
R2: Coefficient of determination

3. Coefficient of determination (R2)

   This test is used to measure how much free variables can explain the bound variables. This coefficient shows how much total variation in the bound variable can be explained by the independent variable in the regression model.

RESULTS AND DISCUSSION

Descriptive Statistical Results

Table 2
Descriptive Statistical Results

Variable	Obs	Mean	Std.Dev	Minimum	Maximum
SDGs	210	0.565495	0.164683	0.039683	0.928571
CR	210	2.993205	7.187621	0.269563	0.174065
FCF	210	-1.265945	11.23142	-119.3203	0.698506
KL	210	3.566667	0.781260	2.000000	5.000000
TA	210	0.264713	0.159963	0.000000	0.954463
BGD	210	0.174065	0.160480	0.000000	0.500000

Source: Data processed, Eviews 12, 2024

Based on the results of the descriptive analysis of the data presented, first, the SDGs as a dependent variable have an average of 0.565495 with a standard definition of 0.164683. This shows that on average, the companies observed have a contribution to the SDGs of around 0.6. However, the standard of navigation is quite variable between companies. The minimum value is small, which is 0.039683 which indicates that there are companies with not too large contributions. This can be caused by poor performance or unfavorable conditions. In contrast, the maximum value reached 0.928571, which indicates that some of the companies in the sample contributed significantly to this wide range of values, indicating that the companies analyzed were very diverse in their performance.

Model Selection Test Results

1. Chow Test

Table 3
Chow Test *Results*

Effects Test	Statistics	Prob.
Cross-section F	10.182349	0.0000
Cross-section Chi-square	383.301349	0.0000

Source. Data processed by Eviews 12, 2024

The results of the Chow test in Table 3 show that the probability value of the cross-section is 0.0000 or < 0.05 then H0 is rejected. Therefore, the model chosen has a fixed effect.

2. Hausman Test

Table 4
Haustmant Test *Results*

Test Summary	Chi-Sq. Statistics	Chi-Sq. d.f	Prob.
Cross-section random	15.357249	5	0.0089

Source: Data processed, Eviews 12, 2024

Based on the results of the Hausman test above, it can be seen from the probability value of the Cross-section random, which is 0.0089, the value is less than 0.05, this means that H0 is rejected and H1 is accepted so that the model chosen is the Fixed Effect Model (FEM).

Results of the Classic Assumption Test

1. Normality Test

From the theory used, in this study, the normality test does not need to be carried out anymore because the data used is more than 200, the data in the study is considered to meet the normality requirements.

2. Multicoloniarity Test

The following are the output results of the correlation coefficients can be seen in the table below:

Table 5
Multicollinearity Test *Results*

	CR	**FCF**	**KL**	**TA**	**BGD**
CR	1.000000	-0.251697	0.076280	0.005526	0.185506
FCF	-0.251697	1.000000	-0.133070	-0.021167	0.020882
KL	0.076280	-0.133070	1.000000	0.230450	-0.062680
TA	0.005526	-0.021167	0.230450	1.000000	-0.013416
BGD	0.185506	0.020882	-0.062680	-0.013416	1.000000

Source: Data processed, Eviews 12, 2024

Based on the test of the correlation coefficient value above, each variable has a coefficient value < 0.9, so it can be concluded that the model does not experience multicollinearity problems.

3. Heteroskedasticity Test

The main purpose of *the heteroscedasticity test* is to ensure that the classical assumptions of regression are met so that the regression results are accurate and reliable. The results are as follows:

Table 6
Heteroskedasticity Test Results

Variable	*Prob.*
Current Ratio	0.7478
Free cash flow	0.7619
Environmental Performance	0.9837
Tax avoidance	0.6162
Board gender diversity	0.5370

Source: Data processed, Eviews 12, 2024

Based on the results of the heteroscedasticity test above, shows the significance value of the entire variable > 0.05 so that it can be concluded that in this study there is no heteroscedasticity or the data is homogeneous. Thus, the residual variance tends to be constant, which means that the regression model can be considered accurate and valid, so the estimation results are reliable.

4. Autocorrelation Test

Autocorrelation tests are very important, especially on panel data, because the existence of autocorrelation can result in inefficient estimation of regression parameters.

Table 7
Autocorrelation *Test Results*

Durbin-Watson	2.460405

Source: Data processed, Eviews 12, 2024

In general, *the Durbin-Watson value* is between 1.5 and 2.5. Based on the results of *the autocorrelation test* in Table 7, the value of 2.460405 is close to 2.5, which means that there is no significant autocorrelation.

Hypothesis Test Results

1. T-Test

The results of the statistical t-test can be seen in the following table:

Table 8
T-Test Results

Variable	coefficient	Prob.
C	0.036491	0.7378
Current ratio	0.043761	0.0125
Free cash flow	-0.000892	0.2757
Environmental Performance	0.113752	0.0003
Tax avoidance	-0.040608	0.0070
Board gender diversity	0.181235	0.0793

Source: Data processed, Eviews 12, 2024

The results of the analysis of the results of the T-test above are as follows:

a. The effect of the current ratio on the SDGs

The results of the regression analysis test of the panel data showed that the current ratio probability value was 0.0125 < 0.05, then H0 was rejected and Ha was accepted. This shows that the variable current ratio influences the SDGs. The coefficient of the variable current ratio is 0.043761 indicating that the direction of influence of this variable is positive. It can be concluded that as the company's ability to pay debts increases, its influence on the SDGs also increases.

b. The effect of free cash flow on the SDGs

The results of the regression analysis test of the panel data showed a free cash flow probability value of 0.2757 which is> 0.05, then H0 was accepted and Ha was rejected. This shows that the variable free cash flow does not influence the SDGs.

c. The influence of environmental performance on the SDGs

The results of the panel data regression analysis test showed that the environmental performance probability value was 0.0003 which is < 0.05, H0 was rejected and Ha was accepted. This shows that the financial performance variable influences the SDGs. The coefficient of environmental performance variables is 0.113752, a positive value on the variable shows a positive influence on the SDGs. Where when the company's performance increases, its influence on the SDGs also increases.

d. The effect of tax avoidance on the SDGs

The results of the regression analysis test of the panel data showed a tax avoidance probability value of 0.0070 which is < 0.05, then H0 was rejected and Ha was accepted. This shows that the variable tax avoidance influences the SDGs. The coefficient of the variable tax avoidance is -0.040608, a negative value indicates a negative relationship between the avoidance bag and the SDGs. It can be concluded that when corporate tax avoidance increases, its influence on the SDGs will decrease.

e. The influence of board gender diversity on the SDGs

The results of the panel data regression analysis test showed that the probability value of the gender diversity board was 0.0793 which is> 0.05 but < 0.1 This shows that the variable board gender diversity influences the SDGs. The coefficient of the variable board gender diversity is 0.181235, the positive value on the coefficient shows that the higher the level of diversity in the board, the higher the influence on the SDGs.

F-Test Results

Simultaneous hypothesis testing using the F test is shown in the following table:

Table 9
F-Test Results

F-statistic	11.11367
Prob (F-statistic)	0.000000

Source: Data processed, Eviews 12, 2024

Based on Table 9 above, the probability value (F-Statistic) is 0.000000 < 0.05. Therefore, it can be concluded that the variables used in this study, namely current ratio (X1), free cash flow (X2), environmental performance (X3), tax avoidance (X4), and board gender diversity, have a simultaneous effect on the dependent variable, namely company value (Y).

Determination Coefficient Test Results (R2)

The following are the results of the determination coefficient (R2) test in this study:

Table 10
R2 Test Results

R-squared	0.860793
Adjusted R-squared	0.783339

Source: Data processed, Eviews 12, 2024

Based on the table of the top 9 the Adjusted R-Square (R2) number is 0.787521. This shows that the percentage of contribution of independent variables to the dependent variable is 78.75%. Or it can be interpreted that the independent variable used in the model can explain 78.75% of the dependent variable. The remaining 21.25% are influenced by other factors outside the regression model.

Based on the results of the above analysis, it can be explained that the regression analysis that has been carried out aims to determine the measurable relationship between current ratios, free cash flow, environmental performance, tax avoidance, and board gender diversity to the sustainable development goals (SDGs) The following is a result that summarizes the relationship that occurs in independent variables to dependent variables.

The current ratio is a financial ratio that measures the company's ability to meet its short-term liabilities with its current assets. The current ratio has a probability of 0.0125 < 0.05 with a coefficient value of (0.043761), so it can be said that the current ratio has an effect on the SDGs and the hypothesis is accepted. The results of the above study show that there is a significant influence between current assets on the SDGs.

The hypothesis test shows that the current ratio can explain the signal theory, which indicates that the company's decision to manage the current ratio can not only provide positive signals to various stakeholders but can also contribute directly to the achievement of the SDGs. Companies that maintain their financial liquidity stably tend to have more ability in long-term investment, supporting sustainable economic growth, and contributing to social development and a better environment. The results of this study are by research conducted by suggesting that more profitable companies are more likely to submit high-quality reports on their involvement with non-financial issues such as the SDGs. Similarly, the research conducted by the research emphasizes that financial performance is very important for a company's commitment to the SDGs. Companies that show greater liquidity and profitability tend to have the necessary resources to support the SDGs (Zanten, J. Van, & Tulder, R. Van, 2018)(Andr, et.,all, 2024).

Free cash flow is cash generated by the company after capital expenditure is needed to maintain or expand assets. Fcf has a probability value of 0.2757 > 0.05 with a coefficient value (-0.000892), so it can be said that fcf does not affect the SDGs. The results of the above study do not show a significant influence between free cash flow and SDGs. It can be interpreted that the increase and decrease of free cash flow has no effect on the SDGs, which indicates that hypothesis 2 is rejected. This research is not in line with research conducted by those who argue that liquidity generates capacity for companies to prioritize the SDGs and thus allocate the necessary cash flow for each targeted SDG (Stolowy, H., & Paugam, L, 2018).

Environmental performance measured using PROPER as an independent variable in this study has a probability value of 0.0003 < 0.05 with a coefficient (0.113752), so it can be concluded that environmental performance has a positive influence on the SDGs or in other words hypothesis 3 in this study is accepted.

In this study, it can answer the relationship between the theory of legitimacy and environmental performance. Which legitimacy theory states that companies that show responsibility for the environment can strengthen their legitimacy in the eyes of the public, the demander, and other stakeholders. The results of the above study show that there is a significant influence between environmental performance and SDGs. Improvement and decrease in environmental performance have a significant influence on the SDGs. These results are in line with research conducted by research that focuses on environmental monitoring in the European region using the SDGs framework. Stating that the success of sustainability depends on a balance between economic development, social, environmental, and institutional. From an environmental point of view, it is essential to adopt systems thinking and an integrated approach that recognizes the interconnectedness and interaction between the elements that make up the entire ecosystem (Harahap, R. H., & Marpaung, N. Z, 2023)(Nakhle, et.,all, 2024).

Tax avoidance or tax avoidance which is measured by tax burden divided by profit before tax as an independent variable in this study has a probability value of 0.0070 < 0.05 with a coefficient (-0.040608). So it is said that tax avoidance has a negative influence on the SDGs. Increasing and decreasing tax avoidance carried out by companies has a great influence on the SDGs. This result is in line with research conducted by conducting research that examines the impact of taxes on the Sustainable Development Goals (SDGs) in the context of Organization for Economic Co-operation and Development (OECD) countries. The results of the study found that corporate taxes have a two-way causal relationship with the SDGs. This means that when tax payments are made properly, the SDGs will increase. However, this should happen when corporate tax avoidance increases, so its impact on the SDGs decreases (Rahman, 2023).

The results of the hypothesis test prove that tax avoidance can explain the signal theory which states that tax avoidance practices can function as a positive signal for investors and shareholders regarding the quality of the company's financial management (Dyreng, 2008). However, overall the avoidance of paja will have a very negative impact on the SDGs. This is because this action will damage financial resources that are very important to achieving the sustainable development goals (SDGs) (Rahman, 2023).

Board gender diversity can be measured by the Blau Index (diversity index). As an independent variable in this study, board gender diversity has a probability value of 0.0793 > 0.05 but < 0.1) and a coefficient of (0.181235), thus it can be interpreted that diversity in the board has a positive influence on the SDGs. Increasing and decreasing board gender diversity has a great influence on the SDGs (Zampone. et., all, 2022). This finding is similar to the findings made by those who state that gender diversity in the board has a positive influence Similarly, research states that gender-diverse boards are associated with higher levels of engagement in sustainable business networks, which in turn improves corporate sustainability practices and disclosure (Berrone, et.,all, 2019)

The results of the test were also able to explain the relationship between multi-theory and gender diversity. According to agency theory, the board of directors has an important role in supervising and regulating managerial actions on behalf of shareholders, thereby reducing information asymmetry. An effective board composition can minimize information asymmetry between management and investors by providing adequate and relevant disclosure. According to agency theory, the board of directors has an important role in supervising and regulating managerial actions on behalf of shareholders, thereby reducing information asymmetry (Jensen & Meckling, 1976). Effective board composition can minimize information asymmetry between management and investors by providing adequate and relevant disclosures (Mazumder & Hossain). Meanwhile, the stakeholder theory states that companies deal with a variety of stakeholder interests more than just shareholders, including social and ethical issues. Including women directors on boards has been identified as a potential way to increase a company's sensitivity and responsiveness to stakeholder needs and expectations by introducing diverse perspectives, values, and experiences into the boardroom (Freeman, 1984).

In summary, the triangulation of the above theories shows that female board members minimize information asymmetry, bring new perspectives, skills, and social and human capital to access external resources, and deepen the boardroom concerns for stakeholders that can impact corporate engagement. To the SDGs and their transparency (Mehadi & Mazumder, 2024).

CONCLUSION

Based on the results of the data analysis processed and the discussion that has been described by the researcher, the following conclusions are obtained. The current ratio of companies has a positive effect on the SDGs. This is because companies that show greater liquidity and profitability tend to have the necessary resources to support the SDGs.

Free cash flow does not influence the SDGs. This can happen because free cash flow only shows the availability of funds, and how the funds are used.

Environmental performance has a positive effect on the SDGs. This can happen because by improving environmental performance, companies can help support global goals (SDGs) related to environmental sustainability.

Tax avoidance carried out by companies will hurt the SDGs. This is because taxes are one of the largest revenues owned by the state. So when the tax avoidance carried out by companies is high, it will cause revenue to disappear from taxes and can reduce revenue that can be used to support SDGs programs.

The gender diversity board has a positive influence on the SDGs. This happens because the level of equality on the board can encourage an inclusive work culture and will have an impact on company productivity.

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