J U R N A L A K U N T A N S I
Volume 20 Nomor 2 Juni – November 2025 1 – 10
http://jurnal.unsil.ac.id/index.php/jak
ISSN: 1907-9958 (Print)| 2385-9246 (Online)

THE MODERATION EFFECT OF BOARD DIVERSITY: ESG DISCLOSURE AND FINANCIAL PERFORMANCE IN INDONESIAN

Meilda Wiguna[a,*], Amanda Agnes Silviani[b], , Hardi[c], Eka Hariyani[d], Supriono[e], Riska Natariasari[f]

[a,b,c,d,e,f] Fakutas Ekonomi dan Bisnis, Universitas Riau, Indonesia
meilda.wiguna@lecturer.unri.ac.id

***Diterima**: April 2025. **Disetujui**: Juli 2025. **Dipublikasi**: November 2025*

ABSTRACT

This study examines the influence of Environmental, Social, and Governance (ESG) on financial performance in Indonesian non-financial companies, with board diversity as a moderating variable. ESG has emerged as a critical factor affecting investor perception and business operations amid growing environmental and social concerns. However, its effectiveness depends on company structure, particularly employee alignment. Using quantitative methods, the study analyzes non-banking firms listed on the Indonesian Stock Exchange through multiple and moderated regressions. Results show ESG positively impacts financial performance, further amplified by board diversity in gender, age, and professional background. This underscores the role of diverse leadership in maximizing ESG benefits. Companies are encouraged to enhance diversity to improve ESG effectiveness, driving stronger financial outcomes and advancing sustainable business practices.

***Keywords:** Financial Performance; ESG Disclosure; Board Diversity.*

ABSTRAK

Studi ini mengkaji pengaruh pengungkapan *Environmental, Social, and Governance* (ESG) terhadap kinerja keuangan di perusahaan non-keuangan Indonesia, dengan keragaman dewan sebagai variabel moderator. ESG telah muncul sebagai faktor penting yang memengaruhi persepsi investor dan operasi bisnis di tengah meningkatnya kekhawatiran lingkungan dan sosial. Namun, efektivitasnya tergantung pada struktur perusahaan, khususnya penyelarasan karyawan. Dengan menggunakan metode kuantitatif, penelitian ini menganalisis perusahaan non-perbankan yang terdaftar di Bursa Efek Indonesia melalui regresi berganda dan moderat. Hasil menunjukkan ESG berdampak positif pada kinerja keuangan, yang selanjutnya diperkuat oleh keragaman dewan dalam jenis kelamin, usia, dan latar belakang profesional. Hal ini menggarisbawahi peran kepemimpinan yang beragam dalam memaksimalkan manfaat ESG. Perusahaan didorong untuk meningkatkan keragaman untuk meningkatkan efektivitas ESG, mendorong hasil keuangan yang lebih kuat, dan memajukan praktik bisnis yang berkelanjutan.

Kata Kunci: Kinerja Keuangan; Pengungkapan ESG; Keragaman Dewan

INTRODUCTION

One of the main goals of a business is to maximize profits, or profits that are significant. The financial performance assessment of the company's financial reports must be conducted in order to assess how well the aforementioned goal was achieved. According to (Kieso et al., 2020), financial report is information on finance that is discussed and provided at least once every year to satisfy the needs of those who use it. Financial reports also serve as the primary source of financial information because it is often used and explained in a way that meets the needs of the users. As a result, financial reports can also decrease the efficiency of financial work, such as in profit and loss that illustrates the increase in profits or profits per company. According to the mentioned level, businesses receive larger profits than they incur, which means they have a good financial performance.

Financial performance is the result of an organization's operational work that is observable from the state of the company's finances within a given time period that is related to the aspects of fund utilization and distribution funds. This is very important so that power may be used as efficiently as possible to deal with environmental changes (Rahayu, 2020) Generally, businesses use the Return on Asset (ROA) ratio to measure financial performance because it measures the ability of the business to invest in profits; in this regard, profit itself is the primary goal that a business pursues (Kasmir, 2015).

In addition to assessing profit performance for a specific time period, financial performance is also necessary as an analysis of a company's progress. A manager must be able to understand the state of the company's finances because, in theory, these conditions will affect the company's overall quality of life and be aware of any bankruptcy that may occur. This is in line with one of the fundamental assumptions of the preparation of financial reports, which is that management conducts an analysis of the ability of entities to support business operations (Kieso et al., 2020).

Prospective investors consider the company's financial performance in making investment decisions, particularly for public companies listed on the Indonesian Stock Exchange. Financial performance can be used to describe the good or bad aspects of a business. This can be understood by doing an analysis using a financial analysis tool to determine whether a company's operations and financial situation are profitable or not at a given time (Wibowo &Faradiza, 2014). Enhancing and increasing the company's financial operations is crucial for ensuring investor confidence in the company's stock (Brigham & Houston, 2014). According to BEI Number II-S on the Trading of Equity Securities in Special Supervision, a company's shares can be classified as special supervision of shares if it is unable to increase and improve the financial performance. Forced delisting is a measure that can be implemented, possibly even in organizations that operate with volatile finances.

Interestingly, based on IDX information disclosure data, there are as many as 39 issuers that have the potential to be delisted from the IDX in the 2023 period. This shows a significant increase compared to the 2019-2021 period, the IDX noted that there were only 13 companies that decided to delist. Meanwhile, IDX information disclosure data recorded as many as 217 issuers that were included in the special monitoring category in the July 2024 period. In addition, Figure 1 shows that ROA has fluctuated over the past five years. In 2019, ROA was at 3.77%, but dropped drastically to 0.97% in 2020. In 2021, ROA jumped significantly to 5.17%, and decreased slightly to 5.14% in 2022. In 2023, ROA again experienced a slight decrease to 4.86%.

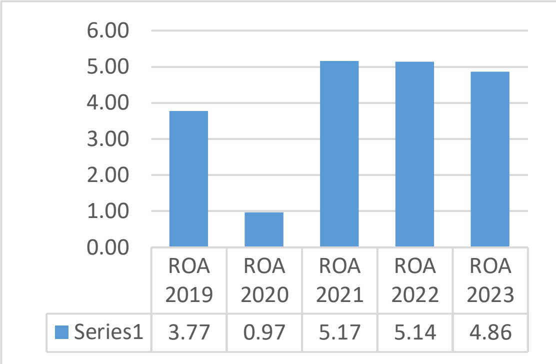

Figure 1. Return on Assets of Non-Financial Companies

In one sense, the financial performance of a business is very important, but in practice, many business owners are unable to maintain the financial performance or even experience losses. In addition, PT. Bakrie Sumatra Plantations Tbk (UNSP) is also under the watch of the Indonesia Stock Exchange (BEI) due to irregular securities transactions, so investors must assess UNSP's performance. The financial performance of PT. Bakrie Sumatra Plantations Tbk experienced difficulties during the first semester of 2023, which was caused by a reduction in profit and sales performance.

The case of PT. Timah Tbk. is currently in the public spotlight. The President Director explained that before the revelation of allegations of massive corruption in the tin trading system, which resulted in environmental losses reaching Rp 271 trillion and involving the company's board of directors, PT. Timah Tbk has experienced a decline in revenue throughout 2023. PT. Timah Tbk volatile financial performance was seen in 2020, when the company recorded a loss of IDR 340 billion. However, suddenly, the company made a profit of IDR 1.3 trillion in 2021, which then dropped to IDR 1.04 trillion in 2022. In 2023, PT. Timah Tbk again recorded a loss of up to IDR 450 billion.

Nevertheless, PT. Timah Tbk. won the ESG Disclosure Transparency Awards 2023 with the title of Leadership AA organized by Investor trust and the Bumi Global Carbon Foundation, as reported by the sinergipos.com website. This shows that although the company has made ESG disclosures, it has not been a driver of improving its financial performance.

Research conducted by (Ihsani et al., 2023) indicates that ESG practices have a significant impact on a company's financial performance. Active businesses in the areas of environment, social, and governance (ESG) serve as a strategic tool to reduce business risk, increase market productivity, and maintain operational and financial stability in addition to reducing social responsibility. Strong commitment to ESG enables businesses to develop competitive resilience, which in turn contributes to increased financial productivity and building capacity. According to the stakeholder theory, ESG is not strictly mandatory, but rather a strategic tool that can improve financial performance. However, the study's findings (Alfalih, 2023) indicate that there is a long-term negative impact of ESG, which can be explained by the rising cost of information and by investors viewing environmental factors as potential investments or risks that could eventually reduce financial productivity .

The signal theory states that a company's actions give investors information about the state or prospects of the company (Connelly et al., 2011). Spence first introduced the theory of signals in 1973. Signals are defined as an effort to illustrate information sharing with other parties or recipients. This theory highlights how important the information provided by the company is in relation to the investment decisions made by outside parties. Accordingly, the sender should collect and communicate (or provide signals) the information, and the recipient should determine how to interpret the signal that was received (Connelly et al., 2011). Signal theory states that businesses with high quality will gradually provide signals of their superiority to the market. Forms of non-financial information disclosure, such as ESG disclosure, can also be seen as a positive indicator that is anticipated to be recognized by other entities in order to influence the development of decisions (Safriani & Utomo, 2020).

In the context of financial performance, this theory explains that corporate actions, which are information gathering, business strategy, and financial decisions, can give customers or investors important information about the company's financial health. According to the above description, information disclosure as an ESG disclosure might affect a company's financial performance.

ESG disclosure is a type of dialogue between businesses and stakeholders regarding environmental, social, and business-related issues. According to (Alsayegh et al., 2020), the business will be able to provide information on the business activities of the company in order to be able to understand the perceptions and concerns of the employees.

The current state of information technology, particularly through ESG research, is a topic that is interesting to study. According to (R. E. Freeman & Dmytriyev, 2023), the theory of stakeholders, which is the foundation of business environmental, social, and corporate governance activities, states that an organization must balance the interests of its stakeholders, with all of this having an impact on the organization's financial operations and goals.

First, the theory of interests is explained by (R. E. E. Freeman & McVea, 1984). The literature on Strategic Management: A Stakeholder Approach discusses the importance of the public and private sectors. According to (Shannon, 2014), from the standpoint of the theory of interests, there are more entities besides shareholders that The following factors must be taken into consideration by businesses in order to succeed in their endeavors: employees, clients, employees, suppliers, financiers, the general public, government agencies, political groups, trade associations, and trade. labor union. This study indicates that there are benefits for businesses when they increase the value of stakeholder interests outside of stock transactions, such as lowering transaction costs from development involvement and increasing trust in stakeholder interests (Tharavanij, 2019).

In addition to that (De Masi et al., 2021), this information is beneficial to the business world not only because it increases public awareness of the issue at hand but also because it clarifies the working environment, social interactions, and financial situation of a particular business. According to (Safriani & Utomo, 2020), non-financial information, such as ESG information, which provides information about the environment, society, and the company's management, can be used as a component of a business's operations to address all of its needs and desires as well as to achieve a balance between the norms and the values of the general public. This will enable the employees to improve and strengthen the business operations of the company, which will increase the financial productivity, especially the profitability ratio.

According to a few businesses, environmental cost-saving programs give them a competitive edge (using more energy, recycling waste, etc.) and increase customer loyalty, employee loyalty, positive reputation, and compliance with regulations (Almeyda & Darmansya, 2019). Due to this, there must be a transparency of information, both financial and non-financial, in order to be able to comprehend the information provided by the stakeholders so that they can understand how the business is working in relation to the environment, the social status of the general public and its activities, as well as the governance of the business. It is possible to evaluate or observe a company's

ESG performance based on its ESG score. As a company's ESG score increases, its ESG practices become more successful, and conversely, as its ESG scores decrease, its ESG practices become less effective. Based on the above description, the following hypotheses are developed:
H1: ESG Practices Have an Impact on Business Financial Performance.

The signal theory explains that the ESG activities carried out by businesses can be interpreted as a sign to the market that the businesses have good management and are committed to the long-term goals (Connelly et al., 2011). The board of directors makes all company decisions, and if they create a plan for the future and a choice that is appropriate, the business's performance will be successful. Because of this, it can be said that having a board with several properties strengthens the bond between ESD and business financial operations (Sharawi et al., 2024).

This study presents a novel contribution to the literature by employing the Blau Index to measure board diversity in the context of its moderating effect on the relationship between ESG disclosure and financial performance. While prior research has generally examined board diversity through individual attributes such as gender or age alone, this study offers a more robust and multidimensional approach. By integrating gender, age, nationality, expertise, and educational background into a single Blau Index score, this research captures the true heterogeneity of the boardroom, allowing for a deeper analysis of how board diversity influences corporate outcomes. The application of the Blau Index in this context is still relatively rare, particularly in studies focusing on Indonesian non-financial firms, positioning this work as an important step forward in enhancing the methodological rigor and insightfulness of board diversity research.

According to the research conducted (Wu et al., 2024), employee discretion can moderate the impact of ESG on financial productivity. Businesses that have higher boards of directors tend to have better ESG practices, which eventually increase financial productivity. Based on the above description, the following hypotheses are developed:
H2 : Board Diversity of the impact of ESG practices on business financial operations.

Research Method

According to Sugiyono (2016), this study employs a quantitative approach, which entails using quantitative analysis and research tools to gather data in order to test hypotheses about the population or sample in question. The secondary data used comes from the sustainability and annual of non-financial companies listed in BEI for rental period 2019–2023.

The number of non-banking businesses listed on BEI is 817 businesses that are members of the population. Purposive sampling is used to choose samples based on specific criteria, resulting in 51 organizations with 255 data points that will be examined over a period of five years.

Table 1. Variable Measurement

Variabel	Measures	Source
Financial Performance (FP)	ROA	(Dong et al., 2023; Hwang et al., 2021; Srour, 2022)
ESG Disclosure (ESGD)	Bloomberg Data	(Alkhawaja et al., 2023; Yoo dan Managi, 2022; Zaman & Ellili, 2022)
Board of Directors Diversity (BD)	Gender, Age, National, Expertized, and education with Blau Index.	(Ararat et al., 2015; Bagh et al., 2023)
Controlling		
Firm Size (Size)	ln(total asset)	(Dong et al., 2023)

Leverage (Lev)	Total debt/total asset	(Nguyen & Huynh, 2023)
Firm Age (FirmAge)	Ln of Firm Age	(Zaman & Ellili, 2022)

The data analysis of this study is a panel data regression model, namely Generalized Least Squares (GLS) using STATA software version 17. Hypothesis testing uses multiple linear regression analysis, with the following model:

Model 1 = $\beta 0 + \beta 1 \mathrm{ESGD} i,t - 1 + \beta 2 \mathrm{Size} i,t - 1 + \beta 3 \mathrm{Lev} i,t - 1 + \beta 4 FirmAge i,t - 1 + \varepsilon\ i,t$

Model 2 = $\beta 0 + \beta 1 \mathrm{ENV} i,t - 1 + \beta 2 \mathrm{SOC},t - 1 + \beta 3 \mathrm{CG} i,t - 1 + \beta 4 \mathrm{Size} i,t - 1 + \beta 5 \mathrm{Lev} i,t - 1 + \beta 6 FirmAge i,t - 1 + \varepsilon\ i,t$

Model 3 = $\beta 0 + \beta 1 \mathrm{ESGD} i,t - 1 + \beta 2 \mathrm{BD} i,t - 1 + \beta 3 \mathrm{X1Z} i,t - 1 + \beta 4 \mathrm{Size} i,t - 1 + \beta 5 \mathrm{Lev} i,t - 1 + \beta 6 FirmAge i,t - 1 + \varepsilon\ i,t$

Result and Discussion

This study uses STATA version 17 to analyse the data. At the first step, it is necessary to perform a panel data model syntax, which is xtset CO YEAR, to ensure that the data is not skewed. Table 2 shows the results of the descriptive data analysis, with the average ROA at 10.127% and the standard deviation at 9.063%. The ROA level is at 0.1 percent, while the highest value of 58.51% indicates that there are significant variations in the company's profitability. The ESG average score is 44.332, with a standard deviation of 11.659. The highest score reached 73.85, while the lowest score was 18.403. This demonstrates the effectiveness of ESG practices among sample companies. With a standard deviation of 0.09, the average level of board diversity is 0.2999. The least value that is determined is 0.037, and the maximum value is 0.5. This indicates that certain businesses have more diverse employees than others.

Table 2. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
ROA	205	10.127	9.063	.1	58.51
ESGD	205	44.332	11.659	18.403	73.85
ENV	205	31.645	19.911	0	80.4
SOC	205	29.863	10.74	8.01	58.62
CG	205	71.486	10.798	38.62	98.62
BD	205	.299	.09	.037	.5
SIZE	205	30.851	1.075	27.255	32.82
LEV	205	.299	.208	0	.861
F_AGE	205	3.657	.491	1.946	4.754

The three main variables in this study are Return on Assets (ROA), Environmental, Social, and Governance Disclosure (ESGD), Environmental (ENV), Social (SOC), Corporate Governance (CG), Board Diversity (BD), Size Company (SIZE), Leverage (LEV), and Company Age (F_AGE). The results of the pairwise correlation test are shown in Table 3. Each variable has a value below or slightly above 0.8, meaning that there isn't a very strong correlation between them, which prevents multicollinearity from showing up in this study.

Table 3. Pairwise correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) ROA	1.000								
(2) ESGD	0.209*	1.000							
(3) ENV	0.217*	0.913*	1.000						
(4) SOC	0.237*	0.844*	0.672*	1.000					

(5) CG	0.043	0.716*	0.446*	0.500*	1.000				
(6) BD	0.103	-0.187*	-0.165	-0.164	-0.136	1.000			
(7) SIZE	-0.131	0.303*	0.274*	0.161	0.317*	-0.236*	1.000		
(8) LEV	-0.420*	-0.081	-0.022	-0.153	-0.069	-0.133	0.340*	1.000	
(9) AGE	0.128	0.377*	0.433*	0.264*	0.161	-0.123	0.123	-0.164	1.000

*** *p<0.01, ** p<0.05, * p<0.1*

In Table 4 model 1, the ESG, company size, leverage, and age variables all have an impact on financial performance of about 33%, although other variables that are not examined have an impact. The Adj.R2 value is approximately 0.33. Results of regression analysis model 1,2, and 3:

Model 1 = 29.845 + 0.219ESGD − 0.653Size− 8.054Lev − 0.567$FirmAge$

Model 2 = 31.571 + 0.117ENV + 0.180SOC – 0.131CG −0.250Firm− 8.960Lev–1.473$FirmAge$

Model 3 = 57.831 – 0.421ESGD – 82.662BD + 2.155X1Z - 0.697Size− 8.432Lev − 0.481$FirmAge$

Table 4. Basic Model

	(1) ROA	(2) ROA	(3) ROA
Intercept	29.845**	31.571**	57.831***
	(1.980)	(2.883)	(2.749)
ESGD	0.219***		-0.421**
	(2.635)		(-2.055)
ENV		0.117**	
		(2.474)	
SOC		0.180**	
		(2.522)	
CG		-0.131**	
		(-2.448)	
BD			-82.662***
			(-2.718)
c.ESG#c.BD			2.155***
			(2.693)
SIZE	-0.653	-0.250	-0.697
	(-1.083)	(-0.415)	(-1.212)
LEV	-8.054**	-8.960**	-8.432**
	(-2.234)	(-2.498)	(-2.364)
F_AGE	-0.567	-1.473	-0.481
	(-0.429)	(-1.128)	(-0.365)
Adj.R2	0.33	0.37	0.37
N	205	205	205
F-stat	12.698	12.009	9.826

The first hypothesis was made after the regression analysis model 1 was used to examine and assess the impact of ESG factors on financial productivity. It is concluded that t count of 2.635 > t table of 1.971. This indicates that ESG practices have a significant impact on a company's financial performance.

According to the study's findings, an organization's financial performance is significantly impacted by its ESG practices. According to legitimacy theory and stakeholder interests, the world's businesses actively gather ESG data in a more socially and ecologically responsible manner while also including a large number of stakeholder interests. Everything here supports the mentioned beliefs. In the eyes of investors, customers, and other stakeholders, a company's credibility and reputation can be enhanced by strong social legitimacy, which is made possible by effective ESG practices. The results of this study highlight the importance of ESG as the primary indicator in assessing the financial performance of a company. This is in line with previous research conducted by Alfalih, (2023); Giannopoulos et al., (2022); and Ihsani et al., (2023).

The regression analysis of model 2 is used as a robustness check model to ensure that the results of the main model remain consistent under different conditions or assumptions, then model 2 is to test and analyse the influence of each ESG disclosure indicator, namely environmental (ENV), social (SOC) and corporate governance (CG) on financial performance. The results of the t-calculated statistic (ENV=2.474, SOC=2.522, and CG=2.448) are greater than the t-table value of 1.971. This means that each ESG disclosure indicator, namely the environment (ENV), social (SOC) and corporate governance (CG), has a significant effect on financial performance, so it can be ensured that ESG disclosure remains consistent in affecting financial performance.

In Table 4 model 2, the Adj.R2 value of 0.37 indicates that all three ESG indicators—environment (ENV), social (SOC), and company capital (CG) as well as the control variable have a 37% negative impact on financial performance, while other variables that are not examined have a negative impact.

Model 3 for regression analysis When diversity of the board of directors is used as a moderator to examine and assess the impact of ESG factors on financial productivity, it is shown that t count 2.693 > t table 1.971, and two hypotheses are derived. This indicates that board diversity mitigates the impact of ESG on business financial operations.

The Adj.R2 value of 0.37 in Table 4 model 3 indicates that 37% of the financial performance is affected by the ESG, diversity of the board of directors, interaction between ESG and the board of directors, and control variables, while 37% is affected by other variables not included in the study.

The finding that the board of directors moderates the effect of ESG disclosure on corporate financial performance on corporate financial performance on leadership in strengthening the impact of corporate sustainability strategies. This is based on the idea that a person's diversity, whether it be in terms of gender, background, age, or experience, can facilitate more thorough and understandable decision writing. By having a diverse workforce, businesses can be more effective in implementing sustainability strategies that ultimately contribute to better financial performance. The findings of this study, which are consistent with those of (Sharawi et al., 2024) and (Wu et al., 2024), indicate that employee behaviour moderates the impact of ESG on business financial operations.

CONCLUSION

The purpose of this study is to examine and assess how ESG practices affect business financial performance using the direct manager's diversity as a moderator. Based on research findings, the influence of ESG (Environmental, Social, and Governance) on the financial operations of Indonesian non-banking companies is moderated by diligent employees. A company's financial performance will significantly increase based on ESG, and its impact will increase if employees are treated fairly. Our company will be better able to apply ESG concepts in our business plans if our employees are more diverse, which will increase our financial productivity. It is anticipated that Indonesian non-banking companies will be more active in implementing their ESG practices and ensuring adherence to the board of director structure. Businesses must provide engaging training so that all employees understand the importance of ESG.

This study adds to the body of literature on ESG and financial management by demonstrating that employee discretion can be considered as a moderating factor. This explains the interaction between the company's governance and sustainability strategy in affecting financial work productivity. Further research can be done to investigate other aspects of business success, such as employee independence or international trade, in order to moderate the relationship between ESG and financial productivity.

REFERENCES

REFERENSI

Alfalih, A. A. (2023). ESG disclosure practices and financial performance: a general and sector analysis of SP-500 non-financial companies and the moderating effect of economic conditions. *Journal of Sustainable Finance and Investment*, *13*(4), 1506–1533. https://doi.org/10.1080/20430795.2022.2150511

Alkhawaja, A., Hu, F., Johl, S., & Nadarajah, S. (2023). Board gender diversity, quotas, and ESG disclosure: Global evidence. *International Review of Financial Analysis*, *90*, 102823. https://doi.org/10.1016/j.irfa.2023.102823

Almeyda, R., & Darmansya, A. (2019). The Influence of Environmental, Social, and Governance (ESG) Disclosure on Firm Financial Performance. *IPTEK Journal of Proceedings Series*, *5*, 278. https://doi.org/10.12962/j23546026.y2019i5.6340

Alsayegh, M. F., Rahman, R. A., & Homayoun, S. (2020). Corporate economic, environmental, and social sustainability performance transformation through ESG disclosure. *Sustainability (Switzerland)*, *12*(9). https://doi.org/10.3390/su12093910

Ararat, M., Aksu, M., & Tansel Cetin, A. (2015). How board diversity affects firm performance in emerging markets: Evidence on channels in controlled firms. *Corporate Governance: An International Review*, *23*(2), 83–103. https://doi.org/10.1111/corg.12103

Bagh, T., Khan, M. A., Meyer, N., & Riaz, H. (2023). Impact of boardroom diversity on corporate financial performance. *Humanities and Social Sciences Communications*, *10*(1), 222. https://doi.org/10.1057/s41599-023-01700-3

Brigham, E. F., & Houston, J. F. (2014). Fundamentals of Financial Management. In *The Journal of Finance* (14th ed., Vol. 34, Issue 5). Cengage Learning, Inc. https://doi.org/10.2307/2327254

Connelly, B. L., Certo, S. T., Ireland, R. D., & Reutzel, C. R. (2011). Signaling Theory: A Review and Assessment. *Journal of Management, 37(1)*, 39–67. https://doi.org/https://doi.org/10.1177/0149206310388419

De Masi, S., Słomka-Gołębiowska, A., Becagli, C., & Paci, A. (2021). Toward sustainable corporate behavior: The effect of the critical mass of female directors on environmental, social, and governance disclosure. *Business Strategy and the Environment*, *30*(4), 1865–1878. https://doi.org/10.1002/bse.2721

Dong, Y., Liang, C., & Wanyin, Z. (2023). Board diversity and firm performance: impact of ESG activities in China. *Economic Research-Ekonomska Istraživanja*, *36*(1), 1592–1609. https://doi.org/10.1080/1331677X.2022.2090406

Freeman, R. E., & Dmytriyev, S. (2023). *R. Edward Freeman's selected works on stakeholder theory and business ethics*.

Freeman, R. E. E., & McVea, J. (1984). Strategic Management: A Stakeholder Approach. *SSRN Electronic Journal*, *January 2001*. https://doi.org/10.2139/ssrn.263511

Giannopoulos, G., Fagernes, R. V. K., Elmarzouky, M., & Hossain, K. A. B. M. A. (2022). The ESG Disclosure and the Financial Performance of Norwegian Listed Firms. *Journal of Risk and Financial Management*, *15*(6). https://doi.org/10.3390/JRFM15060237

Hwang, J., Kim, H., & Jung, D. (2021). The effect of esg activities on financial performance during the covid-19 pandemic—evidence from korea. *Sustainability (Switzerland)*, *13*(20). https://doi.org/10.3390/su132011362

Ihsani, A. N., Nidar, S. R., & Kurniawan, M. (2023). Does ESG Performance Affect Financial Performance? Evidence from Indonesia. *Wiga : Jurnal Penelitian Ilmu Ekonomi*, *13*(1), 46–61. https://doi.org/10.30741/wiga.v13i1.968

Kasmir. (2015). *Analisis Laporan Keuangan* (1st ed.). PT Raja Grafindo Persada.

Kieso, D. E., Weygandt, J. J., & Warfield, T. D. (2020). *Intermediate Accounting Wiley, IFRS 4th Edition by Donald E. Kieso* (4th ed.).

Nguyen, V. C., & Huynh, T. N. T. (2023). Characteristics of the Board of Directors and Corporate Financial Performance—Empirical Evidence. *Economies*, *11*(2), 53. https://doi.org/10.3390/economies11020053

Rahayu. (2020). Kinerja Keuangan Perusahaan. In *Kinerja Keuangan Perusahaan*.

Safriani, M. N., & Utomo, D. C. (2020). Pengaruh Environmental, Social dan Governance (ESG) Disclosure terhadap Kinerja Perusahaan. *Bandung Conference Series: Accountancy*, *4*(1), 300–306. https://doi.org/10.29313/bcsa.v4i1.11584

Shannon, K. O. (2014). *Environmental and Stakeholder Theory and Practice*.

Sharawi, D. H., Al-Zahrani, M. H., & Al-Asmari, M. A. (2024). The Moderating Effect of Board characteristics in the Relationship Between ESG Disclosure and Financial Performance: Evidence from KSA. *Educational Administration: Theory and Practice*, *30*(7), 1055–1067. https://doi.org/10.53555/kuey.v30i7.6944

Srour, M. I. (2022). The impact of Environmental, Social, Governance (ESG) disclosure on firm value and Financial Performance: Evidence from Egypt during Covid 19. □□□□□□□ 19–1), 1(*42*, □□□□□□□□. https://doi.org/10.21608/caf.2022.251745

Sugiyono, M. P. P. (2016). Pendekatan Kuantitatif, Kualitatif, dan R \& D (cetakan ke-23). *Bandung: Alfabeta*.

Tharavanij, P. (2019). ESG Rating and Financial Performance: A Review Article. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3959368

Wibowo &Faradiza. (2014). *Sekar_SNA_Lengkap.pdf* (p. 30).

Wu, Z., Gao, J., Luo, C., Xu, H., & Shi, G. (2024). How does boardroom diversity influence the relationship between ESG and firm financial performance? *International Review of Economics & Finance*, *89*, 713–730. https://doi.org/10.1016/j.iref.2023.10.045

Yoo, S., & Managi, S. (2022). Disclosure or action: Evaluating ESG behavior towards financial performance. *Finance Research Letters*, *44*, 102108. https://doi.org/10.1016/j.frl.2021.102108

Zaman, S., & Ellili, N. O. D. (2022). The Effect of ESG Disclosure on the Financial Performance of UAE Banks Sadia Zaman Nejla Ould Daoud Ellili. *Ssrn*.