

# Social Disclosure's Ascendancy in Energy Corporate Valuation: Outpacing Economic, Environmental, and Governance Dimensions

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## ABSTRACT

*A sustainability report is a key tool for corporate accountability, communicating a company's performance and value to stakeholders. This study investigates the role of such reports, specifically examining how their economic and ESG (Environmental, Social, and Governance) disclosures influence company value. This study extends previous ESG research by isolating the social dimension as the primary driver of firm value in Indonesia's energy sector. The research utilized data from energy sector companies listed on the Indonesia Stock Exchange from 2021 to 2023. A purposive sampling method was used, yielding 102 observational samples. The data were analyzed using multiple linear regression in EViews 12 to test the associations. The analysis revealed that economic, environmental, and governance disclosures individually do not have a significant effect on company value. In contrast, social disclosure was found to exert a significant positive influence. Furthermore, the simultaneous effect of all ESG and economic dimensions was significant. This indicates that while social factors are individually critical, the integrated reporting of all dimensions jointly impacts value. For energy companies facing significant social challenges, disclosing social performance is crucial. It not only strengthens legitimacy but also directly enhances market value by improving reputation, fostering consumer loyalty, and building stronger community relations.*

**Keywords:** EESG; ESG; Economic Disclosure; Corporate Value

## INTRODUCTION

A company aims to optimize profits to satisfy itself and its stakeholders (Ramadani & Purbasari, 2024). Companies that generate substantial profits may be more profitable for investors. However, corporate competition to maximize profits can lead to increased exploration of natural resources (Putri & Mutumanikam, 2022). Global warming and income inequality have become concerns that raise questions about the contribution of modern business organizations to sustainable growth and international social development (Orazalin & Mahmood, 2020). Currently, Indonesia is among the 20 countries with the least environmentally friendly performance on the Environmental Performance Index (Adi, 2024). This low score is due to a lack of climate change mitigation, poor air quality, and land and water pollution. Indonesia ranks among the lowest in environmental performance, with a score of 33.8 out of 100 in 2024 (Adi, 2024). Companies in Indonesia, particularly in the energy sector, experienced record-high carbon emissions in 2023. Therefore, companies are being pressured to take action for environmental and economic sustainability (Ramadhan et al., 2024).

The energy sector is the dominant CO<sub>2</sub> emitter among other sectors. Global CO<sub>2</sub> emissions from the energy sector reached 33.75 Gt, accounting for 92.64% of total CO<sub>2</sub> emissions (Frisal et al., 2024). Companies in the energy sector are at the forefront of this issue. This reflects the growing challenges posed by climate change (Ramadhan et al., 2024). In the last decade, sustainability has

become a significant concern for companies externally. More and more companies are recognizing the importance of sustainability responsibility in their operations. Companies can inform and convey details about their activities, including accountability and implementation information, as well as their commitments to governance and to environmental, social, and economic issues (Purnamasari et al., 2022).

A sustainability report serves as a moral compass for every company, reflecting its activities and interactions with the public. Companies have obligations to their surrounding environment, namely, stakeholders (Astuti & Juwenah, 2017). These reports, called social reports, focus on economic, social, and environmental performance (the three main aspects of sustainability) and corporate governance, aiming to increase corporate accountability and transparency (Swarnapali, 2020). Sustainability reports also present organizational and governance principles that demonstrate a company's strategy is linked to a sustainable global economy. Stakeholders view sustainability reporting as a source of information that combines corporate governance, economic, environmental, and social aspects in a single, integrated report (Purnamasari et al., 2022). This report serves as a guide for companies, not only conveying information related to governance, economic, environmental, and social aspects, but also disclosing the risks faced and their management strategies (Nguyen, 2020). This report is prepared transparently, communicating performance commitments to meet the demands of diverse stakeholders. Many companies now publish corporate reports that encompass not only quantitative but also qualitative information. The report is based on the Global Reporting Initiative (GRI), which indicates an organization's impact on sustainable development (Nisaih & Prijanto, 2023). The GRI helps businesses and governments identify and communicate their impact on sustainability issues, including governance, human rights, climate change, and social welfare (Eriandani, 2022).

Since 1997, the GRI, an independent global organization based in the Netherlands, has supported sustainability reporting that helps governments and businesses across various countries address human rights and social welfare issues in the sustainability era (Febriyanti, 2021). These reporting standards are used to minimize sustainability issues (Global Reporting Initiative, 2023). GRI first released its reporting standards in 2000. Over time, these standards have undergone several updates to improve quality. The latest revision of this standard is the GRI Standards 2021, the most recent version (Sahetapy, 2023). The GRI Standards 2021 offer several advantages over the 2016 standards. This latest standard has a broader scope of application, enabling companies to prepare more comprehensive disclosure reports in accordance with the GRI standards. This is a new development in Indonesian sustainability regulations (Susianto & Wirakusuma, 2024). Sustainability reports demonstrate that a company has disclosed information about its current condition and commitment to developing sustainable business practices to stakeholders. For investors, a high level of reporting intensity is expected to influence financial managers' investment decisions, leading them to be more enthusiastic about investing (Amalia & Triwacananingrum, 2022). By reporting on sustainable management, stakeholders can gain a deeper understanding of a company's performance across economic, environmental, and social dimensions, which demonstrates its potential value (Latifah & Luhur, 2017). Furthermore, the company's values, governance model, and sustainability reporting responsibilities are reflected in the GRI Sustainability Report (GRI, 2018, cited in Rahmawati & Yuyetta, 2024).

Company value is a manifestation of public trust in the company that has persisted for years. A company will struggle to survive in the long term without the trust of its public. Share prices can be a key factor in establishing public trust. Share prices can influence a company's value. A high share price indicates the company has earned market trust both now and in the future. If a company's value increases, investors can invest. Therefore, companies must ensure that they remain in good condition to attract investors. Shareholder prosperity will follow the increase in company value (Yusnita, 2023).

Swarnapali (2020) research demonstrated that the presentation of sustainability reports positively affects company value. Meanwhile, Amin et al., (2023) research found that the presentation of sustainability reports has no significant effect on company value. Riski & Prasetyono (2023) research found that environmental performance and governance do not affect company value, while social performance does. However, Rahmawati & Yuyetta (2024) research found that

environmental and social performance have no effect, while governance does. Atahau & Kausar (2022) research found that the social dimension does not affect company value, while the environmental and economic dimensions do. However, Purnamasari et al., (2022) research found that the environmental dimension does not significantly affect company value, whereas the economic and social dimensions do. Another finding from Pratama et al., (2019) research suggests that the economic dimension has no significant impact on company value. In contrast, the environmental and social dimensions positively affect company value. To determine whether this study yields different results from previous research when applied to the energy sector, data were collected from 2021 to 2023, the most recent data period at the time of the study. The sustainability report governance dimension was then added as a variable. This study adhered to the latest GRI 2021 guidelines (Global Reporting Initiative, 2023).

Keraf (1998) stated that humans are the primary subject in discussions of environmental ethics, both as individuals and as a group within the context of the natural environment as a whole, as well as the relationships between humans that impact the environment in general (Setiawan, 2016). One way companies demonstrate their environmental and ethical values in their business activities is through Corporate Social Responsibility (CSR). To convey the implementation of CSR activities to stakeholders, a transparent information disclosure process is required (Garriga & Melé, 2004). This study focuses on the disclosure of the company's operational activities and actions taken. Companies must consider the steps taken to achieve their goals. If the company's goals and values are achieved, it must be ensured that external parties incur no losses. Therefore, the disclosure of sustainability reports can provide external parties with information about the company.

The problem formulation can be explained as follows: first, does the disclosure of sustainability reports on the governance dimension affect company value? second, does the disclosure of sustainability reports on the economic dimension affect company value? third, does the disclosure of sustainability reports on the environmental dimension affect company value? Moreover, fourth, does the disclosure of sustainability reports on the social dimension affect company value? This research is expected to provide applied implications for interested parties. It can serve as a reference for the academic community, providing academics with input to help develop more complex models. It can help strengthen accounting theory by examining how sustainability reports impact company value. This research can help increase corporate awareness of social and environmental responsibility, particularly in areas where sustainability remains suboptimal. For the government, sustainability reports can inform appropriate policy decisions on regulations in Indonesia. This will facilitate government evaluations and better structure, demonstrating their impact on company value and investor satisfaction. This research is expected to provide investors with valuable information for informed decision-making. Furthermore, for future researchers, the results of this study can be helpful and provide information for developing research related to sustainability reports. Unlike prior studies that treat ESG dimensions equally, this study highlights the predominance of the social dimension within Indonesia's energy sector, extending the literature on sustainability valuation in emerging markets.

## LITERATURE REVIEW

### Previous Research

Swarnapali (2020) research collected data from 220 Sri Lankan companies listed on the Colombo Stock Exchange between 2012 and 2016. The results showed that sustainability reports had a positive effect on company value. Nguyen (2020) research used 97 large German companies, all listed and with detailed GRI compliance levels. The results showed a significant but inverse relationship between company value. Purnamasari et al., (2022) conducted research that collected data from 34 companies between 2015 and 2017. The results showed that the economic and social dimensions positively influenced company value, whereas the environmental dimension did not. Atahau & Kausar (2022) conducted a study examining the Asia Sustainability Report Rating, which included 59 companies. The results showed that the economic and environmental dimensions positively influenced company value, whereas the social dimension had no effect. Febriyanti (2021) research sampled 40 companies listed on the IDX from 2015 to 2019, including recipients of the Sustainability Reporting Award and the Asia Sustainability Reporting Rating. The study found that

sustainability reporting had no significant impact on company value. Economic performance had a significant impact on company value, whereas environmental and social performance did not. Pujiningsih (2020) research, which utilized panel data from 67 companies, found that sustainability reporting had a significant impact on company value. The economic dimension of the sustainability report had a negative and significant impact on company value. In contrast, the environmental and social dimensions of the sustainability report had no impact on company value. Pratama et al. (2019) research on manufacturing companies in 2016-2017 with a total sample of 17 companies found that the economic dimension of the sustainability report had no significant effect on company value, the environmental dimension of the Sustainability Report had a significant positive effect on company value, and the social dimension of the Sustainability Report had a significant positive effect on company value. Anna & Dwi R.T, (2019) research concluded that sustainability reports based on economic, environmental, and social performance aspects affected company value. Amin et al. (2023) research on the mining sector for the 2019-2021 period found that sustainability report disclosure had no significant effect on company value. Eriandani (2022) research, which utilized data from 267 companies, found that the quantity and quality of sustainability report disclosures did not affect company value, indicating that they were irrelevant to value. Frisal et al. (2024) conducted research in the energy sector spanning 2020 to 2023 and found that the disclosure of sustainability reports and green accounting had a significant impact on company value. Morieta et al. (2024) found, in their research on Sri-Kehati for the 2020-2022 period, that the disclosure of sustainability reports harmed company value. Wiharjo & Ekadjaja (2024) research, which utilized panel data from 22 consumer sector companies listed on the IDX, found that environmental disclosures had a significant impact on company value. In contrast, economic and social disclosures in sustainability reporting did not. (Rahmawati & Yuyetta, 2024) research found that ESG affected company value, but environmental and social performance did not, whereas governance did. Research by Riski & Prasetyono (2023) found that environmental performance has an adverse effect, while social and governance have a positive effect on company value. Research by Oktaviana et al. (2025) found that firm size and growth significantly influence firm value. Environmental disclosure, social disclosure, general disclosure, ROA, ROE, and leverage did not significantly influence firm value. Research by (Romli & Abdurohim, 2024) found that environmental, social, and governance disclosures did not affect firm value. A summary of inconsistencies in previous results is shown in Table 1 below.

### **Stakeholder Theory**

According to Ghazali and Chariri, stakeholder theory posits that companies must provide benefits to all parties involved, including shareholders, analysts, consumers, creditors, the government, suppliers, the community, and others. Stakeholder theory aims to implement management functions that can optimize activities and reduce negative impacts on stakeholders (Iberahim & Artinah, 2020). Companies must be able to broaden management's vision in carrying out their responsibilities to improve the interests of non-shareholder groups (Amalia & Triwacananingrum, 2022). Stakeholder theory explains why companies must prioritize their stakeholders' interests. Companies must pay attention to stakeholders' desires and needs to maintain good relationships with them. A good relationship between the company and its stakeholders enables both parties to collaborate in achieving mutually desired prosperity (Putri & Mutumanikam, 2022). Disclosure of sustainability reports is necessary for stakeholders to make informed decisions. In addition, companies can fulfill their responsibilities by submitting sustainability reports and expanding management's vision to provide information that builds stakeholder confidence in the company, in accordance with stakeholder theory.

### **Legitimacy Theory**

According to Dowling and Pfeffer (1975), legitimacy is a crucial aspect for groups, norms, and values in society that emphasize boundaries. Reactions to boundaries are important for analyzing organizational behavior by considering the environment (Pujiningsih, 2020). This theory holds that companies operate under society's authority (Woodward et al., 1996). Companies essentially have a social contract with their environment. A general overview of what society expects from an

organization's operations is known as a social contract. Meanwhile, societal desires often shift over time. This means that companies must always comply with the social contract in their environment (Situmorang & Bimo, 2023). Legitimacy theory is the basis for companies to pay attention to what society expects. Companies must operate in accordance with existing social norms when conducting their operations (Putri & Mutumanikam, 2022). Because companies that disclose their social performance will gain recognition from the local community where they operate, companies must therefore provide benefits to the surrounding community. Legitimacy theory can also explain that corporate operations should convey environmental and social actions as part of the company's business strategy.

Table 1. Inconsistency from Previous Research

Variable	Has Impact on Firm Value	Has no Impact on Firm Value
Governance Disclosure	Frisal et al., (2024), Rahmawati & Yuyetta (2024), Riski & Prasetyono (2023).	Eriandani (2022), (Romli & Abdurohim, 2024).
Economic Disclosure	Purnamasari et al. (2022), Atahau & Kausar (2022), Febriyanti (2021), Anna & Dwi R.T (2019), Wiharjo & Ekadjaja (2024).	Eriandani (2022), Wiharjo & Ekadjaja (2024).
Environmental Disclosure	Atahau & Kausar (2022), Febriyanti (2021), Pratama et al. (2019), Wiharjo & Ekadjaja (2024).	Pujiningsih (2020), Eriandani (2022), (Rahmawati & Yuyetta, 2024), Oktaviana et al. (2025), (Romli & Abdurohim, 2024).
Social Disclosure	Purnamasari et al. (2022), Pratama et al. (2019), Anna & Dwi R.T (2019).	Pujiningsih (2020), Eriandani (2022), Wiharjo & Ekadjaja (2024), (Rahmawati & Yuyetta, 2024), Oktaviana et al. (2025), (Romli & Abdurohim, 2024).
E-ESG Disclosure	Swarnapali (2020), Frisal et al., (2024), Morieta et al., (2024).	Febriyanti (2021), Pratama et al. (2019), Amin et al. (2023), (Rahmawati & Yuyetta, 2024).

Source: Processed Data (2025)

### Corporate Value

Investor perceptions of stocks form the basis for determining a company's value and for evaluating its success (Iberahim & Artinah, 2020). Companies with high valuations typically have high demand for their shares. On the stock market, this demonstrates investor confidence in the company's prospects. Therefore, rising stock prices indicate that a company's value is improving. Maximizing company value is a primary focus. Companies employ various effective and efficient business strategies. Their mission is to increase shareholder prosperity, as large companies generate substantial profits (Susianto & Wirakusuma, 2024). Tobin's Q is often used to reflect a company's value because it is less affected by managerial manipulation and variations in accounting methods (Swarnapali, 2020). Tobin's Q can reflect comprehensive financial performance beyond traditional financial metrics.

## **Sustainability Report**

A sustainability report represents a company's responsibility to stakeholders. A company's strategy of using sustainability reports to increase investor confidence is likely to impact its value (Martania Dwi Hapsari, 2023). A sustainability report contains four dimensions: Governance, Economic, Environmental, and Social. Governance disclosure can assess a company's governance structure and practices, including transparency, board of directors composition, compliance with applicable regulations, shareholder rights, and business ethics (Oktaviana et al., 2025), thereby reflecting the transparency of the disclosed information (Riski & Prasetyono, 2023). Economic disclosure to investors and the public can provide transparency into economic performance (Pratama et al., 2019). Environmental disclosure, resource management, and corporate environmental disclosure will be crucial values for creating environmental quality within organizations that rely on natural systems (Pratama et al., 2019). Social disclosure is a means by which companies can express their social values to enhance the quality of human resources and practices within local communities (Pratama et al., 2019).

## **Hypothesis Development**

**The Impact of the Governance Disclosure on Corporate Value.**

Stakeholders can exercise oversight to ensure that companies do not exploit unprofitable opportunities. However, such monitoring can lead to high agency costs. Good corporate governance and adequate information disclosure can help mitigate agency conflicts (Salam, 2021). Companies with more transparent governance can help increase firm value (Giannarakis et al., 2020). Indirectly, companies signal a long-term commitment to sustainability, which can be viewed as a sign of effective quality management and good corporate governance. Research by (Frisal et al., 2024), Rahmawati & Yuyetta (2024), and Riski & Prasetyono (2023) suggests that governance dimensions influence firm value. Based on the explanation above, the first hypothesis can be formulated as follows:

H<sub>1</sub>: The governance disclosure has an impact on corporate value.

**The Impact of the Economic Disclosure on Corporate Value.**

Shareholders and potential investors can use a company's economic data to inform their decisions and policies. By including information on economic performance in its Sustainability Report, a company can stimulate performance improvements, which in turn positively impact profits. If a company's profitability increases, potential investors will be interested in investing, thereby increasing the company's value (Febriyanti, 2021). This aligns with signaling theory, where other parties can obtain information from the information owner. These signals can serve as a basis for informed decision-making. This finding aligns with research by Purnamasari et al. (2022), Atahau & Kausar (2022), Febriyanti (2021), Anna & Dwi R.T (2019), Wiharjo & Ekadaja (2024), which suggests that the economic dimension influences company value. Based on the previous explanation, the second hypothesis can be formulated as follows:

H<sub>2</sub>: The economic disclosure has an impact on corporate value.

**The Impact of the Environment Disclosure on Corporate Value.**

Disclosure of environmental dimensions that explain how companies are responsible and concerned with environmental issues can enhance stakeholder trust and their reputation. The eco-friendly sector is developing rapidly, targeting generations X, Y, and Z. Although offering higher prices, this will impact business performance (Purnamasari et al., 2022). This predicate will bring added value to the company in the eyes of stakeholders. The higher a company's added value, the more trustworthy and attractive it is to stakeholders. When a company earns the trust of its stakeholders, it will maintain strong relationships with them (Anna & Dwi R.T, 2019). This aligns with the theory of environmental ethics presented in the Sustainability Report, which not only serves as a tool for reporting the Company's environmental performance but also demonstrates the application of environmental ethics in business practices. This aligns with stakeholder theory, which argues that the primary goal of corporate management is to enhance corporate strength and

minimize potential losses for stakeholders. This research aligns with legitimacy theory, which posits that disclosing environmental performance is crucial for demonstrating a company's responsibility and concern for addressing environmental issues in its operations, as well as for analyzing organizational behavior in light of environmental considerations. Research by Atahau & Kausar (2022), Febriyanti (2021), Pratama et al. (2019) supports the assertion that environmental dimensions influence firm value. Based on the previous analysis, the third hypothesis can be formulated as follows:

H<sub>3</sub>: Environmental disclosure affects corporate value.

#### The Impact of the Social Disclosure on Corporate Value.

Several internal parties discussed employee rights and obligations, as well as human rights issues. Meanwhile, external parties discussed the company's obligations and responsibilities to the general public, as well as compliance with applicable social norms. If a company recognizes its rights and obligations to both internal and external communities, it is considered to care for all parties (Atahau & Kausar, 2022). This also aligns with legitimacy theory, which is crucial for organizations, norms, and social values. Legitimacy theory provides a basis for companies to address societal expectations. This theory ensures that companies operate in accordance with existing social norms. This research aligns with stakeholder theory, which posits that corporate entities must provide benefits to all stakeholders, rather than focusing solely on their own activities. This aligns with research by Purnamasari et al. (2022), Pratama et al. (2019), Anna & Dwi R.T (2019), which states that the social dimension influences company value. Based on the explanation above, the fourth hypothesis can be formulated as follows:

H<sub>4</sub>: The social disclosure has an impact on corporate value.

#### The Impact of the Sustainability Report (E-ESG) on Corporate Value.

Good sustainability reporting can enhance a company's reputation and image. Based on this argument, the research question is whether there is a relationship between sustainability reporting (encompassing economic, environmental, social, and governance dimensions) and company value. This study assumes that companies that comply with GRI disclosure guidelines can increase their value (Nguyen, 2020). Stakeholder, legitimacy, and signaling theories underlie the concept of sustainability reporting. In legitimacy theory, companies can consider public rights and prevent failures, and can raise public expectations by explaining their operations in sustainability reports. Legitimacy theory suggests that companies must incorporate environmental and social actions into their business strategies. Companies can fulfill their responsibilities by submitting sustainability reports and expanding management's vision to provide information that fosters stakeholder trust, in accordance with stakeholder theory. By submitting complete, relevant, and accurate sustainability reports to stakeholders, it becomes easier for them to make informed investment decisions. If each dimension is managed effectively, it can provide investors with a signal about the company's condition. This finding aligns with research by (Swarnapali, 2020), Frisal et al., (2024), Morieta et al., (2024). Based on the previous explanation, the fifth hypothesis can be formulated as follows:

H<sub>5</sub>: The sustainability report (EESG dimensions) has an impact on corporate value.

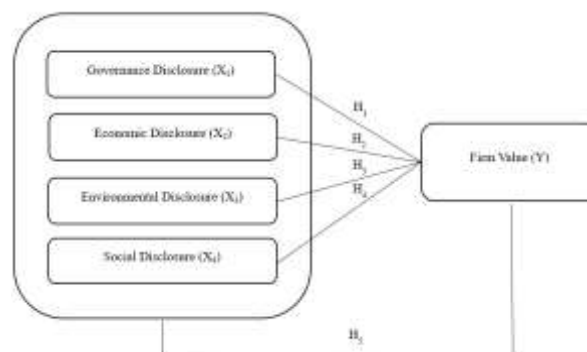


Figure 1. Conceptual Framework Research Variables  
Source: Researcher (2025)

## METHODOLOGY

Quantitative research using secondary data taken from annual reports and sustainability reports. Purposive sampling was used to select a sample of energy sector companies listed on the IDX from 2021 to 2023. The criteria used were: a) All energy companies listed on the IDX in 2021-2023; b) Companies published sustainability reports and annual reports for 2021-2023 on [www.idx.co.id](http://www.idx.co.id) or the official company website; and c) Companies have disclosed sustainability reports according to GRI standards between 2021-2023. Based on the criteria determined (Table 2) using a purposive sampling method, 34 companies met the criteria from a total of 88 energy companies, which served as the research population. These 34 companies were sampled over 3 years, yielding 102 data points. Data processing was conducted using EViews 12 through model testing, classical assumption testing, and analysis of F-tests, t-tests, and the coefficient of determination ( $R^2$ ). The implementation of the 2021 GRI standards is reflected in the sustainability report (Susianto & Wirakusuma, 2024). Using GRI 2021 standards is highly advantageous for research in the energy sector for three key reasons: a) sector-specific relevance. GRI 2021 includes the GRI 11: Oil and Gas Sector Standard and the GRI 12: Coal Sector Standard; b) standardization and comparability. GRI 2021 creates a common language for a widely adopted sustainability reporting framework. This allows researchers to reliably compare sustainability performance and its effects across different energy companies; and c) comprehensive and structured data. The GRI 2021 structure requires organizations to report on their most significant impacts across all ESG dimensions. So, GRI 2021 provides a relevant, consistent, and high-quality foundation for rigorous, sharp research in the energy sector.

Table 2. Sampling Criteria

Energy companies listed on the IDX	88
Companies that have not consistently published sustainability reports during 2021 – 2023	(6)
The company published a sustainability report using the GRI index between 2021 and 2023	(48)
Number of companies sampled	34
Period of the data panel (years)	3
Total the processed data	102

Source: Processed Data (2025)

The dependent variable is corporate value, measured by Tobin's Q, which reflects investors' perceptions of a company's market value relative to its book value (Swarnapali, 2020). Tobin's Q is the ratio of the market value of equity and the book value of total debt to total assets (Sumarna, 2021). The independent variables are sustainability report disclosures in the ESG (Environmental, Social, and Governance) and Economic dimensions. Each dimension uses a dummy variable that is set to 1 if the item is mentioned/stated, and zero if it is not. The total indicators for the variables are shown in Table 3 below.

Table 3. Variable Measurements

Variable	Indicators	Scale	Source
Corporate Value	Tobin's Q	Ratio	(Sumarna, 2021)
Governance Disclosure	22 indicators	Dummy (0 or 1)	(Febriyanti, 2021)
Economic Disclosure	17 indicators		(Febriyanti, 2021)
Environmental Disclosure	31 indicators		(Febriyanti, 2021)
Social Disclosure	36 indicators		(Febriyanti, 2021)

Source: Processed Data (2025)

Disclosure of economic dimensions is necessary to explain the flow of capital among various stakeholders and the company's primary economic impacts on society, thereby increasing trust and support from all stakeholders (Purnamasari et al., 2022). The total economic dimension comprises

17 indicators (Febriyanti, 2021): GRI 202 Market Presence, GRI 203 Indirect Economic Impacts, GRI 204 Procurement Practices, GRI 205 Anti-Corruption, GRI 206 Anti-Competitive Behavior, and GRI 207.

Disclosure of the social dimension explains how a company treats employees. It also demonstrates responsibility and makes stakeholders an integral part of the process (Purnamasari et al., 2022). The total social dimension is 36 disclosure indicators (Febriyanti, 2021) as follows: GRI 401 Employment, GRI 402 Labor/Management Relations, GRI 403 Occupational Health and Safety, GRI 404 Training and Education, GRI 405 Diversity and Equal Opportunity, GRI 406 Non-Discrimination, GRI 407 Freedom of Association and Collective Bargaining, GRI 408 Child Labor, GRI 409 Forced or Compulsory Labor, GRI 410 Safety Practices, GRI 411 Rights of Indigenous Peoples, GRI 413 Local Communities, GRI 414 Supplier Social Assessment, GRI Public Policy, GRI 416 Customer Health and Safety, GRI 417 Marketing and Labeling, and GRI 418 Customer Privacy.

Governance dimensions based on GRI Standards (GRI 2: General Disclosures 2021), which are effective in Indonesia as of January 1, 2023 (GRI Standards, 2023). GRI 2 consists of disclosures on: a) governance (13 indicators), b) strategies, policies, and practices (7 indicators), and c) stakeholder engagement (2 indicators). Governance disclosures consist of indicators: i) governance structure and composition, ii) nomination and election of the highest governance body, iii) chair of the highest governance body, iv) role of the highest governance body in overseeing impacts, v) delegation of responsibility for managing impacts, vi) role of the highest governance body in sustainability reporting, vii) conflicts of interest, viii) communication of significant issues, ix) communication of significant issues, x) collective knowledge of the highest governance body, xi) remuneration policy, xii) process for determining remuneration, xiii) annual total compensation ratio. Disclosure of strategies, policies, and practices consists of the following indicators: i) statement of sustainable development strategy, ii) policy commitments, iii) embedding policy commitments, iv) processes for redressing negative impacts, v) mechanisms for seeking advice and raising concerns, vi) compliance with laws and regulations, and vii) membership associations. Disclosure of stakeholder engagement consists of the following indicators: i) approaches to stakeholder engagement, and ii) collective bargaining agreements.

Disclosure of environmental dimensions shows a company's concern and responsibility regarding environmental issues (Purnamasari et al., 2022). The total environmental dimension is 31 disclosure indicators (Febriyanti, 2021), namely: GRI 301 Materials, GRI 302 Energy, GRI 303 Water and Effluent, GRI 304 Biodiversity, GRI 305 Emissions, GRI 306 Waste, and GRI 308 Supplier Environmental Assessment.

## RESULT

### Descriptive Statistics

This research analyzed descriptive statistics from 34 panel data sets (Table 4). The minimum company value is 0.513030, and the maximum is 4.572720. This shows that the company value figures in this study range from 0.513030 to 4.572720. Of the 102 samples studied, the company with the minimum value is the Wintermar Offshore Marine Tbk. In 2021, the company with the maximum value is Golden Energy Mines Tbk with a value of 0.4572720. Meanwhile, the average (mean) company value is 1.251903, with a standard deviation of 0.651406, indicating that larger average values correspond to more centralized data and relatively minor variations.

The minimum value of the governance dimension is 0.285710, and the maximum value is 1.000000. The results show that the magnitude of the governance number ranges from 0.285710 to 1.000000, with an average value (mean) of 0.749766 and a standard deviation of 0.233351. This indicates that a larger average value corresponds to centralized data values and relatively minor variations. The governance dimension value with the minimum value is in the Company PT Prima Andalan Mandiri Tbk in 2021, while the governance value with the maximum value is in several companies with a decimal number of 1.000000. Meanwhile, the highest average governance number during 2021-2023 is held by the companies ABMM, PTBA, PGAS, and ITMG, which rank first with an average of 1.00000, while the lowest average governance number is found in BESS, with an average of 0.34921.

The minimum value of the economic dimension is 0.117650, and the maximum value is 1.000000. This indicates that the magnitudes of the economic figures in this study range from 0.117650 to 1.000000, with an average (mean) of 0.495386 and a standard deviation of 0.250176. This suggests that a larger average value corresponds to a centralized data set and relatively minor variations. The economic dimension value with a minimum value was recorded in Company PT Humpuss Intermoda Transportasi Tbk in 2022 and 2023, while the economic value with the maximum value was observed in several companies, with a decimal value of 1,000,000. Meanwhile, the highest average economic dimension score during 2021-2023 was observed in ABMM, PTBA, PGAS, and ITMG, ranking first with an average of 1.00000. Meanwhile, the lowest average governance score was observed in HITS, at 0.17647.

Table 4. Descriptive Statistic

Variable	Minimum	Maximum	Mean	Std. Dev.
Corporate Value	0.513030	4.572720	1.251903	0.651406
Governance	0.285710	1.000000	0.749766	0.233351
Economic	0.117650	1.000000	0.495386	0.250176
Environment	0.064520	1.000000	0.558823	0.235266
Social	0.111110	1.000000	0.532680	0.224630

Source: Processed Data (2025)

The minimum value of the environmental dimension is 0.064520, and the maximum value is 1.000000. The results show that the magnitudes of the economic figures in this study range from 0.064520 to 1.000000, with an average (mean) of 0.558823 and a standard deviation of 0.235266. This indicates that the average value is relatively centralized, with minor variations. The environmental dimension value with the minimum value is for Bintang Samudera Mandiri Lines Tbk in 2021, while the environmental value with the maximum value is in several companies, with a decimal value of 1.000000. Meanwhile, the average economic dimension number from 2021 to 2023 is the highest, with the ABMM company in first place, averaging 0.96774. In contrast, the lowest average governance number is recorded in the BSML company in 2021, at 0.13978.

The minimum value of the social dimension is 0.111110, and the maximum value is 1.000000. This shows that the magnitude of the social number in this study ranges from 0.111110 to 1.000000 with an average value (mean) of 0.532680 at a standard deviation of 0.224630 from the 32 companies studied, the social dimension value with the minimum value is in the Company PT Dana Brata Luhur Tbk in 2021 and Humpuss Intermoda Transportasi Tbk in 2022 and 2023, while the social value with the maximum value is in several companies with a decimal number of 1.000000. Meanwhile, the highest average economic dimension score during 2021-2023 was achieved by ABMM and PTBA, which occupied first place with an average of 0.84259. Meanwhile, the lowest average governance score was for BSML in 2021, at 0.15741.

### Model Test

The model test output results (Table 5) have a probability value of 0.0000. This means it is less than 0.05, indicating that the Chow test determines the Fixed Effect Model (FEM) is appropriate. The Chi-Square probability value is 0.4157, which is greater than 0.05. Therefore, the Hausman test determines that the Random Effects Model (REM) is the selected model. The Breusch-Pagan value is less than 0.05, indicating that the Lagrange Multiplier (LM) test supports the REM as the selected model. The selected estimation model is the REM, which is the most frequently obtained, so the model used for testing is the REM.

Table 5. Model Test

Chow Test			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	4.895199	33.64	0.0000
Cross-section Chi-Square	128.481384	33	0.0000

<b>Hausman Test</b>			
Test Summary	Chi-Sq. Statistic	Chi-sq. D.f.	Prob.
Cross-section random	3.929061	4	0.4157
<b>LM Test</b>			
	Cross-section	Time	Both
Breusch-Pagan	29.49499	0.425624	29.92062
	(0.0000)	(0.5141)	(0.0000)
Honda	5.430929	-0.652399	3.378931
	(0.0000)	(0.7429)	(0.0004)
King-Wu	5.430929	-0.652399	0.664756
	(0.0000)	(0.7429)	(0.2531)
Standardized Honda	5.859659	-0.216378	-0.605166
	(0.0000)	(0.5857)	(0.7275)
Standardized King-Wu	5.859659	-0.216378	-1.611049
	(0.0000)	(0.5857)	(0.9464)
Gourieroux, et al.	-	-	29.49499
			(0.0000)

Source: Processed Data (2025)

### Classical Assumption

The REM model uses the General Least Squares (GLS) approach. Data are normally distributed if the sample size is greater than 30. This is in accordance with the statement in the central limit theorem, where data with a large number of samples, especially those numbering more than 30 ( $n > 30$ ), is considered to be approximating a normal distribution (Ruth Pranadipta & Natsir, 2023). According to Basuki (2015), in panel data, autocorrelation testing is not mandatory because it includes cross-sectional elements, whereas autocorrelation typically occurs in time series. Furthermore, the normality test is not mandatory, as it is not an absolute requirement. Therefore, the classical assumption test used in this research is limited to heteroscedasticity and multicollinearity tests.

Table 6. Heteroscedasticity and Multicollinearity Result Test

Variable	Prob.	Centered VIF
Corporate Value	0.0000	NA
Governance	0.5151	1.732451
Economic	0.3929	3.770911
Environment	0.8849	3.348034
Social	0.3379	3.993149

Source: Processed Data Panel (2025)

In table 6 above, the heteroscedasticity test using the Glesjer method, the probability value of the governance variable is 0.5151 greater than 0.05, in the economic variable the probability value is 0.3929 greater than 0.05, in the environmental variable the probability value is 0.8849 greater than 0.05, in the social variable the probability value is 0.3379 greater than 0.05, it can be concluded that there is no problem with heteroscedasticity. It is known that the VIF value of the independent variable in governance that is included in the variable is 1.732451 ( $<10.00$ ), in the economy 3.770911 ( $<10.00$ ), in the environment 3.348034 ( $<10.00$ ), and in social ( $<10.00$ ), then it can be concluded that the data does not show symptoms of multicollinearity.

### Regression and Hypothesis Test

The coefficient values in Table 7, so the multiple linear regression model uses the following equation:

$$\text{Corporate Value} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

$$\text{Corporate Value} = 1.918312 - 0.386049\text{EGDI} + 0.378781\text{ECDI} - 0.011842\text{ENDI} - 1.047511\text{SODI} + e$$

Annotations:

- $\alpha$  = Constanta
- $\beta_1, \beta_2, \beta_3$  = Coefficient Regression
- (X<sub>1</sub>\_EGDI) = Governance Disclosure Dimension
- (X<sub>2</sub>\_ECDI) = Economic Disclosure Dimension
- (X<sub>3</sub>\_ENDI) = Environment Disclosure Dimension
- (X<sub>4</sub>\_SODI) = Social Disclosure Dimension
- e = error

The coefficient of determination test (Table 8) yielded an adjusted R-squared of 0.073335, or 7%. This means that the dependent variable can explain 7% of the variation in the independent variable. In comparison, the remaining 93% (100 - the adjusted R-square value) is explained by variables not examined in this study, such as dividend policy, leverage, green accounting, and others.

Table 7. Regression and T-Test Result

Variable	Coefficient	Prob.	Hypothesis	Interpretation	t-Stat
Constanta	1.918312	0.0000	-	-	8.375370
Governance	-0.386049	0.2033	H <sub>1</sub>	No significance	-1.280857
Economic	0.378781	0.4211	H <sub>2</sub>	No significance	0.807909
Environment	-0.011842	0.9805	H <sub>3</sub>	No significance	-0.024466
Social	-1.047511	0.0484	H <sub>4</sub>	Significance	-1.998892

Source: Processed Data Panel (2025)

The t-test results (Table 7) for the governance variable (X<sub>1</sub>) yield a t-statistic value of -1.280857 with a probability (significance) value of 0.2033 (>0.05), indicating that variable X<sub>1</sub> does not have a significant effect on variable Y. The t-test results for the economic variable (X<sub>2</sub>) yield a t-statistic value of 0.807909 with a probability (significance) value of 0.4211 (>0.05), indicating that variable X<sub>2</sub> does not have a significant effect on variable Y. The t-test results for the environmental variable (X<sub>3</sub>) yield a t-statistic value of -0.024466 with a probability (significance) value of 0.9805 (>0.05), indicating that variable X<sub>3</sub> does not have a significant effect on variable Y. The t-test results on the social variable (X<sub>4</sub>) have a t-statistic value of -1.998892 with a probability (significance) of 0.0484 (<0.05), indicating that variable X<sub>4</sub> has a significant effect on variable Y.

Table 8. Autocorrelation, Coefficient Determination, and F Test

Weighted Statistics			
R-squared	0.110034	Adj. R-squared	0.073335
Sum squared resid	16.17881	F-statistic	2.998243
Durbin-Watson stat.	1.810501	Prob (F-statistic)	0.022206 (H <sub>5</sub> ) Significance

Source: Processed Data Panel (2025)

In Table 8, the REM results indicate that the F-statistic is 2.998243 and the probability value is 0.022206 (<0.05), which is less than the significance level of 0.05. This means that the variables of governance, economics, environment, and social (together) simultaneously have a significant effect on company value.

## DISCUSSION

**Disclosure of the governance dimension in the sustainability report has no significant impact on corporate value.**

Several factors that may be the cause include: a) Minimal differences in the application of governance principles among sample companies; b) Weak implementation of existing regulations; c) Investors' tendency to focus more attention on other aspects such as financial performance, growth potential, and market conditions when assessing a company's value; d) This research data uses some data from the post-COVID-19 pandemic period (2020-2022), where investors are more focused on financial stability and economic recovery policies, so that long-term governance aspects (such as board structure or anti-corruption policies) are less considered; e) Many energy companies in Indonesia are still dominated by state or conglomerate ownership, where governance practices are often considered "given" by the market, so that disclosure does not provide new information that influences valuations; f) Tobin's Q is more sensitive to operational performance and energy commodity prices (such as oil and coal) which are highly volatile during that period, so that normative governance factors do not have a direct impact on stock prices; and g) If governance disclosure is not accompanied by real implementation or is merely a formality (such as simply complying with Indonesia Stock Exchange regulations), then investors do not consider it as a factor that increases company value. Thus, although governance is important for sustainability, its influence on Tobin's Q in the Indonesian energy sector from 2021 to 2023 is not significant. Thus, although corporate governance plays an important role in theory, in practice, it is not necessarily a primary consideration for investors when determining a company's value.

#### **Disclosure of the economic dimension in the sustainability report has no significant impact on corporate value.**

The use of Sustainability reports can be a strategy for companies to increase investor confidence, which in turn affects company value (Martania Dwi Hapsari, 2023). Several reasons why the influence of economic dimensions does not significantly affect company value as proxied by Tobin's Q, include: a) The insignificant influence of economic aspects in sustainability reports on company value can be caused by the nature of the information which is still general and does not directly reflect the company's financial performance; b) Not all investors consider economic aspects in sustainability as a significant factor in the investment decision-making process, so its contribution to the assessment of company value is less visible; c) Investors and capital markets may already consider economic information as a basic factor that must be disclosed, so it does not provide new signals that can affect company valuations; d) The economic performance of energy sector companies is more influenced by external factors such as commodity prices, government policies, and fluctuations in global demand, so that sustainability report disclosures are not strong enough to change investor perceptions; and e) The Tobin's Q is more sensitive to intangible assets (such as innovation or reputation) or environmental/social performance that have long-term impacts, while the economic dimension is considered a measure of short-term performance that is already reflected in traditional financial reports. In addition, if economic disclosures are not accompanied by concrete sustainability practices or high transparency, investors may doubt their credibility, which can negatively impact the company's market value.

#### **Disclosure of the environmental dimension in the sustainability report has no significant impact on corporate value.**

Several arguments for why environmental disclosure does not significantly impact the value of energy sector companies in Indonesia include: a) Information related to environmental aspects presented in sustainability reports is generally narrative in nature and does not explicitly describe their impact on company profitability; b) Investor awareness of environmental issues remains relatively low in several sectors or regions, so environmental aspects have not yet become a dominant factor in assessing company performance or value; c) The financial performance of energy companies during the post-COVID-19 economic recovery period is more influenced by macroeconomic factors, such as rising commodity prices (coal and oil) and global demand, so investors tend to focus more on short-term profitability than environmental issues; d) Despite the growing global pressure for energy transition, many Indonesian energy companies, especially those operating in the coal and oil sectors, still rely on revenue from conventional businesses, so disclosure of environmental practices (such as emission reductions or renewable energy) has not

been fully recognized as a value driver by the market; e) If environmental disclosure is only declarative without concrete actions or measurable financial impacts (for example, through cost savings or regulatory incentives), investors may doubt its direct benefits to company valuation; and f) The low level of appreciation of ESG (Environmental, Social, and Governance) aspects by the Indonesian capital market compared to markets in developed countries can also explain why environmental disclosure does not directly increase Tobin's Q. Thus, although environmental issues are increasingly relevant, their impact on the value of companies in the Indonesian energy sector in 2021-2023 is still limited.

### **Disclosure of social dimensions in the sustainability report has a significant impact on corporate value.**

Several arguments why disclosure of social dimensions in sustainability reports influences the value of energy sector companies include: a) Demonstrating the company's concern for the welfare of employees, the community, and various other stakeholders; b) Social aspects such as relationships with the surrounding community, occupational health and safety (K3/ Keselamatan dan Kesehatan Kerja in Bahasa Indonesia), and community empowerment programs, are directly related to the company's license to operate; c) Social conflict or community protests can disrupt operations and cause financial losses; therefore, the disclosure of good social practices increases investor confidence in business sustainability. The Indonesian energy sector, especially mining, oil, and gas, often faces sensitive social-impact issues. Companies that transparently disclose their commitment to CSR and maintain harmonious relationships with stakeholders are perceived as having lower risk, thus receiving higher market valuations. During the post-COVID-19 economic recovery period, employment and worker welfare issues have come under scrutiny. Disclosure of training programs, employee welfare, or social contributions during the pandemic can enhance a company's reputation and attract ESG-focused investors; d) Indonesian regulations, such as the CSR Law and the OJK sustainability reporting standards, increasingly encourage accountable social practices. Companies that comply with these regulations are considered more compliant and lower risk, which positively impacts their market valuations; and e) Global investors are increasingly integrating social factors into investment decisions. Energy companies that demonstrate leadership in social aspects (for example, through education or public health programs) can attract foreign capital inflows, which, in turn, drive an increase in Tobin's Q.

### **The EESG (Economic, Environmental, Social, and Governance) disclosure in the sustainability report has a significant impact on corporate value.**

Comprehensive sustainability reporting disclosures covering economic, social, governance (ESG) and environmental dimensions in an integrated manner have been shown to significantly impact company value (Tobin's Q) in the Indonesian energy sector in the 2021-2023 period for several fundamental reasons, including: a) The comprehensive implementation of sustainability practices can improve operational efficiency, minimize environmental and social risks, and strengthen relationships with various stakeholders. This condition then increases trust from investors and stakeholders, which has a positive impact on company value; b) Integrated management of sustainability aspects not only provides short-term financial benefits, but also ensures business continuity and creates sustainable added value. All of these factors contribute to the creation of competitive advantages and increase investor confidence, which ultimately has a positive impact on company value; c) When all four EESG dimensions are disclosed together, a synergistic effect is created that strengthens investors' perceptions of a company's sustainability holistically. Investors look beyond a single aspect and assess how the company balances economic profitability, social stakeholder relationships, good governance, and environmental risk mitigation. This integrated approach creates a more credible and sustainable corporate image; d) The 2021-2023 period saw increased regulatory pressure from the OJK and the IDX regarding sustainability reporting, as well as global market demand for comprehensive EESG practices. Companies that can meet all these dimensions are seen as better prepared to face regulatory risks and more competitive in attracting foreign investment, particularly from institutional investors who are increasingly prioritizing EESG principles in their portfolios; e) Comprehensive disclosure allows

companies to demonstrate their ability to manage a variety of risks. Economic risks through business resilience and long-term profitability. Social risks through CSR programs and good public relations. Environmental Risks Associated with the Energy Transition and Waste Management Governance risks through board structure and anti-corruption policies; f) In the highly competitive energy sector, comprehensive sustainability reporting is a differentiator that enhances a company's reputation. This is especially important in maintaining a license to operate amidst the pressures of the energy transition, building trust with key stakeholders, and attracting the best talent in the industry; g) In the context of post-COVID-19 recovery and the acceleration of the global energy transition, companies that demonstrate a comprehensive commitment to EESG are seen as more resilient and adaptive to changes in the global energy market; h) The investors tend to place a premium on companies with comprehensive sustainability disclosures, as they indicate mature risk management, demonstrate readiness for a low-carbon future, and reflect good corporate governance. Therefore, while each ESG and environmental dimension may have varying impacts when viewed separately, their combined disclosures create a significant multiplier effect on market valuation (Tobin's Q) in the Indonesian energy sector. This holistic approach not only enhances transparency but also strengthens companies' positioning amid increasingly complex challenges in the energy industry.

## CONCLUSION

### Summary of Findings

The findings of this study indicate that only social variables significantly influenced company value, while governance, economic, and environmental variables did not. This suggests that social aspects in sustainability reports, such as attention to employee and community welfare, are important factors that can increase company value by enhancing reputation and investor trust. Conversely, the governance, economic, and environmental dimensions did not have a significant impact, possibly because the information presented was still general in nature and not yet a top priority in investor decision-making. Simultaneous testing of sustainability reports that encompass both ESG and economic dimensions revealed a joint effect on company value. This may indicate that in the energy sector during the observed period, investors and stakeholders may be more sensitive to social issues of public concern, or that the impact of the environmental and governance dimensions, as well as purely economic performance, may be moderated or influenced by other factors not included in this research model.

### Theoretical and Practical Implications

This study contributes to the sustainability accounting literature by empirically confirming that social disclosure outweighs the economic, environmental, and governance dimensions in determining firm value in emerging energy markets. Some of the **theoretical implications** are: a) refinement of legitimacy theory. The findings challenge a blanket application of Legitimacy Theory. Instead of all ESG dimensions being equally important for maintaining legitimacy, the results suggest that stakeholders grant legitimacy based on *sector-specific and context-specific* concerns. For the Indonesian energy sector, social legitimacy (the "Social License to Operate") appears to be a more immediate and valued currency than environmental or governance disclosures; and b) Contextual materiality of ESG factors. The results strongly support the concept of "contextual materiality" in ESG investing. It demonstrates that the financial materiality of ESG dimensions is not universal. In this specific market and period, the social dimension was the primary value-driver, suggesting that theoretical models must be adaptable to local institutional and sectoral realities.

Some of the **practical implications** are: a) Strategic prioritization for managers. Company management, particularly in the energy sector, should strategically re-prioritize their sustainability reporting and initiatives. Resources should be allocated to enhance the quality, depth, and credibility of *social disclosures*, such as community development, labor practices, and customer relations, as these directly impact market valuation; b) Guidance for regulators and standard setters. Policymakers (e.g., OJK/ Otoritas Jasa Keuangan in Indonesia) and standard-setters (e.g., IAI/ Ikatan Akuntan Indonesia in Indonesia) should note that generic ESG reporting mandates may not

yield uniform results. Encouraging or requiring more detailed and audited disclosures on social performance could be more effective for specific sectors, ensuring that reports provide information stakeholders actually value; c) Investment decision making. Investors should adopt a more granular approach to ESG analysis. In markets like Indonesia's energy sector, a company's social performance may be a more critical leading indicator of value and risk management than its environmental or governance scores alone. This calls for investment frameworks that weight ESG factors based on their proven, context-specific materiality.

### Limitations and Future Research

This study, while providing important insights into the influence of ESG and Economic dimensions on company value in the energy sector, has several **limitations** that need to be acknowledged: a) data periodization. The data used covers the period from 2021 to 2023. This period is relatively short and may not fully capture the long-term impact of environmental and governance initiatives, which often require time to yield results. Global economic and geopolitical fluctuations during this period (e.g., the post-COVID-19 pandemic impact and geopolitical conflicts) could also influence company performance and investor perceptions, which may not be fully represented or separated from the variables studied; b) Variables used. Although the social dimension has been shown to have a significant influence, this study may not have encompassed all relevant aspects or indicators of the environmental, economic, and governance dimensions that could impact company value. The measurement of each EESG dimension may vary across data sources, and a particular proxy may not fully reflect a company's overall EESG performance. Additionally, the economic variables used may be limited and may not encompass all macro- or microeconomic factors that could potentially impact company value in the energy sector; and c) Use of a single sector. This study is limited to the energy sector. The finding that only the social dimension is influential may not be generalizable to other industrial sectors. Each sector has unique characteristics, risks, and different EESG priorities, which may result in different patterns of relationship with company value.

Based on the limitations outlined, here are some suggestions for **future research** directions, including: a) extending the data period. Using data with a longer time span (e.g., 5-10 years or more) would enable analysis of the long-term impact of EESG initiatives and the potential emergence of influences from the environmental and governance dimensions, which may take time to manifest. This could also help identify long-term trends that are not visible in short periods; b) expanding and diversifying EESG indicators. Future research could utilize a more comprehensive set of EESG indicators or data from multiple sources to validate the consistency of the results. Comparing metrics from different EESG data providers could provide a more holistic picture. In addition, conducting sensitivity analyses with different proxies for each EESG dimension could strengthen the validity of the findings; c) cross-sector analysis or sector comparison. To determine whether these findings are specific to the energy sector, future research could conduct cross-sectoral comparisons or analyze the impact of ESG and economic dimensions in other sectors with distinct characteristics. This would help generalize the theory and provide a broader understanding of the role of EESG in firm value; and d) Incorporation of additional control variables. Future research could incorporate additional relevant control variables, such as industry-specific environmental regulations, firm innovation levels, or ownership structure, which may influence firm value and its interactions with ESG and economic factors.

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