The Effect of Environmental, Social, and Governance Disclosure on Firm Value

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Abstract. Awareness of adopting Environmental, Social, and Governance (ESG) elements is important to achieve corporate sustainability. The basic consideration for investors in deciding to invest in a company is the implementation of ESG elements in their operational activities. This study examines the effect of Environmental, Social, and Governance (ESG) disclosure on firm value. The research object used is all companies listed on the Indonesia Stock Exchange that publish sustainability reports using GRI along with the company's annual report. This study uses a purposive sampling method, which is not random and uses certain criteria. ESG as an independent variable measured by ESG score. Meanwhile, the dependent variable is the firm value measured by price to book value. The results of this study indicate that environmental and social disclosure has no significant effect on firm value, but governance disclosure has a positive significant effect on firm value. This shows that these companies are still unable to provide all the environmental disclosure and social disclosure information needed to increase the price to book value. On the other hand, governance disclosure information can increase the price to book value.

1 Introduction

The concept of sustainability for a company is its ability to survive for a long time, both in financial and non-financial terms. Currently, companies are required to be able to apply the concept of sustainability not only from the financial aspect but also from the non-financial aspect. Based on the financial aspect, the company determines the source of funds efficiently to provide maximum profit, while from the non-financial aspect in the form of customer satisfaction levels, product innovation, company development, and its employees [1].

In addition to pursuing profit, companies need to be involved in fulfilling the welfare of society (people) and contributing to preserving the environment (planet). The concept was popularised by John Elkington who stated that a sustainable company must pay attention to the 3P aspects, namely Profit, People, and Planet, for example, the issue of climate change which is always promoted as a driver of the environmental care movement throughout the world [2]. This is still insufficient because operating a company requires good governance. So, the 3P aspect needs to be complemented with governance, so the concept of Environmental, Social, and Governance in the company emerged.

In June 2004, The United Nations Global Compact first put forward the concept of Environmental, Social, and Governance which aims to emphasize the importance of these three aspects in financial analysis. The concept is also useful to focus investors and financial analysts on financial reporting principles related to the interaction between ESG issues. ESG is a framework for defining and measuring sustainability practices. Companies adopt ESG guidelines to demonstrate transparency, encouraging investor and public confidence about their impact on the environment and society. ESG implementation strengthens a company's brand, enhances business networks, increases customer loyalty, and expands access to financing sources. It can be said that companies that have implemented ESG aspects can build access to greater capital and sustainable long-term growth. ESG has been regulated by the Global Reporting Initiative (GRI) Standards. Since 2018, GRI has implemented the Global Reporting Initiative (GRI) Standards guidelines to measure sustainability management practices related to the ESG concept, namely the three aspects needed to increase the firm value [3].

2 Grounded Theory and Hypothesis Development

2.1 Stakeholder Theory

Stanford Research Institute (SRI) first introduced stakeholder theory in 1963. SRI defines stakeholders as groups that can provide support for the existence of an organization. Stakeholders are groups that can influence or be influenced by the process of achieving organizational goals [4]. Corporate responsibility, which originally focused on economic indicators in financial statements, has been shifted and more considering social factors towards stakeholders. In 1984, Freeman developed a theoretical exposition of stakeholders in his work...
entitled Strategic Management: A Stakeholder Approach. When companies adopt as a unit of analysis the relationships between individuals, groups, and businesses that can influence or be influenced by them, they have a better chance of effectively addressing all three ESG issues [5].

The relationship between firm value and reporting sustainability practices is explained through stakeholder theory. Corporate responsibility and sustainability disclosures are required by stakeholders to understand the company's operations, for example, the company's financial performance and firm value will increase when the company fulfills its environmental, social, or governance responsibilities to stakeholders is achieved. A competitive advantage to improve corporate sustainability practices can be gained by disclosing ESG information to stakeholders. Thus, when competing in the market, stakeholders assume that companies that have better ESG performance will have the ability to perform better as well. These companies will be rewarded by stakeholders through greater consumption by consumers, investment by investors, and greater productivity by employees, resulting in higher firm value [6].

2.2 ESG Theory

ESG has three underlying components, namely environmental, social, and governance. These three components are problems that are often in the company. This is what underlies the emergence of these 3 components [7]:

2.2.1 Environmental

Environmental is a component that focuses on environmental aspects. The environmental component can be seen based on GRI Standard 300 which consists of 32 items. In the environment of the GRI Standard, the environmental sustainability dimension concerns the organization's impact on living and non-living natural systems, including air, water, land, and ecosystems.

2.2.2 Social

Social is a component that focuses on social aspects. The social component can be seen based on GRI Standard 400 which consists of 40 items that address the topic of employment. This covers the organization's approach to staffing or job creation, i.e., the organization's approach to hiring, recruiting, retaining, and related practices, as well as the working conditions it provides.

2.2.3 Governance

Governance is a component that focuses on aspects of corporate governance. The governance component can be seen based on GRI Standard 102 consists of 22 items that are used to report contextual information about an organization and its sustainability report practices. This includes information about the organization's profile, governance, ethics and integrity, strategy, reporting processes, and stakeholder engagement practices.

ESG information disclosure is increasingly being used in corporate investment decisions. Its three constituent elements have gradually become the 3 most important dimensions considered by the international community when measuring corporate sustainability [8]. ESG information disclosure can be measured using Bloomberg Score. The Bloomberg Score scale is from 0 to 100, where this range will show the percentage of corporate disclosure that can be achieved in a year [9]. This means that the more information disclosed by the company, the higher the points earned. In Indonesia, ESG is measured by the Global Reporting Initiative Standards. GRI Standards are standards that are often used by companies as guidelines in reporting the company's non-operational activities related to reporting environmental, economic, and social impacts. ESG variables are measured using the GRI Standards in the company's sustainability report which consists of: Environmental (GRI 300), Social (GRI 400), and Governance (GRI 102).

2.3 Regulations Related to Sustainability Disclosure in Indonesia

Sustainability is a key consideration in any financing or investment in the financial sector. This implementation must be well-planned and requires substantial financing. Support for these financing needs does not only depend on the government but also on the private sector. Financial Services Authority Regulation Number 51/POJK.03/2017 has been enacted by the Financial Services Authority in implementing the Sustainable Finance Roadmap in Phase I. POJK Number 51/POJK.03/2017 emphasizes awareness of the importance of sustainable finance principles and market deepening for sustainable project financing. The POJK contains the application of sustainable finance for financial services institutions, issuers, and public companies are required to apply sustainable finance principles, submit a Sustainable Finance Action Plan to the Financial Services Authority, as well as a corporate sustainability report to the public [10].

2.4 Firm Value

The benefits generated by the company during its operation are referred to as firm value. Firm value can represent public confidence in the company's future profitability and indicates the company's ability to maximize cash flow and profitability in the long term, thereby increasing investor confidence as indicated by an increase in share price [11].

Firm value can be increased through ESG disclosure. Companies can increase stakeholder and shareholder trust, accountability, and transparency. Moreover, the relationship between the level of ESG disclosure and firm value will be more pronounced when CEO power is greater, indicating that shareholders treat the ESG disclosure of firms with higher CEO power as associated with a greater commitment to ESG practices [12].
To measure the value of the company can use Price to Book Value. PBV is an appropriate proxy for calculating company value because PBV reflects the company's growth conditions and actual situation, provides an intuitive measure of company value, and can determine whether the company is undervalued or overvalued [13]. Price to Book Value (PBV) is a ratio used to determine the value of a company by comparing the share price with the company's book value [14]. Where the book value is obtained from: Book Value is Equity Value divided by the Number of Shares Outstanding. This PBV shows the condition of the shares with the successful management of the company by management [15].

2.5 Hypothesis Development

2.5.1 The Effect of Environmental Disclosure on Firm Value

Green investment practices have a positive effect on corporate performance indicators. The Environmental Score reflects a company's environmental performance, including resource emissions, use, and innovation. The more a company reports good environmental performance, the higher the value of the company. Environmental performance improves the corporate image of the company, increases revenue, reduces costs, and shows positive abnormal stock returns from environmental performance, which sends positive signals to investors [16]. Based on this explanation, the following hypothesis can be prepared:

H1: Environmental disclosure has a significant effect on firm value.

2.5.2 The Effect of Social Disclosure on Firm Value

Disclosure of ESG performance and disclosure of social sustainability reports reported by companies can be one way for companies to improve corporate reputation. The Social Score reflects the company's social performance consisting of several components, such as labor, human rights, product responsibility, and society. The higher the value of the company's social performance, the better the company's performance in the social field. Companies not only act as business entities that pursue financial success but also as good citizens. This concept asserts that companies must expand their responsibilities in social and environmental aspects. Companies have rights, obligations, and responsibilities to society, as well as other citizens [16]. Based on this explanation, the following hypothesis can be prepared:

H2: Social disclosure has a significant effect on firm value.

2.5.3 The Effect of Governance Disclosure on Firm Value

Governance Score reflects a company's governance, which includes management, CSR strategy, and shareholders. The higher the ESG value for governance, the better the governance performance carried out by the company [16]. Similarly, research explains that non-financial companies listed on the SRIKEHATI index have a governance score that has a significant positive effect on firm value. Transparent business ethics practices are supported by stakeholders and are a good signal for investors. Good corporate governance can cause stock prices to double because investors anticipate that less cash flow will be diverted and most of the company's profits will be returned as interest or dividends. Good corporate governance performance in sustainability reports can signal to investors about the condition of the company [17]. Based on this explanation, the following hypothesis can be prepared:

H3: Governance disclosure has a significant effect on firm value.

2.6 Research Framework

A research framework is a research concept that describes the relationship between variables based on the theories and hypotheses that have been described. Based on the data that has been obtained, research will be conducted on the effect of ED (Environmental Disclosure) on PBV (Price to Book Value), the effect of SD (Social Disclosure) on PBV (Price to Book Value), and the effect of GD (Governance Disclosure) on PBV (Price to Book Value). Figure 1 shows the research framework for this paper.

3.2 Research Design

3.2.1 Types and Sources of Data

The type of data used in this study is quantitative data in the form of annual reports of companies listed on the IDX in 2019-2021. The data source used is secondary data, which is a data source that does not directly provide data to data collectors, for example through documents. The data source is the company's annual report obtained from the Indonesia Stock Exchange website along with the website of each company that publishes sustainability reports using the Global Reporting Initiative Standards.

3.2.2 Determination of Sample Size

The sampling technique was carried out using the purposive sampling method where sampling was carried out non-randomly and using certain criteria. Purposive sampling is part of the non-probability sampling technique, which provides a variety of alternative techniques for selecting samples, most of which include elements of subjective judgment [19]. The criteria used to determine the company sample are companies that publish sustainability reports using the Global Reporting Initiative Standards listed on the IDX consecutively from the 2019-2021 period, and companies whose sustainability report and annual report are available consecutively from the 2019-2021 period on the IDX website or each company's website.

3.2.3 Sample Collection Method

The sample collection method used in this study is the documentation method. This method is carried out by collecting and processing data on the annual reports of companies that publish sustainability reports using the Global Reporting Initiative Standards which has been listed on the Indonesia Stock Exchange for the 2019-2021 period.

3.2.4 Data Analysis Method

The data analysis used is multiple linear regression analysis, using the Statistical Package for Social Sciences (SPSS) version 23. SPSS is software that is useful for analyzing data and performing statistical calculations both parametric statistics and non-parametric statistics on a Windows basis. The version of SPSS software is constantly changing. When the Windows computer operating system became popular, SPSS, which was originally still under DOS and called SPSS PC, then changed to under Windows and was popular in Indonesia with continuous changes in SPSS software versions, starting from SPSS version 6, version 7.5, version 9, version 10, version 11.5, version 12, version 13, version 14, version 15, version 16, version 17, and version 18, and IBM SPSS version 23 is the last version whose license was purchased by IBM.

4 Results and Discussion

4.1 Description of Research Data

There were 842 companies listed on the Indonesia Stock Exchange in this research. Of the entire population of 842 companies, 33 companies were obtained each year that met the criteria to be sampled in this research. This research was conducted for 3 years. So, the number of samples to be tested is 99.

4.2 Descriptive Statistical Analysis

Descriptive statistics provide an overview of the data seen from the minimum value, maximum value, average value (mean), and standard deviation. The data in question is the variable of Environmental Disclosure (ED), Social Disclosure (SD), Governance Disclosure (GD), and Price to Book Value (PBV). Table 1 below is the result of descriptive statistics:

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ED</td>
<td>99</td>
<td>.19</td>
<td>1.00</td>
<td>.6056</td>
<td>.17603</td>
</tr>
<tr>
<td>SD</td>
<td>99</td>
<td>.33</td>
<td>.88</td>
<td>.6209</td>
<td>.12083</td>
</tr>
<tr>
<td>GD</td>
<td>99</td>
<td>.45</td>
<td>1.00</td>
<td>.7644</td>
<td>.16717</td>
</tr>
<tr>
<td>PBV</td>
<td>99</td>
<td>.29</td>
<td>2.63</td>
<td>1.2158</td>
<td>.58094</td>
</tr>
<tr>
<td>Valid N</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3 Regression Model Test and Hypothesis Test

This study uses a regression model equation, namely multiple linear regression analysis. The sub-chapters below will describe the results of testing the linear regression equation, and hypothesis testing, namely the F-Test, the Coefficient of Determination Test (R²), and the T-Test.

4.3.1 Multiple Linear Regression Analysis

Multiple linear regression models are equations used to determine whether or not there is a pattern of relationship between the dependent variable and two or more independent variables. Referring to the hypothesis of this study, researchers want to know whether Environmental Disclosure, Social Disclosure, and Governance Disclosure affect the Price to Book Value. The following is the multiple linear regression equation used in this study:

\[ PBV = \alpha + \beta_1 ED + \beta_2 SD + \beta_3 GD + \varepsilon \]  

(1)
PBV = Price to Book Value
α = Constant
β = Regression Coefficient
ED = Environmental Disclosure
SD = Social Disclosure
GD = Governance Disclosure
ε = Error Terms (confounding variable)

If the β (regression coefficient) is positive, then there is a unidirectional relationship between the independent variable and the dependent variable. Meanwhile, if the β (regression coefficient) is negative, then there is an opposite relationship between the independent variable and the dependent variable [20]. We found that the β (regression coefficient) is positive. It can be seen that Environmental Disclosure, Social Disclosure, and Governance Disclosure have a unidirectional relationship between Price to Book Value. The result of the multiple linear regression test is presented in Table 2:

Table 2. Result of Multiple Linear Regression Test.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standa rdized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1(Constant)</td>
<td>1.286</td>
<td>.356</td>
</tr>
<tr>
<td>ED</td>
<td>.012</td>
<td>.445</td>
</tr>
<tr>
<td>SD</td>
<td>.879</td>
<td>.592</td>
</tr>
<tr>
<td>GD</td>
<td>.816</td>
<td>.397</td>
</tr>
</tbody>
</table>

a. Dependent Variable: PBV

Based on the result in Table 2 above, the equation corresponding to the positive or negative placement is obtained as follows:

\[ PBV = 1.286 + 0.012ED + 0.879SD + 0.816GD + \varepsilon \]  (2)

In the table above, the constant value (α) is 1.286. The constant value (α) indicates that the value of PBV is 1.286.

4.3.2 F-Test

The F-test is useful for knowing whether each Environmental Disclosure, Social Disclosure, and Governance Disclosure simultaneously affects the Price to Book Value. The result of the F-test is presented in Table 3:

Table 3. Result of F-Test.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>2.063</td>
<td>3</td>
<td>.688</td>
<td>2.106</td>
<td>.105</td>
</tr>
<tr>
<td>Residual</td>
<td>31.012</td>
<td>95</td>
<td>.326</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>33.075</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: PBV
b. Predictors: (Constant), GD, SD, ED

Based on Table 3, the result of the F-test obtained a significance value (Sig.) of 0.105 where the significance value > significance level (0.105 > 0.05) which means that the Environmental Disclosure, Social Disclosure, and Governance Disclosure simultaneously have no significant effect on the Price to Book Value.

4.3.3 Coefficient of Determination Test (R^2)

The Coefficient of Determination Test (R^2) is used to measure how far the regression model’s ability to explain variations in the influence of several independent variables on the dependent variable. The result of the Coefficient of Determination Test (R^2) is presented in Table 4 below:

Table 4. Result of Coefficient of Determination Test (R^2).

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.250^a</td>
<td>.062</td>
<td>.033</td>
<td>.57135</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), GD, SD, ED
b. Dependent Variable: PBV

Based on the result of the Coefficient of Determination (R^2) test in Table 4 above, it can be seen that the Adjusted R Square value is 0.033, which means that the ability of the Environmental Disclosure, Social Disclosure, and Governance Disclosure variables has not been able to provide all the information needed to estimate the dependent variable, namely Price to Book Value.

4.3.4 T-Test

The T-test in this study is used to determine whether each independent variable partially has a significant effect on the dependent variable. The result of the T-test is presented in Table 5:

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.250^a</td>
<td>.062</td>
<td>.033</td>
<td>.57135</td>
<td>2.126</td>
</tr>
</tbody>
</table>
This study also states that the average score of social disclosure and governance disclosure in environmental measures. Social and governance firm value is the high investment costs associated with absence of a relationship between the environment and for shareholders to assess it [17]. Another reason for the implemented and not yet mandatory, making it difficult and environmental disclosure is still not fully assume that company management contributes more to environmental practices than optimizing company value, so H1 which states that Environmental Disclosure has a significant negative impact on the firm value. The results of this study are not in line with research conducted by [16, 21] which states that social disclosure has a significant positive impact on firm value. The results of this study are also not in line with research conducted by [17] which explains that social disclosure has a significant negative impact on the value of non-financial companies listed in the SRI-KEBATI index. However, the results of this study are in line with research conducted by [22] which shows that social disclosure has no significant effect on firm value. This insignificant relationship implies that companies that have less or more information on social disclosure and ESG (Environmental, Social, and Governance) disclosure have the same good or bad performance that does not influence firm value. ESG is also not considered to increase firm value. Both ESG and firm value are equally valued in the capital market. Moreover, this study suggests that smaller firms are more valued by the market because the market anticipates that these firms have the potential to become more valuable in the future. Therefore, it can be concluded that the greater amount of social disclosure does not determine a better firm value.

Governance Disclosure has a significance value of 0.042. Where the significance value < significant level (0.042 < 0.05). It can be concluded that Governance Disclosure has a positive significant effect on Price to Book Value, so H3 which states that Governance Disclosure has a significant effect on Price to Book Value is accepted. The results of this study are in line with research conducted by [16, 17, 21] which states that governance disclosure has a significant positive effect on firm value. This study came from research conducted on Asian companies, governance score has a significant positive effect on firm value. Good corporate governance can have a higher firm value compared to companies with lower governance [16]. The positive results indicate a positive valuation effect of improved corporate governance structures. Transparency of business ethics practices is a good signal for investors and is supported by stakeholders. Good corporate governance optimizes effective company operations to generate more profits. Strong corporate governance practices are beneficial for improving financial performance for the greatest benefit of stakeholders, minimizing unnecessary management costs, and helping businesses to survive in the long term [17]. Moreover, Governance disclosure scores can be cheaper and quicker to achieve [21]. However, the results of this study are not in line with research conducted by [22] which shows that Governance disclosure has no significant effect on firm value.

5 Conclusion and Suggestions
The results empirically show that Environmental Disclosure and Social Disclosure have no significant

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
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<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
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</tr>
<tr>
<td>1 (Constant)</td>
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<td>0.000</td>
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<td>ED</td>
<td>0.12</td>
<td>0.445</td>
<td>0.04</td>
<td>0.28</td>
</tr>
<tr>
<td>SD</td>
<td>0.879</td>
<td>0.592</td>
<td>0.183</td>
<td>1.485</td>
</tr>
<tr>
<td>GD</td>
<td>0.816</td>
<td>0.397</td>
<td>0.235</td>
<td>2.059</td>
</tr>
</tbody>
</table>

a. Dependent Variable: PBV
Based on Table 5 T-test result above, the independent variable and the dependent variable can be described as follows:

Environmental Disclosure has a significance value of 0.978. Where the significance value > significant level (0.978 > 0.05). It can be concluded that Environmental Disclosure has no significant effect on Price to Book Value, so H1 which states that Environmental Disclosure has a significant effect on Price to Book Value is rejected. The results of this study are not in line with research conducted by [13], which states that environmental disclosure has a significant negative impact on the firm value. The results of this study are also not in line with research conducted by [16] which found that environmental performance has a positive impact on firm value. However, the results of this study are in line with research conducted by [17, 21, 22] which states that environmental disclosure has no significant effect on firm value. Environmental disclosure has no significant effect on firm value. From a theoretical point of view, this result supports stakeholder theory, i.e. one of the reasons for the absence of a relationship between the environment and firm value may occur because environmental actions take longer to pay off for the company than social or governance-related actions. In fact, for some environmental projects, it can take years to complete before the results can impact firm value. In a short period, environmental practices require large expenditures [22]. Based on studies conducted in Indonesia, shareholders assume that company management contributes more to environmental practices than optimizing company value, and environmental disclosure is still not fully implemented and not yet mandatory, making it difficult for shareholders to assess it [17]. Another reason for the absence of a relationship between the environment and firm value is the high investment costs associated with environmental measures. Social and governance disclosure scores can be cheaper and quicker to achieve. This study also states that the average score of environmental disclosure is lower than the average score of social disclosure and governance disclosure in
effect on firm value as proxied by PBV (Price to Book Value). But, Governance Disclosure affects firm value. There are also implications for companies. The basic consideration for investors in deciding to invest in a company is the implementation of ESG elements in their operational activities. When the company implements the three aspects of ESG well, it will encourage good company value so that the company can maximize profits. Investors will be interested in buying shares companies because companies that have a high ESG score show good work prospects for the company not only in the short term but also in the long term.

Based on the conclusions described above, several suggestions can be made related to this research. With this research, it is hoped that companies can provide information so that companies can pay attention to 3 aspects of ESG, namely environmental, social, and governance aspects because these three factors are important and will affect the value of the company. The company needs to continue to pay attention to the interests of its stakeholders in decision-making because for the company to maintain the trust of stakeholders and attract the attention of new investors, the company needs to disclose financial and non-financial related information in detail through the sustainability report. In addition, companies can also follow the guidelines using the Global Reporting Initiative Standards in the sustainability report, namely by disclosing the three aspects of Environmental, Social, and Governance to attract more interest for stakeholders and shareholders to invest in the company.

It is expected that the government or regulators are expected to make new policies that are more affirming in detail or detail regarding the obligation to disclose Environmental, Social, and Governance for all companies in Indonesia, especially for non-public companies so that it can trigger them to disclose Environmental, Social, and Governance in the sustainability report using the Global Reporting Initiative Standards which affects increasing Indonesia's participation in addressing environmental, social, and governance issues.

In addition to conclusions and suggestions, researchers also realize the limitations of conducting this research. The limitations of this study are that not all companies publish annual reports and sustainability reports consistently based on the research period, namely from 2019-2021, thus reducing the number of research samples because the required data is not available. In addition, the short research period was conducted for 3 years so the research results may still be less than optimal. So, future researchers can use a longer period for their research.

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