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Good Corporate Governance, Stakeholders, and Sustainability Report Disclosure

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Abstract

Indonesia currently lacks a mandatory framework for sustainability reporting, with the existing reporting requirements focusing on Corporate Social Responsibility (CSR) reports rather than comprehensive sustainability reporting. This situation has resulted in a significant gap in the disclosure of sustainability reports, as organizations often merely comply with CSR reporting obligations, neglecting broader sustainability considerations. In 2020, challenges in sustainability reporting were evident, particularly in the environmental, agrarian, and energy sectors. The Indonesian Forum for the Environment highlighted issues such as the overexploitation of energy resources for corporate profits and potential biases from the government in supporting energy and manufacturing markets, posing threats to sustainability reporting. This study investigates the influence of Good Corporate Governance (GCG) and stakeholder pressure on sustainability report disclosure. Utilizing a quantitative approach, the research focused on companies listed on the Indonesia Stock Exchange (BEI) operating in the energy, raw materials, industry, and infrastructure sectors, specifically those actively publishing sustainability reports. The data, extracted from sustainability reports available on the BEI website, underwent statistical multiple regression analysis. The findings reveal a significant positive impact of both good corporate governance and stakeholder pressure on sustainability report disclosure, accounting for 77.5%. The implications suggest that social pressure and GCG practices contribute to enhanced sustainability reporting, urging the government to establish more stringent regulations. Future research recommendations include expanding the sample size and incorporating additional variables.

Keywords: Good Corporate Governance; Stakeholder Pressure; Sustainability Report.

Abstrak

Indonesia saat ini belum memiliki kerangka kerja yang mengharuskan pelaporan keberlanjutan, dengan persyaratan pelaporan yang ada lebih fokus pada laporan Corporate Social Responsibility (CSR) daripada laporan keberlanjutan yang komprehensif. Situasi ini menyebabkan kesenjangan yang signifikan dalam pengungkapan laporan keberlanjutan, karena organisasi sering hanya memenuhi kewajiban pelaporan CSR, mengabaikan pertimbangan keberlanjutan yang lebih luas. Pada tahun 2020, tantangan dalam pelaporan keberlanjutan menjadi jelas, terutama di sektor lingkungan, agraria, dan energi. Forum Indonesia untuk Lingkungan menyoroti masalah seperti eksploitasi berlebihan sumber daya energi untuk keuntungan perusahaan dan potensi bias dari pemerintah dalam mendukung pasar energi dan manufaktur, yang dapat membahayakan pengungkapan laporan keberlanjutan. Penelitian ini bertujuan untuk mengetahui pengaruh Good Corporate Governance (GCG) dan tekanan pemangku kepentingan terhadap pengungkapan laporan keberlanjutan. Dengan pendekatan kuantitatif, penelitian ini berfokus pada perusahaan yang terdaftar di Bursa Efek Indonesia (BEI) yang beroperasi di sektor energi, bahan baku, industri, dan infrastruktur, khususnya yang secara aktif menerbitkan laporan keberlanjutan. Data, diekstrak dari laporan keberlanjutan yang tersedia di situs web BEI, menjalani analisis regresi berganda statistik. Temuan menunjukkan dampak positif yang signifikan dari baik Good Corporate Governance maupun tekanan pemangku kepentingan terhadap pengungkapan laporan keberlanjutan, mencapai 77,5%. Implikasinya menunjukkan bahwa tekanan sosial dan praktik GCG berkontribusi pada peningkatan pelaporan keberlanjutan, mendorong pemerintah untuk menetapkan regulasi yang lebih ketat dalam hal ini. Rekomendasi penelitian masa depan mencakup perluasan ukuran sampel dan penambahan variabel tambahan.

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Kata Kunci: Tata Kelola Perusahaan yang Baik; Tekanan Pemangku Kepentingan; Laporan Keberlanjutan.

INTRODUCTION

The escalating global concerns related to the environment, social issues, and system management are increasingly compelling companies to incorporate environmental, social, and governance (ESG) considerations into their business models. This is crucial for competitiveness in the market and for attracting investors. Sustainability itself has become a primary focus for all countries, with the goal of ending poverty, protecting the planet, and ensuring prosperity by 2030 (Kementerian Perencanaan Pembangunan Nasional/ Badan Perencanaan Pembangunan Nasional, 2017).

Madona & Khafid (2020) assert that a company is not merely an entity operating solely for its self-interests but must deliver benefits to its stakeholders. Consequently, companies are responsible for providing the community benefits within their operational environment. Olarewaju & Msomi (2021) reveal that sustainable management, as reported in sustainability reports, piques stakeholders' interest in understanding how a company approaches and performs sustainably across various aspects, thus holding the potential to enhance the company's value. However, not all companies have yet achieved sustainability report disclosure. The disclosure of sustainability reports is intricately connected with a company's corporate sustainability performance. According to the Global Reporting Initiative (GRI) standards (Global Reporting Initiative, 2016), sustainability disclosures typically necessitate governance disclosures to manage the company, allowing for the evaluation of the implementation of a robust system of Good Corporate Governance that influences the company's continuity performance. A significant consequence of implementing Good Corporate Governance principles is that companies must not solely focus on financial performance but also include an assessment of their social and environmental performance (Alfaiz & Aryati, 2019). The concept of a sustainability report is employed to emphasize that leaders must balance economic, social, and environmental considerations to achieve robust corporate sustainability performance.

This research aims to investigate the influence of Good Corporate Governance (GCG) and stakeholder pressure on sustainability report disclosure in the energy, raw materials, industry, and infrastructure sectors, focusing on companies that have published sustainability reports. The selection of the energy, raw materials, industry, and infrastructure sectors as samples is justified by their status as high-profile companies, drawing public attention due to their substantial operational activities. These industries, particularly mining companies, engage in activities that explore natural resources on a large scale, often unintentionally causing environmental damage. As a result, companies in the energy sector are compelled to undertake corporate social responsibility to address stakeholders' concerns and ensure sustainable practices. The research will delve into how GCG practices and external pressures from stakeholders impact sustainability reporting within these sectors, shedding light on their commitment to environmental and social responsibility.

A disparity exists between the findings of previous studies and the current investigation regarding the impact of good corporate governance on a company's corporate sustainability performance, mainly stemming from inconclusive results in earlier research. Previous studies have yielded inconsistent results, indicating a lack of consensus in the literature. For instance, one study suggested no discernible influence of stakeholder pressure on Corporate Social Responsibility (CSR) disclosure, further noting significant variations in CSR implementation and disclosure between the banking and energy sectors. These discrepancies extend to total disclosure as well as across each of the six Global Reporting Initiative (GRI) indicators outlined in the Global Reporting Initiative 101 (GRI 101) (Global Reporting Initiative, 2016): economic performance, market existence, indirect economic impacts, procurement practices, anti-corruption, and anti-competitive behavior. In contrast, research by Suharyani (2019) demonstrated a positive and significant impact of stakeholder pressure interests on the quality of sustainable reports, highlighting the role of Good Corporate Governance as positively and significantly influencing the quality of such reports. Conversely, a separate study conducted by Rudyanto (2018) contended that employees negatively impact the quality of sustainability reports, while shareholders do not negatively influence such reports. These conflicting findings underscore the need for a comprehensive examination to bridge the identified gap and contribute to a more nuanced understanding of the relationship between good corporate governance and corporate sustainability performance.

Qisthi & Fitri (2021) conducted a study titled "The Influence of Stakeholder Involvement on Disclosure of Sustainability Reports Based on the Global Reporting Initiative (GRI) G4," revealing that shareholder involvement significantly and positively affects sustainability report disclosure, while employee involvement does not exhibit a similar positive effect. Similarly, Suharyani (2019) found in their research that stakeholder pressure positively impacts sustainability reports. Alfaiz & Aryati (2019) also contributed to the body of knowledge, concluding that employee pressure positively influences the quality of a company's sustainability report. In contrast, shareholder pressure was identified as negatively influencing the quality of sustainability reports. Additional experts, such as Eberl & Schwaiger (2005) and Rupley et al. (2012), have demonstrated a positive relationship between stakeholder pressure, company reputation, and its impact on Corporate Social Responsibility (CSR) report disclosure and business trust, even though the analysis is applied in countries that are almost imperceptibly developing. Moreover, Rupley (2012) emphasized in a study that there is a positive relationship between stakeholder pressure, good corporate governance, and trust in the quality of CSR report disclosure in China's energy sector. Putri et al. (2021) explained in their study that, individually, the board of commissioners, internal auditors, and public share ownership have no influence on the extent of Corporate Social Responsibility (CSR) disclosure, while the audit committee influences CSR disclosure. However, simultaneous tests indicated that the board of commissioners, audit committee, internal auditors, and public share ownership have no effect on the amount of CSR disclosure.

The preceding studies highlight persistent disparities in their findings, prompting the author to delve deeper into the examination of stakeholder pressure. This research seeks to distinguish itself from earlier studies through variations in the dependent variable, time frame, and the chosen sector for case study analysis. The primary focus of this study centers on two key variables: Good Corporate Governance and shareholder pressure. Additionally, the research incorporates three critical elements of a company's continuity performance: economic, environmental, and social. By emphasizing these specific variables and performance elements, the aim is to contribute novel insights to the existing body of literature and address the inconsistency observed in prior research outcomes.

The understanding of good corporate governance, as articulated by the Forum for Corporate Governance in Indonesia (FCGI) in 2021, lacks a specific definition but draws from the Cadbury Committee of the United Kingdom. In translation, it refers to regulations controlling the connections between shareholders, company administrators (managers), creditors, government entities, employees, and other internal and external stakeholders. These regulations govern their rights, obligations, and the systemic arrangements within the company. Conversely, Belanusa (2020) defines Good Corporate Governance as an administrative mechanism that oversees the relationships between the company's management,

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commissioners, directors, shareholders, and other stakeholder groups. This connection is embodied in various conditions and public intensives, serving as the framework necessary to ensure the company's goals, the means of achieving those goals, and the monitoring of resulting performance. In synthesis, corporate governance is a systemic approach and a set of rules that regulate relationships among various stakeholders, particularly in the narrower context of the relationships between shareholders, board commissioners, and board directors in achieving the company's objectives. Ownership is perceived as the power to control something exclusively owned for personal purposes. Shareholders who purchase shares to gain returns or profits from their investments hold ownership (Lizarzaburu & Del Brio, 2016).

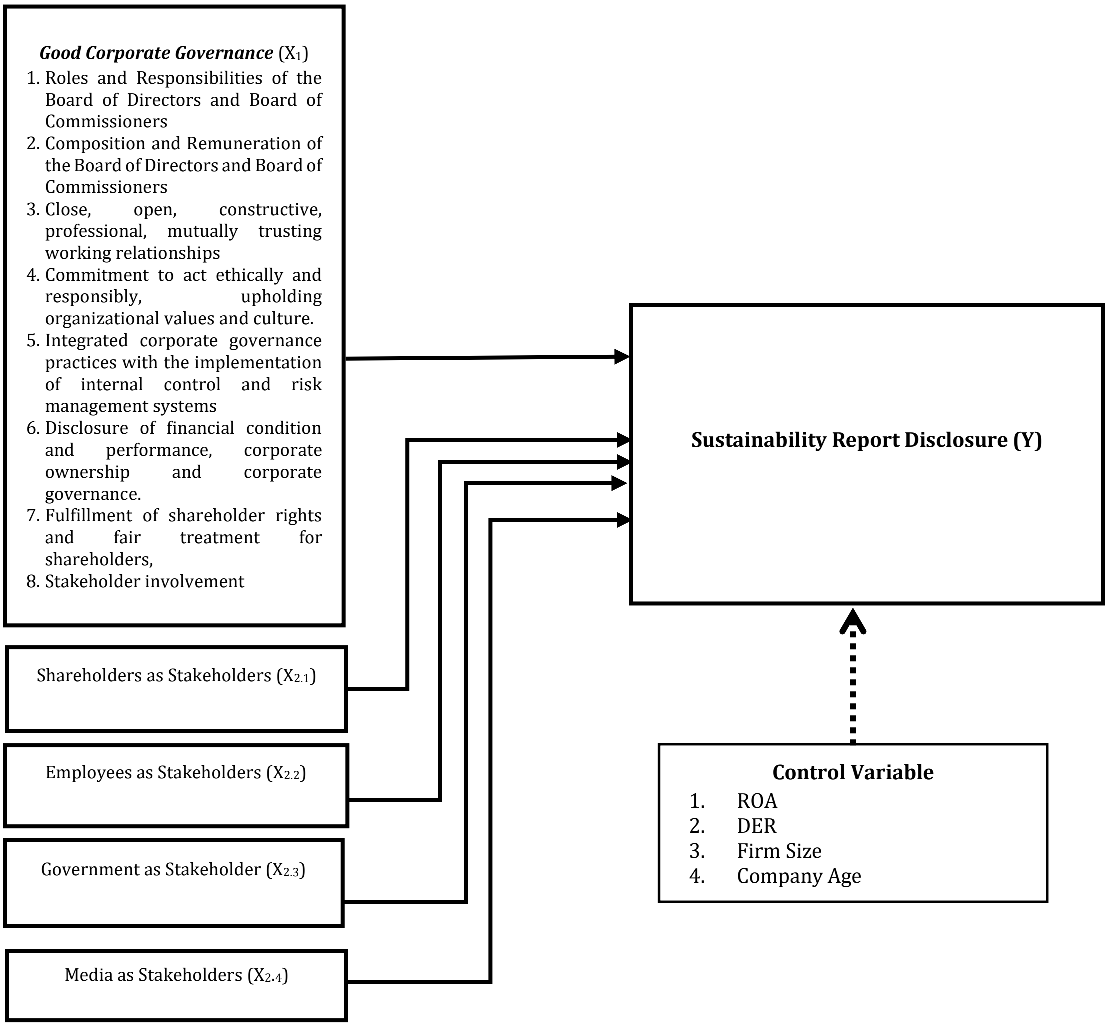

Figure 1. Research Framework

The research framework of this study is depicted in Figure 1, the literature and previous studies lead the researcher to propose hypotheses: (1) Good Corporate Governance positively and significantly influences sustainability report disclosure, (2) Shareholders positively and significantly influence the disclosure of sustainability reports, (3) Employees positively influence sustainability report disclosure, (4) Government positively and significantly influences the disclosure of sustainability reports, and (5) Media positively and significantly influences the disclosure of sustainability reports.

RESEARCH METHOD

The study design for this research is a descriptive exploratory approach with a quantitative methodology. The research is conducted in Indonesia, spanning from March 2023 to November 2023. Participants are companies listed on the Indonesia Stock Exchange (IDX) in the energy, raw materials, industrial, and infrastructure sectors that published sustainability reports between 2020 and 2022. Data collection involves secondary data analysis from the IDX website and online news sources. The indicator for scoring the secondary data is based on the Forum for Corporate Governance in Indonesia (FCGI) with weightings on eight fields for corporate governance proxies and self-assessment measurements. Stakeholder pressure dimensions include shareholder, employee, government, and media pressures. Sustainability report disclosure indicators are based on GRI G4 (Global Reporting Initiative, 2016) and control variables include profitability with ROA ratio, leverage with DER ratio, firm size, and the age of the company.

The research population comprises all companies listed on the Indonesia Stock Exchange (IDX) in the energy, raw materials, industrial, and infrastructure sectors that have consistently published sustainability reports between 2020 and 2022. The research sampling involves purposive sampling with specific criteria: companies listed on the IDX in the specified sectors during 2020-2022 and publishing sustainability reports during this timeframe.

Data collection is obtained from secondary data reported in the company's annual income publications on the IDX website, and media exposure data is acquired from online news sources. Data analysis involves multiple regression using the SPSS statistical software. Initially, secondary data is collected from the IDX website and online media, then scored and coded in Excel through self-assessment. After coding and scoring, the data is analyzed using SPSS for validation, regression, and hypothesis testing.

Table 1. Operational Variable

Variable	Proxy	Indicator	Scale
*Good Corporate Governance*as variable independent (X_1)		GCG score through *self-assessment* according to measurements (Basri et al., 2021; Renaldo et al., 2022)	Ratio
Stakeholder Pressure as variable independent (X_2)	a. Shareholder as stakeholder pressure	$(Number\ of\ Parent\ Company\ Share/(Total\ Shares)$	Ratio
	b. Employee as stakeholder pressure.	Natural logs of the total employee	Ratio
	c. Government as stakeholder pressure	If the company has position of share ownership the government is given 1 point, whereas If No will given 0 (Allen et al., 2005)	Nominal
	d. Media as stakeholder pressure	Number of news about the companythe on machine searcher Google in the reporting year (García-Sánchez et al., 2019)	Nominal

Profitability(ROA) as variable control (X_3)	Comparison between net profit which is obtained company with total his assets For know how much reliable company in manage its assets to produce profit (profit) (Shatnawi et al., 2021)	$(Earnings\ Before\ Interest\ and\ Tax)/(Total\ Assets)$	Ratio
Leverage(DER) as variablecontrol (X_4)	Tiers that protection is given by company to his creditors (Martin et al., 2017)	(Total Debt)/(Total Assets)	Ratio
Firm size as variable control (X_5)	Company size is a what size? can classified big or small a company (Martin et al., 2017)	Size= logs *(Book Value of Assets)*	Ratio
Age companyas variable control (X_6)	Company age determined with since its founding somethingcompany	The year the company was founded up to the year of researchdone	Nominal
Sustainability Report Disclosure (Y)	Disclosure indicator sustainability in annual report and sustainability consists of indicators of economic performance, environment, and social based on GRI indicators- G4. (Strozzilaan, 2021)	$CSDIj = \frac{\Sigma Xij}{nj}$ CSDIj: Disclosure index corporate sustainability for company j nj: total items on company j, nj 91 Xij: Total items for disclosure (Tjahjadi et al., 2021)	Ratio

The computation of the desirability index involves a two-step process. Firstly, the research evaluates the occurrence of indicators, assigning a score of 1 if a company discloses information about a particular indicator and a score of 0 if there is no disclosure. Subsequently, the study examines the quality of the disclosed data. In this aspect, the breadth of information provided by the company is considered. A company that merely mentions events without specific details receives a score of 1. If the company discloses information about quality indicators, it is assigned a score of 2. Quantitative penetration in the disclosure results in a score of 3, while a comprehensive disclosure covering both quantitative and qualitative aspects for specific indicators merits a score of 4. The determination scores are summarized in Table 2, providing a systematic approach to gauge the continuity of sustainability disclosure. This scoring method, adapted from Hasan (2009), offers a nuanced evaluation that encompasses both the occurrence and quality of disclosed data.

Table 2. Determination score for disclosure continuity

Sustainability Disclosure	Score
Not-Qualitative & Not-Quantitative	1
Qualitative & Not-Qualitative	2
Not-Quatitative & Quantitative	3
Qualitative & Quantitative	4

Source: Hasan (2009)

RESULTS & DISCUSSION

In examining the impact of Good Corporate Governance (GCG) and stakeholder pressure on sustainability report disclosure, this research employs multiple regression analysis, multicollinearity tests, the R2 coefficient determinant, F-test, and t-test to address the hypotheses. The aim is to discern the influence of GCG and stakeholder pressure (shareholders, employees, government, and media) on sustainability report disclosure. The data analysis reveals that both GCG and stakeholder pressure exerts a positive and significant influence on sustainability report disclosure, both collectively and individually. Notably, the dimension with the highest impact is employee pressure as a stakeholder, while the lowest impact is attributed to Good Corporate Governance. These findings align with prior studies (Alfaiz & Aryati, 2019; Cormier et al., 2004; Lu & Abeysekera, 2014; Qisthi & Fitri, 2021; Rudyanto & Veronica Siregar, 2018) and contrast with the results presented by Jannah & Muid (2014). The divergence between this research and previous studies lies in the dependent variable, the study period, and the selected case study sector. Detailed results for each multiple linear regression, F-test, t-test, and multicollinearity are presented below.

Analysis Multiple Linear Regression

Multiple Linear Regression analysis is employed to test the dependent variable when two or more independent variables are involved. Table 3 presents the results of the Multiple Linear Regression test during the 2020-2022 period.

Table 3. Results in Multiple Linear Regression Test

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,555	2,331		5,818	,002
	GCG	,661	.123	,821	3,251	,000
	SHAREHOLDERS	,770	,196	,957	5,867	,001
	EMPLOYEE	,551	,221	,712	6,201	,002
	GOVERNMENT	,622	.1 67	,723	6.114	,001
	MEDIA	,455	.211	,530	5,678	,000
	ROA	-.533	,159	-.723	-4,771	,002
	DER	,221	,068	,443	4,577	,002
	FIRM_SIZE	-.877	,020	-.929	-4,211	,000
	COMPANY_AGE	-.940	,083	-.1,040	-5,231	,000

[a]. Dependent Variable: SR

The Multiple Linear Regression analysis in this study is processed using SPSS version 24 for data processing. The results of the Multiple Linear Regression test yield the regression equation as follows:
SRDi = β0 + β1GCG + β2.1 SHAREHOLDERS + β2.2 EMPLOYEES + β2.3 GOVERNMENT + β2.4 MEDIA + β3ROA + β4DER + β5FIRM SIZE + β6AGE COMPANY + e

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Test Multicollinearity

Variables that cause a relationship can be seen from mark tolerance which is not enough from 0.10 or mark VIF which is morebig than 10. Following is results test multicollinearity on research.

Table 4. Test Multicollinearity

Coefficients [a]

Model		Collinearity Statistics Tolerance	VIF
1	GCG	.284	2.335
	Shareholder	.754	5.177
	Employee	.361	5.530
	Goverment	.405	2.218
	Media	.366	3.177
	ROA	.204	4.560
	DER	.518	2.048
	Firm Size	.412	2.655
	Company Age	.436	1.998

a Dependent Variable : SR

Table 4 shows that based on results processing data, the mark tolerance from good corporate governance is 0.284 bigger than 0.10, while the VIF value of the good corporate governance variable is 2.335,smaller than 10. The tolerance value of the shareholder variable is 0.754, which is greater than 0.10, while the VIF value of the shareholder variable is 5.177, smaller than 10. The tolerance value of the employee variable is 0.361 bigger than 0.10, temporary mark VIF variable employees 5, 530 aresmaller than 10. The tolerance value for the government variable is 0.405, greater than 0.10, while the VIF value of the government variable is 2,218, smaller than 10. For mark tolerance of variables media is 0.833 bigger from 0.10, temporary mark VIF variable media is 4,560 smaller than 10. The tolerance value of the ROA variable is 0.204, greater than 0.10, while the VIF value of the ROA variable is 2.478, smaller than 10. The tolerance value of the DER variable is 0.518, which is greater than 0.10.

Meanwhile, The VIF value of the DER variable is 2.048, smaller than 10, for the value value. The tolerance of the Firm Size variable is 0.412, which is greater than 0.10. Meanwhile, the VIF value of the Firm Size variable is 2.655, which is smaller than 10. The tolerance of the Company Age variable is 0.538, greater than 0.10, while the VIF value of the Company Age variable is 1.860, smaller than 10. Therefore, whether looking at the tolerance value or VIF value, no multicollinearity happens in the research model.

T-test Influence in a way Partial)

The t-test results, which demonstrate the partial influence of independent variables on the dependent variable in this study, are presented in Table 5.

Table 5. ***t-test***

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,555	2,331		5,818	,002
	GCG	,661	.123	,821	3,251	,000
	SHAREHOLDERS	,770	,196	,957	5,867	,001
	EMPLOYEE	,551	,221	,712	6,201	,002
	GOVERNMENT	,622	.1 67	,723	6.114	,001
	MEDIA	,455	.211	,530	5,678	,000
	ROA	-.533	,159	-.723	-4,771	,002
	DER	,221	,068	,443	4,577	,002
	FIRM_SIZE	-.877	,020	-.929	-4,211	,000
	COMPANY_AGEN	-.940	,083	-.1,040	-5,231	,000

a. Dependent Variable: SR

Good Corporate Governance Influence on Disclosure of Sustainability Report

The partial test reveals that the Good Corporate Governance variable has a significance value of 0.000 < 0.05, with a t-count of 3.251 (greater than t-table). This implies that during the period 2020-2022, the Good Corporate Governance (X1) significantly and positively influences the disclosure of Sustainability Reports (Y). Therefore, Hypothesis 1 (H1) is accepted. The interpretation suggests that a stronger implementation of Good Corporate Governance leads to higher-quality Sustainability Reports.

Shareholders' Pressure Influence on Sustainability Report Disclosure

The partial test indicates that the Shareholders variable has a significance value of 0.001 < 0.05, and the t-count is 5.867 (greater than t-table). This signifies that during the period 2020-2022, the Shareholders variable (X2.1) significantly and positively influences the disclosure of Sustainability Reports (Y). Thus, Hypothesis 2 (H2) is accepted.

Employee as Stakeholder Pressure Influence on Disclosure of Sustainability Report

The partial test results show that the Employee variable has a significance value of 0.002 < 0.05, and the t-count is 6.201 (greater than the t-table). This indicates that during the period 2020-2022, the Employee variable (X2.2) significantly and positively influences the disclosure of Sustainability Reports (Y). Hence, Hypothesis 3 (H3) is accepted.

The Influence of Government as Stakeholder Pressure on Disclosure of Sustainability Report

The partial test results reveal that the Government variable has a significance value of 0.001 < 0.05, with a t-count of 6.114 (greater than the t-table). This implies that during the period 2020-2022, the

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Government variable (X2.3) has a significant positive effect on the disclosure of Sustainability Reports (Y). Therefore, Hypothesis 4 (H4) is accepted.

The Influence of Media as Stakeholder Pressure on Disclosure of Sustainability Report

The partial test results indicate that the Media variable has a significance value of 0.000 < 0.05, and the t-count is 5.678 (greater than the t-table). This suggests that during the period 2020-2022, the Media variable (X2.4) significantly and positively influences the disclosure of Sustainability Reports (Y). Thus, Hypothesis 5 (H5) is accepted.

F -Test (Influence in a way Simultaneous)

The F-test was employed to assess the simultaneous influence of independent variables at a significance level (α) of 5% or 0.05. The results of the F-test for the period 2020-2022 are presented in Table 6.

Table 6. Results F test

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3143.378	9	3143.288	11,422	.002 [b]
	Residual	12135.700	83	,066		
	Total	14494.300	92			

a. Dependent Variable: SR

b. Predictors: (Constant), AGE_COMPANY, SHAREHOLDERS, GCG, DER, MEDIA,ROA, EMPLOYEE, GOVERNMENT, FIRM_SIZE

Based on the results of the F-test conducted in Table 6, it is evident that the simultaneous influence of the variables, namely Good Corporate Governance (X1), shareholder (X2.1), employee (X2.2), government (X2.3), and media (X2.5), is significantly influential on Sustainability Reports (Y).

Test Coefficient Determination (R^2)

The test coefficient is determined to determine the percentage contribution of the influence of all independent variables to the dependent variable. The mark used in coefficient determination is adjusted To R-squared. Table 7 shows the results of the coefficient of determination test during the period 2020-2022.

Based on Table 7, it is observed that the coefficient of determination obtained is 0.775 or 77.5%. This indicates that the influence of Good Corporate Governance, shareholders, employees, government, and media on Sustainability Report disclosure amounts to 77.5%, while the remaining 22.5% is attributed to other unexplored variables.

Table 7. Results Coefficient Test Determination

Model Summary [b]					
Model	R	R Square	Adjusted RSquare	Std. Error of the Estimate	Durbin-Watson
1	,844 [a]	,820	**,775**	2,114	2,544

a. Predictors: (Constant), COMPANY_AGE, SHAREHOLDERS, GCG, DER,MEDIA, ROA, EMPLOYEE, GOVERNMENT, FIRM_SIZE

b. Dependent Variable: SR

DISCUSSION

The results derived from the multiple linear regression analysis underscore the substantial impact of both good corporate governance and stakeholder pressure (including shareholders, employees, government, and media) on sustainability report disclosure within the energy, raw materials, industrial, and infrastructure sectors listed on IDX from 2020 to 2022. This aligns with contemporary views on corporate governance, as highlighted by Dwi (2020), emphasizing a transformative role in business practices. Sastrawan & Suaryana's (2016) perspective on corporate governance providing a structural framework for goal-setting and performance monitoring resonates with the observed influence. Furthermore, the study's findings correspond with Ricardo's (2017) insight into the relationship between CSR disclosure, governance, and financial analysts' information environment. The broader scope of sustainability reporting, as compared to CSR, is acknowledged, echoing Mohamed's (2020) work. García-Sánchez's (2019) emphasis on Good Corporate Coverage contributing to enhanced Corporate Sustainability Performance reinforces the discussion, highlighting the significance of governance in bolstering stakeholder trust and overall company performance. This collective evidence emphasizes the intricate interplay between corporate governance, stakeholder dynamics, and sustainability reporting, vital for companies seeking not only compliance but also improved sustainability practices and stakeholder relationships.

Shareholders wield a positive and significant influence on sustainability report disclosure, reinforcing the findings of Gunawan (2007), who asserts that shareholder-oriented companies tend to offer transparent information. Shareholders respond positively when provided with information that is both transparent and indicative of the company's future capabilities. This aligns with the research conducted by Qisthi & Fitri (2021), affirming a positive correlation between shareholder influence and sustainability report disclosure. The alignment with stakeholder theory is evident, as the theory emphasizes the responsibility of industries to respond to various stakeholders, including boards, employees, and residents. In this context, shareholder interests guide organizational leadership in maintaining the quality of life and continually improving practices that are crucial for environmental stewardship in business operations, thereby defining sustainability as an ongoing commitment.

The impact of employees on sustainability report disclosure is underscored by the findings of Fernandez-Feijoo (2014), Rudyanto (2018), and Alfaiz & Aryati (2019), emphasizing the workforce as a pivotal stakeholder in transparent sustainability reporting. This perspective aligns with Huang and Kung (2010), who posit that companies disclosing sustainability reports experience enhanced employee job satisfaction, motivation, and a perception that the company fulfills its employee rights, thereby reducing turnover rates and boosting overall productivity. The positive repercussions extend to increased

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employee loyalty, fostering a more innovative and cost-effective work environment, ultimately contributing to heightened company profits. Additionally, the favorable relationships a company maintains with its employees can attract investor interest, especially from institutional investors, as indicated by previous empirical studies (Hoq et al., 2010; Marietza & Alfredo, 2019; Ricardo et al., 2017). However, it is noteworthy that the differentiation in this study lies in the fact that not all sampled companies from the energy, raw materials, industrial, and infrastructure sectors agree to disclose sustainability reports. Some companies choose silence, potentially out of fear of repercussions on employee status. These results are consistent with Olarewaju & Msomi's (2021) observation that labor responsibility is not a primary consideration for CSR performance and reporting in Indonesian companies, reflecting low institutional pressure on energy disclosure within the country's workforce.

Government influence on companies to disclose their sustainability reports is crucial, as the government assumes the role of an auditor with the authority to mandate such disclosures. The government's power extends to granting or revoking permits based on the disclosed results, particularly in cases of environmental damage, adverse effects on community health due to inadequate waste management, or social issues like disruptions to water supplies for communities and employee-related concerns such as insufficient salaries or benefits, as per regulations in Indonesia. Companies with government ownership face potential pressure to provide more comprehensive information, especially regarding employment issues and significant relationships with society. This practice of disclosure is well-documented in literature and facilitates government oversight, enabling effective pressure on companies to engage in socially responsible activities (Alvarez-Risco et al., 2022; Firer & Williamson, 2005; He et al., 2017). According to He et al. (2017), government pressure has a significantly positive influence on corporate environmental behavior. Government ownership within a company motivates compliance with regulations, such as the mandatory publication of sustainable reports outlined in the Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number 1 of 2021, which establishes the Company Performance Rating Assessment Program in Environmental Management.

Media plays a significant role in influencing the disclosure of sustainability reports, aligning with signaling theory, which emphasizes a company's inclination to communicate positive information to showcase its positive activities and policies. Media publications, whether positive (good news) or negative (bad news), impact public perceptions of a company's actions. This finding is consistent with the studies of Alvarez-Risco et al. (2022) and Rodríguez-Merino (2019), which suggest that positive media reporting can be influenced by a company's requests, sometimes leading to unreal media exposure. On the other hand, negative news may indicate stronger media exposure, reflecting public pressure or scrutiny over sustainability activities. The media, by leveraging the positive power of companies committed to social and environmental responsibility, can contribute to protecting the public's interests and fostering environmental stewardship (Lu & Abeysekera, 2014). Thus, the media plays a central role in promoting the environmental performance of companies oriented toward sustainability reporting and, consequently, contributes to building legitimacy through positive exposure.

Sustainability reports transcend mere documentation of environmental, social, and governance operational performance; they serve as strategic assessment tools and communication platforms with investors and various stakeholders. These reports function as an annual "health" check, providing insights into a company's strengths and weaknesses, fostering a commitment to delivering outcomes that benefit both the business and its stakeholders. In the context of Indonesian companies, sustainability reports play a crucial role in the ESG reporting approach, showcasing the company's strategy for addressing climate risks, engaging stakeholders, and enhancing overall ESG performance. Such reports articulate Directors' responsibilities for sustainability, highlight efforts to enhance sustainability practices, and bolster the company's credibility in the public domain. Beyond fostering transparency, sustainability reports also demonstrate alignment with global standards, underscoring the company's steadfast commitment to sustainability.

CONCLUSION

The conclusion of this research outlines the main findings regarding the influence of Good Corporate Governance (GCG) and the pressure from stakeholders on the disclosure of sustainability reports in companies in the energy, raw materials, industrial, and infrastructure sectors listed on the Indonesia Stock Exchange (IDX). Through the purposive sampling method, the study indicates that 77.5% of GCG and stakeholder pressures (shareholders, employees, government, and media) have a significant impact on the disclosure of sustainability reports. However, it is acknowledged that the limitations of this research include data collection during the Covid-19 pandemic, which may affect the fluctuation of financial indicators for companies in the energy sector. The implications of these findings can serve as a foundation for companies in the energy, raw materials, industrial, and infrastructure sectors to enhance their sustainability report disclosures. Furthermore, it is recommended that the government strengthens the legal environment, establishes standards such as the GRI Standards, and mandates audits of sustainability reports to enhance the credibility of the information presented. These findings reflect the importance of transparency and corporate engagement in sustainability practices as an integral part of their business strategy.

The limitations of this research was data collected from the Covid-19 period which makes financial performance indicators in energy sector companies fluctuate highly, there is still the possibility of other variables being explored in future research, as a note the difference in the total contribution of R^2 given by the variables studied is still large at 22 .5%, can be used as a basis for disclosing the fact that there are other variables that have not been studied that can contribute to the disclosure of sustainability reports, in this context the author proposes that these other variables are pressure from Non-Governmental Organizations as stakeholders which can influence the quality of company sustainability report disclosures in mining sector in future research.

Future research recommended can add independent variables such as leverage, liquidity, and type of industry and extend the research period so that it can know accurately about the effect of sustainability report disclosure. Research implication for this research results can be used as basis by companies in the energy, raw goods, industrial and infrastructure sectors to improve their Sustainability Report disclosures. These can become a basis of increasing numbers of sustainability reports disclosure in energy, raw goods, industrial and infrastructure sectors. In addition to a strong legal environment, the government also requires to set the standards used in making sustainability report, e.g. using GRI Standards issued in 2017, and requires audit of sustainability report to increase the credibility of the information.

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