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Research Article

Analysis of Sustainability Report Disclosure Quality from Economic, Environmental, and Social Perspectives at PT Petrokimia Gresik

Siti Hadawia*, Masiyah Kholmi, and Aniek Rumijati

Universitas Muhammadiyah Malang, Malang, Jawa Timur, Indonesia, 65144
*Corresponding Author: sitihadawia@gmail.com | Phone: +6281338105615

ABSTRACT

Sustainability reporting is essential for corporate transparency and accountability, yet the quality of such disclosures in Indonesia remains limited. PT Petrokimia Gresik, as a major chemical producer, faces scrutiny regarding its environmental and social impacts, which are not fully reflected in its sustainability reporting. This study examines the quality of the company's 2023 Sustainability Report based on the economic (GRI 200), environmental (GRI 300), and social (GRI 400) dimensions, referring to the GRI Standards 2021 and the triple bottom line framework. A descriptive qualitative method was employed through interviews with CSR personnel and content analysis of the report. Disclosure quality was assessed using a 0–15 index aligned with compliance criteria. The findings indicate that the report falls into the "Partially Applied" category with an overall score of 58%. The environmental dimension achieved the highest score (71%), followed by economic (60%) and social (48%). The low performance in social reporting stems from limited quantitative data, human resource constraints, and missing disclosures such as human rights assessments (GRI 412). Although the company supports the SDGs, improving reporting quality particularly completeness and data quantification is necessary to strengthen transparency and stakeholder trust.

Keywords: Disclosure quality; GRI standard; Sustainability report; Triple bottom line

1. INTRODUCTION

The sustainability report is critically important for companies in Indonesia because it enables them to disclose their sustainability performance and social responsibility initiatives. According to (Paun, 2018), a sustainability report is a document that contains information on a company's performance in achieving sustainability, encompassing environmental, social, and economic aspects. Through such reporting, firms can enhance their transparency and accountability, as well as strengthen trust with their stakeholders. In addition, (Truant et al., 2017) argue that sustainability reports also assist companies in identifying and managing sustainability-related risks, thereby improving long-term performance and sustainability. By publishing sustainability reports, Indonesian companies are able to demonstrate their commitment to sustainability and social responsibility.

Sustainability reports can be viewed as tools for measuring and communicating a company's CSR performance. According to (Juniarti et al., 2023), through sustainability reporting, firms can convey the objectives, policies, and outcomes of their CSR programs to stakeholders. Corporate Social Responsibility (CSR) is a concept that encourages companies to consider the social and environmental impacts of their operations and to take responsibility for those impacts (Afifah & Syafruddin, 2021) explain that, in the economic dimension, CSR helps companies create long-term value by improving reputation, operational efficiency, and competitiveness. From an environmental perspective, (Ismail, 2021) states that CSR motivates companies to reduce their negative impacts on nature—such as pollution and resource waste by adopting environmentally friendly practices. In the social dimension, (Afriani et al., 2023) note that CSR focuses on community welfare, community empowerment, and the protection of workers' rights. Overall, CSR aims to create a balance between financial gains, environmental sustainability, and positive social contributions supporting both corporate longevity and global well-being.

The quality of sustainability disclosure needs to be examined to ensure that the information presented is accurate, comprehensive, and reliable. Assessing disclosure quality also helps companies identify their strengths and weaknesses in sustainability reporting, enabling them to improve the overall quality of their reports. Consequently, stakeholders can obtain a clearer understanding of a company's sustainability performance. However, in Indonesia, the quality of sustainability reporting remains relatively low; for instance, a study by (Dara, 2022) shows that disclosure quality reached only 23%. As a result, companies fail to attract sufficient attention from stakeholders, particularly shareholders, which can negatively affect firm value. Poor disclosure quality is often caused by information that lacks depth, clarity, and informativeness.

Previous studies by (Anggraeni & Djakman, 2018) indicate that CSR disclosures are predominantly quantitative, including numerical data such as currency, weight, and size. Meanwhile, research by (Fatima et al., 2015) and (Fortuna et al., 2020) shows that CSR disclosures are dominated by descriptive information, with 70% of companies providing only narrative data. (Nelson & Meiden, 2023) found that only 16% of companies combine both qualitative and quantitative information, while (Das & Mishra, 2020) report that in India, 74% of CSR information is qualitative. (Fatima et al., 2015) conclude that the quality of disclosed CSR information remains low, largely due to the absence of supportive regulations.

Although most large companies in Indonesia have already issued sustainability reports, many still lack transparency and accountability in managing the negative impacts of their operations on the environment and society. One example is the environmental pollution caused by PT Rayon Utama Makmur (RUM), a rayon fiber producer since 2017. The pollution generated foul odors that led to health problems such as nausea and shortness of breath. Meanwhile, in Pekalongan Regency, residents reported pollution caused by PT Panggung Jaya Indah Textile (Pajitex) since 2006, where coal dust, factory emissions, and wastewater polluted the environment, dirtied homes, and contaminated rivers.

In the fertilizer and chemical sector, PT Petrokimia Gresik plays an important role in sustainable development, as its products are essential for both the agricultural and industrial sectors. Despite its significant contribution to the national economy, the fertilizer and chemical industry can also pose serious environmental and social risks. A clear example is that within approximately 50 meters of the PT Petrokimia Gresik plant, unpleasant odors are immediately noticeable, and the air feels warmer due to the company's production activities.

These phenomena indicate that sustainability disclosures remain suboptimal, as environmental impacts continue to be overlooked, suggesting that sustainability reporting is sometimes treated merely as a formality. In reality, sustainability reports intended as a solution may instead diminish stakeholder trust and harm corporate reputation. Therefore, this research aims to analyze the quality of sustainability disclosure on the economic, environmental, and social performance of PT Petrokimia Gresik in 2023 using the triple bottom line approach, grounded in stakeholder theory and legitimacy theory. The assessment of disclosure quality for economic performance (GRI 200), environmental performance (GRI 300), and social performance (GRI 400) is conducted in accordance with the 2021 Global Reporting Initiative (GRI) Standards.

Research conducted by (Rahajeng, 2023) on PT Petrokimia Gresik shows that the quality of environmental disclosure tends to be higher than that of economic and social disclosures. This is because environmental disclosures are generally easier to report compared to the other categories. The quality of economic disclosure improves in line with the company's profitability. For the environmental dimension, PT Petrokimia Gresik met at least 61% of the obligations and responsibilities under the environmental category in 2022, indicating that the company has made substantial efforts to enhance its sustainability performance by prioritizing not only profit but also social and environmental aspects. Existing studies demonstrate that the quality of economic, environmental, and social disclosures in sustainability reports still varies and tends to be less than optimal. Although progress has been made, further improvements are needed, particularly in balancing qualitative and quantitative information and strengthening regulatory support.

In studies by (Rofelawaty, 2014) and (Dara, 2022), data were analyzed using dummy variables with a disclosure quality rating scale: a score of 0 for companies that do not disclose the sustainability aspect in question, a score of 1 for descriptive or qualitative disclosure, and a score of 2 for descriptive disclosure supported by quantitative information such as charts or diagrams. The novelty of the present study lies in its use of a broader scoring scale ranging from 0 to 15, following the approach used by (Rahajeng, 2023). Although the methodological approach is similar, previous research referred to the 2022 sustainability reporting guidelines, whereas this study adopts the updated 2023 guidelines. This distinction is important because sustainability disclosure standards continue to evolve. Moreover, this research remains relatively underexplored and is expected to contribute meaningfully to the field.

LITERATURE REVIEW

1.1 Stakeholder Theory

Stakeholder theory emphasizes that a company should not only focus on its internal structures and processes to achieve success and accountability but also consider the interests of its stakeholders. The company's goal is to meet stakeholder needs, not merely its own interests. Corporate sustainability is heavily influenced by stakeholders, whose roles and priorities vary across organizations (Godam et al., 2019). This theory serves as a strategic management concept that helps companies build stronger relationships with external parties while enhancing competitive advantage. (Freeman, 1984) developed this theory by highlighting the importance of relationships between a company and various groups beyond shareholders, noting that corporate actions can both affect and be affected by stakeholders. (Anadol, 2017) argues that business success depends on creating value for customers, employees, communities, and investors alike. (Carroll, 1991) also underscores the connection between corporate social responsibility (CSR) and stakeholders. According to (Hamudiana & Achmad, 2017), this demonstrates the close relationship between sustainability reporting and stakeholder commitment within an industry. From the perspective of stakeholder theory, high-quality sustainability reporting represents a company's accountability in addressing stakeholder interests. The higher the quality of disclosure, the greater the transparency and accountability of the company regarding social, economic, and environmental issues that concern stakeholders. Therefore, analyzing the quality of sustainability report disclosures is essential to evaluate the extent to which a company considers and responds to stakeholder interests in accordance with the principles of stakeholder theory.

1.2 Legitimacy Theory

According to (Hamm et al., 2022), legitimacy theory posits that organizations continuously strive to conduct activities in accordance with prevailing social norms and constraints. The focus of this theory lies in the relationship between the company and society, wherein an organization is regarded as part of the community and is expected to respect the established norms. Moreover, the theory emphasizes the organization's pursuit of legitimacy within its surrounding community. (Dowling & Pfeffer, 1975) assert that legitimacy is crucial for organizations, as existing social norms and values, along with responses to them, serve as the basis for analyzing organizational behavior in its environmental context. (Rendtorff, 2019) further explains that legitimacy theory is rooted in the social contract between a company and the society in which it operates, as well as in the use of economic resources.

From the perspective of legitimacy theory, companies utilize sustainability reports as instruments to demonstrate compliance with societal norms and values. The quality of disclosure in these reports reflects the extent to which a company seeks to obtain and maintain social legitimacy among its stakeholders. Therefore, in this study, analyzing the quality of sustainability report disclosures is essential to evaluate how companies build a positive image and public trust through transparent reporting of sustainability information.

1.3 Triple Bottom Line

The Triple Bottom Line (TBL) is a framework that considers three primary dimensions of business sustainability: economic, social, and environmental often summarized as people, planet, and profit. According to (Elkington, 1994), who introduced the concept in his book, the Triple Bottom Line provides an approach for evaluating corporate performance that goes beyond financial outcomes (profit) to also account for social (people) and environmental (planet) impacts. Furthermore, (Savitz & Weber, 2006) expanded on the TBL concept by illustrating how leading companies integrate economic, social, and environmental aspects into their business strategies. The Triple Bottom Line emphasizes that a company's success should not be measured solely by financial performance but also by its influence on society, the environment, and social well-being. This framework encourages companies to consider their responsibilities toward economic, social, and environmental aspects when making strategic decisions.

2. RESEARCH METHOD

This study employs a qualitative method with a descriptive approach. The objective of the research is to depict how disclosure information in the sustainability report is presented and perceived by stakeholders, without manipulating data or variables. The research was conducted at PT Petrokimia Gresik, located in Gresik Regency, East Java. The types and sources of data include primary data, obtained through direct interviews with informants from the CSR department involved in the preparation of the sustainability report, as well as secondary data in the form of the 2023 sustainability report document of PT Petrokimia Gresik accessed from the company's official website. Data collection techniques applied triangulation methods, comprising interviews with informants, documentation of the sustainability report, and the use of other data sources. The disclosure index used as a reference is the Global Reporting Initiative (GRI) Standard 2021, divided into three categories: economic (GRI 200), environmental (GRI 300), and social (GRI 400). The quality index of the sustainability report is measured using a 0–15 scale based on indicators applied by (Oktavendi & Mawardi, 2023), as presented in **Table 1**.

Based on the calculated quality score, the disclosure quality is then evaluated according to the compliance criteria described by (Rusdiono, 2017), which include:

a. 0%: Not Applied
b. 1–40%: Limited Disclosure
c. 41–75%: Partially Applied
d. 76–99%: Well Applied
e. 100%: Fully Applied

To ensure data validity, this study applies credibility tests (internal validity) through peer discussions and triangulation (data sources, techniques/methods, and timing), dependability tests (reliability) through auditing all stages of the research process, and confirmability tests (objectivity) through Focus Group Discussions (FGD). Data analysis uses content analysis according to (Miles, M. B., & Huberman, 1994), involving three main steps: data reduction (filtering and selecting relevant data), data grouping and presentation (classification and coding based on GRI Standards categories), and drawing conclusions to answer the research questions.

Table 1. Quality Index Aspects

Score	Quality Index Aspects
0	If not disclosed
1	If disclosed in monetary form
2	If disclosed in numeric form
3	If disclosed in narrative form
4	If disclosed in the form of images/graphs/tables
5	If disclosed in narrative and monetary form
6	If disclosed in narrative and numeric form
7	If disclosed in monetary and numeric form
8	If disclosed in narrative and images/graphs/tables
9	If disclosed in monetary and images/graphs/tables
10	If disclosed in numeric and images/graphs/tables
11	If disclosed in narrative, monetary, and numeric form
12	If disclosed in monetary, numeric, and images/graphs/tables
13	If disclosed in narrative, numeric, and images/graphs/tables
14	If disclosed in narrative, monetary, and images/graphs/tables
15	If disclosed in narrative, monetary, numeric, and images/graphs/tables

Source: (Oktavendi & Mawardi, 2023)

After the assessment is conducted, the next step is to calculate the quality score using the following formula:

$$\frac{Total\ Quality\ Score}{(Total\ Index\ \ \times 15)}$$

3. RESULTS AND DISCUSSION

3.1 Results

PT Petrokimia Gresik, a subsidiary of PT Pupuk Indonesia, is the most comprehensive fertilizer producer in Indonesia, having transformed into an agro-industrial solutions company. The company is committed to supporting national food security through innovation and product development. In its efforts to maintain transparency and accountability, PT Petrokimia Gresik regularly prepares sustainability reports based on the Global Reporting Initiative (GRI) standards. In 2023, the company was awarded the Platinum Rank at the Asia Sustainability Reporting Rating (ASRRAT) 2023, reflecting the high quality of its sustainability disclosures. This award recognizes the company's success in communicating the impacts and benefits of its business processes and sustainable programs.

In the social dimension, PT Petrokimia Gresik actively implements Social and Environmental Responsibility programs (TJSL) focusing on community empowerment and environmental preservation. In 2023, the company received four awards at the "TJSL & CSR Award 2023", including the Platinum Winner for the Economic and Environmental Pillars, as well as the Gold Winner for the Social Pillar. Programs such as agricultural literacy and integrated cattle farming in Sumbersari Village, Lamongan, serve as concrete examples of the company's social initiatives supporting sustainability.

From an environmental perspective, PT Petrokimia Gresik once again earned the PROPER Gold rating from the Ministry of Environment and Forestry (KLHK) for the third consecutive year, indicating consistent excellence in environmental management. The disclosure of TJSL programs and environmental performance in the 2023 sustainability report provides comprehensive information on the social and environmental impacts of the company's activities. The research results are presented using the triple bottom line approach (economic, environmental, and social) following the 2021 GRI Standards guidelines, including the following:

3.1.1 Assessment of Sustainability Report Disclosure Quality from the Economic Perspective

Based on the 2021 GRI Standards guidelines, the economic perspective disclosures include the following:

Table 2. Assessment of Sustainability Report Disclosure Quality from the Economic Perspective

Index Number	Disclosure Title	Quality Index Score
201: Economic Performance		
201-1	Direct Economic Value Generated and Distributed	15
201-2	Financial Implications and Other Risks and Opportunities of Climate Change	3
201-3	Defined Benefit Pension Plan Obligations and Other Pension Plans	6
201-4	Financial Assistance Received from the Government	6
202: Market Existence		
202-1	Employee Wage Standard Ratio Entry-Level Based on Gender to Regional Minimum Wage	15
202-2	Proportion of Senior Management Coming from Local Communities	13
203: Indirect Economic Impact		
203-1	Infrastructure Investment and Service Support	15
203-2	Significant Indirect Economic Impacts	
204: Procurement Practices		
204-1	Procurement Practices	15
205: Anti-corruption		
205-1	Operations Deemed to Have Corruption	3
205-2	Communication and Training on Anti-Corruption Policies and Procedures	15
205-3	Proven Insider Corruption and Action Taken	13
206: Anti-Competitive Behavior		
206-1	Legal Steps for Anti-Competitive Behavior, Anti-Bullying Practices Trust, and Monopoly.	3
207: Tax		
207-1	Taxation Approach	3
207-2	Tax Governance, Control, and Risk Management	3
207-3	Stakeholder Engagement and Tax-Related Concern Management	3
207-4	Tax Jurisdiction	14
	Total Economic Disclosure Quality Score	**145**

3.1.2 Assessment of Sustainability Report Disclosure Quality from the Environmental Perspective

Based on the 2021 GRI Standards guidelines, the environmental perspective disclosures include the following:

Table 3. Assessment of Sustainability Report Disclosure Quality from the Environmental Perspective

Index Number	Disclosure Title	Quality Index Score
301: Material		
301-1	Materials Used Based on Weight or Volume	13
301-2	Recycled Input Materials Used	13
301-3	Recycled Products and Their Packaging Materials	15
302: Energy		
302-1	Energy Consumption in Organizations	13
302-2	Energy Consumption Outside the Organization	3
302-3	Energy Intensity	13
302-4	Reducing Energy Consumption	15
302-5	Reduction in Energy Required for Products and Services	11
303: Water and Effluent		

303-1	Interaction with Water as a Shared Resource	13
303-2	Impact Management Related to Water Discharge	8
303-3	Water Intake	13
303-4	Water disposal	3
303-5	Water Consumption	10
304: Biodiversity		
304-1	Operational Locations Owned, Leased, Managed, or Adjacent to Protected Areas and Areas with High Biodiversity Value Outside Protected Areas	11
304-2	Significant Impacts of Activities, Products, and Services on Biodiversity	
304-3	Protected or Restored Habitats	
304-4	IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations	
305: Emissions		
305-1	Greenhouse Gas Emissions (Scope 1) Direct	13
305-2	Indirect Greenhouse Gas Energy Emissions (Scope 2)	13
305-3	Other Indirect Greenhouse Gas Energy Emissions (Scope 3)	13
305-4	Greenhouse Gas Emission Intensity	13
305-5	Greenhouse Gas Emission Reduction	15
305-6	Ozone Depleting Substances (ODS) Emissions	3
305-7	Nitrogen Oxidation (NOx), Sulfur Oxidation (SOx), and Significant Air Emissions	13
306: Waste		
306-1	Waste Generation and Significant Impacts Related to Waste	13
306-2	Management of Significant Impacts Related to Waste	15
306-4	Waste Diverted from Final Disposal	
306-5	Waste Sent to Final Disposal	
306-3	Waste Generation	4
307: Environmental Compliance		
307-1	Environmental Compliance	6
308: Supplier Environmental Assessment		
308-1	New Supplier Selection Using Environmental Criteria	3
308-2	Negative Environmental Impacts in Supply Chains and Actions Taken	
	Total Environmental Disclosure Quality Score	**278**

3.1.3 Assessment of Sustainability Report Disclosure Quality from the Social Perspective

Based on the 2021 GRI Standards guidelines, the social perspective disclosures include the following:

Table 4. Assessment of Sustainability Report Disclosure Quality from the Social Perspective

Index Number	Disclosure Title	Quality Index Score
401: Personnel		
401-1	New Employee Recruitment and Employee Turnover	13
401-2	Benefits Provided to Full-Time Employees Not Given to Temporary or Part-Time Employees	8
401-3	Maternity Leave	13
402: Labor/Management Relations		
402-1	Minimum Notice Period Regarding Operational Changes	3
403: Occupational Health and Safety (K3)		

403-1	Occupational Health and Safety Management System	6
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	13
403-3	Occupational Health Services	3
403-4	Worker Participation, Consultation, and Communication Regarding K3	6
403-5	Training for Workers on Occupational Health and Safety	13
403-6	Improving the Quality of Worker Health	3
403-7	Prevention and Mitigation of the impact of Occupational Health and Safety	6
403-8	Workers Covered by the Occupational Health and Safety Management System	6
403-9	Work accident	13
403-10	Occupational Diseases	3
404: Training and Education		
404-1	Average Training Hours Per Employee Year	13
404-2	Employee Skills Enhancement Program and Transition Assistance Program	6
404-3	Percentage of Employees Who Receive Regular Performance and Career Development Reviews	13
405: Diversity and Equal Opportunity		
405-1	Diversity of the Highest Governance Body and Employees	13
405-2	Ratio of Basic Salary and Remuneration for Women Compared to Men	14
406: Non-Discrimination		
406-1	Incidents of Discrimination and Corrective Actions Taken	3
407: Freedom of Association and Collective Bargaining		
407-1	Operations and Suppliers Where the Right to Freedom of Association and Collective Bargaining May Be Risky	3
408: Child Labor		
408-1	Operations and Suppliers at Significant Risk of Child Labor Incidents	6
409: Forced or Compulsory Labor		
409-1	Operations and Suppliers at Significant Risk of Forced or Compulsory Labor Incidents	3
410: Security Practices		
410-1	Security Personnel Given Human Rights Training	6
411: Rights of Indigenous Peoples		
411-1	Incidents of Violations Involving Indigenous Peoples' Rights	3
413: Local Community		
413-1	Operations with Local Community Engagement, Impact Assessment, and Development Programs	15
413-2	Operations that Actually and Potentially Have a Significant Negative Impact Towards Local Communities	3
414: Supplier Social Assessment		
414-1	New Supplier Selection Using Social Criteria	13
414-2	Negative Social Impacts in the Supply Chain and Actions Taken	3
415: Public Policy		
415-1	Political Contribution	3
416: Customer Health and Safety		
416-1	Health and Safety Impact Assessment of Different Product and Service Categories	13
416-2	Non-Compliance Incidents Relating to Health and Safety Impacts of Products and Services	3

417: Marketing and Labeling		
417-1	Requirements for Labeling and Information on Products and Services	3
417-2	Non-Compliance Incidents Related to Product and Service Packaging Labeling	3
417-3	Incidents of Non-Compliance Related to Marketing Communications	3
418: Customer Privacy		
418-1	Substantiated Complaints Regarding Violation of Customer Privacy and Loss of Customer Data	6
	Total Social Disclosure Quality Score	**260**

Based on the assessment of the 2023 sustainability report disclosure quality conducted by PT Petrokimia Gresik, the author performed an analysis to determine the overall quality level of the company's sustainability report. The formula used is as follows:

$$\frac{Total\ Quality\ Score}{(Total\ Index \times 15)}$$

The quality score is derived from the total sum of the GRI disclosure quality indices in PT Petrokimia Gresik's Sustainability Report. The total index refers to the overall number of economic, environmental, and social disclosure indices. The number 15 represents the maximum score for each indicator, ranging from 0 to 15. This allows for the calculation of the sustainability report quality for PT Petrokimia Gresik in 2023 across economic, environmental, and social perspectives. The calculations are as follows:

a. Economic Perspective
= Total Quality Score : (Total Index x 15)
= 145 : (16 x 15)
= 145 : 240
= 0.60 or 60% "*Partially Applied*"

b. Environmental Perspective
= Total Quality Score : (Total Index x 15))
= 278 : (26 x 15)
= 278 : 390
= 0.71 or 71% "*Partially Applied*"

c. Social Perspective
= Total Quality Score : (Total Index x 15)
= 260 : (36 x 15)
= 260 : 540
= 0.48 or 48% "*Partially Applied*"

d. Economic, Environmental and Social Perspectives
= Total Quality Score : (Total Index x 15)
= 683 : (78 x 15)
= 683 : 1.170
= 0.58 or 58% "*Partially Applied*"

Based on these calculations, the disclosure quality of PT Petrokimia Gresik's 2023 Sustainability Report indicates that, from an economic perspective, it reached 60%, environmental 71%, and social 48%. Meanwhile, the overall average disclosure quality was 58%.

3.2 Discussion

Based on the results of the assessment and measurement of the quality of the sustainability report disclosures presented above, the subsequent analysis is conducted from each perspective using stakeholder theory and legitimacy theory, as outlined below:

3.2.1 Analysis of Sustainability Report Disclosure Quality from an Economic Perspective

Based on the research findings, the quality of PT Petrokimia Gresik's sustainability report disclosure from an economic perspective reached 60%. According to the compliance criteria outlined by (Rusdiono, 2017), this figure falls into the "Partially Applied" category. This indicates that the company has disclosed information related to its economic performance, but not in a fully comprehensive or in-depth manner. The highest disclosures, with a score of 15, were found in the following indicators: GRI 201-1 (direct economic value generated and distributed), GRI 202-1 (minimum wage), GRI

203-1 and 203-2 (indirect economic impacts), GRI 204-1 (procurement practices), and GRI 205-2 (communication and training on anti-corruption policies). According to (Sianipar, 2019), by reducing the risk of losses in transactions with better-informed investors, high-quality financial disclosures can attract more capital to the market. Nevertheless, this score indicates that there is still room for improvement, particularly in indicators that are disclosed only narratively. The quality of the sustainability report is expected to improve alongside the company's profitability.

Viewed through the lens of stakeholder theory, PT Petrokimia Gresik has made efforts to accommodate the interests of several key stakeholder groups, particularly investors and employees, by providing information on net profit, fair remuneration, and the company's contribution to the local economy through corporate social responsibility (CSR) programs. However, not all stakeholders' needs have been fully addressed. For example, the lack of quantitative information on risks and opportunities arising from climate change (GRI 201-2) may disappoint investors who are increasingly concerned about environmental and sustainability issues. In addition, limited disclosure regarding operations assessed as having corruption risks (GRI 205-1) may raise doubts among the public and non-governmental organizations (NGOs) that demand transparent and accountable corporate governance.

In line with legitimacy theory, by disclosing economic information, PT Petrokimia Gresik seeks to demonstrate that the company operates in accordance with societal norms and expectations. The disclosure of net profit in 2023, amounting to IDR 1.25 trillion or 65% of the 2023 Corporate Work Plan and Budget (RKAP) target of IDR 1.93 trillion, sends a positive signal to stakeholders that the company is capable of achieving strong financial performance while contributing to national economic development. However, to further strengthen legitimacy, the company needs to address gaps in disclosure, particularly those related to environmental risks and governance. By enhancing transparency and accountability, PT Petrokimia Gresik can build greater trust among stakeholders and minimize the risk of social or regulatory sanctions in the future.

3.2.2 Analysis of Sustainability Report Disclosure Quality from an Environmental Perspective

Based on the research findings, the quality of PT Petrokimia Gresik's sustainability report disclosure from an environmental perspective reached 71%. According to the compliance criteria outlined by (Rusdiono, 2017), this figure falls into the "Partially Applied" category. This indicates that the company has disclosed information related to its environmental performance, but not in a fully comprehensive or in-depth manner. The highest disclosures, scoring 15, were observed in the following indicators: GRI 301-3 (claims regarding products and packaging), GRI 302-2 (energy intensity), GRI 302-4 (energy consumption reduction), GRI 305-5 (greenhouse gas emissions reduction), and GRI 306-2, GRI 306-4, and GRI 306-5 (impact management, waste diverted, and waste sent). This finding aligns with (Purba, 2017), who stated that PT Petrokimia Gresik had fulfilled at least 61% of its environmental obligations and responsibilities. In line with (Humaira & Cupian, 2023), this demonstrates that the business sector has made considerable efforts to improve sustainability performance, including reporting activities aimed at enhancing the quality of the sustainability report.

From a stakeholder theory perspective, PT Petrokimia Gresik has shown responsiveness to the interests of environmentally concerned stakeholders. Efforts undertaken include waste management, energy efficiency, and emissions reduction, which are reflected in the high-value disclosures. However, the company needs to pay closer attention to the expectations of certain stakeholders, particularly regarding water usage and emissions, as some indicators are still insufficiently detailed. From a legitimacy theory standpoint, disclosing environmental information represents PT Petrokimia Gresik's efforts to gain support and trust from the public and government. By demonstrating a commitment to sustainability, the company seeks to maintain its reputation and avoid sanctions. Nonetheless, to strengthen legitimacy, PT Petrokimia Gresik must continue to enhance transparency and accountability in environmental reporting, ensuring that operational practices are genuinely environmentally friendly and sustainable. More comprehensive and high-quality disclosures will reassure stakeholders that the company is not only profit-oriented but also environmentally responsible.

3.2.3 Analysis of Sustainability Report Disclosure Quality from a Social Perspective

Based on document analysis, the quality of disclosure in the social aspect achieved an average score of 48 out of 100%. This score indicates that the disclosure quality falls into the "Partially Applied" category overall, ranging from narrative explanations to visual representations. This is primarily because social aspects were mostly presented descriptively. (Anggraeni & Djakman, 2018) argue that to ensure the information provided can be properly used in decision-making processes, it must be supported by accurate data. Similarly (Fatima et al., 2015) found that corporate CSR disclosures are often limited to descriptive information only.

According to the GRI Standards, social performance disclosures cover areas such as employment, labor–management relations, occupational health and safety, training and education, diversity and equal opportunity, non-discrimination, freedom of association, child labor, forced or compulsory labor, security practices, indigenous rights, local communities, supplier social assessment, public policy, customer health and safety, marketing and labeling, and customer privacy. The highest disclosure, with a score of 15, was observed in the indicator GRI 413-1 (local community development). Additionally, based on the 2021 GRI Standards, the GRI 412 index addresses human rights assessments, consisting of three indicators:

412-1, 412-2, and 412-3. However, in PT Petrokimia Gresik's 2023 sustainability report, the GRI 412 index was not explicitly listed due to insufficient attention from the report preparation team. Nevertheless, the company did provide detailed explanations of human rights assessments in the report, even though they were not explicitly categorized under the GRI 412 index. Based on the stakeholder theory perspective, the "Partially Applied" disclosure level (48%) indicates that PT Petrokimia Gresik has made efforts to accommodate the interests of several social stakeholder groups, but not comprehensively. The comprehensive disclosure of local community development programs (GRI 413-1) reflects responsiveness to the expectations of communities surrounding the company. However, other stakeholders, such as employees, labor unions, and indigenous communities, may feel underrepresented. The lack of quantitative data and detailed information in several indicators, such as occupational health services, occupational disease prevention, non-discrimination policies, and social impacts in the supply chain, signals an imbalance in the company's responsiveness to the diverse interests of social stakeholders.

In line with legitimacy theory, the "Partially Applied" disclosure reflects PT Petrokimia Gresik's efforts to gain legitimacy from society regarding its social responsibilities. By highlighting local community development programs, the company seeks to project an image of a caring and positively contributing entity. However, to strengthen overall legitimacy, PT Petrokimia Gresik needs to enhance transparency and accountability across other social issues, including fair labor practices, occupational health and safety guarantees, and respect for human rights. Providing more complete and credible information will enable PT Petrokimia Gresik to build stronger trust among stakeholders and minimize potential social or regulatory sanctions in the future.

3.2.4 Analysis of Sustainability Report Disclosure Quality from Economic, Environmental, and Social Perspectives

Based on the evaluation, the quality of information presented in PT Petrokimia Gresik's 2023 sustainability report across economic, environmental, and social perspectives achieved an average score of 58 out of 100%. This score indicates that the disclosure level is categorized as "Partially Applied," suggesting that the scope of information provided is still suboptimal and does not fully meet optimal reporting standards. This finding aligns with previous studies by (Nugrahani & Artanto, 2022), (Três et al., 2023), and (Sebrina et al., 2023), which indicated that the quality of sustainability report disclosures remains relatively low. Although environmental performance disclosure reached 71%, higher than the economic and social aspects, environmental pollution and impacts persist. This high score primarily reflects administrative completeness in reporting rather than the effectiveness of on-the-ground environmental management. The company tends to focus on fulfilling reporting indicators required by standards such as the Global Reporting Initiative (GRI) without accompanying concrete and sustainable actions. This indicates a gap between disclosed information and actual implementation. (Priyo & Haryanto, 2022) observed a similar trend in PT Pertamina (Persero), where the company focused more on economic and social disclosures from 2017 to 2020, while environmental disclosures tended to highlight information that could enhance the company's perceived value to investors, consistent with signaling theory.

The social aspect had the lowest disclosure quality at 48%, despite the very tangible impacts on the community, such as unpleasant odors and excessive heat. This indicates that the sustainability report is still used more as a tool for legitimacy rather than substantive accountability, aiming to build a sustainable corporate image without addressing root causes. This is consistent with (Al Hamzah et al., 2023), who noted significant differences in social disclosures between PT Telkom Indonesia (36%) and PT XL Axiata (15.2%). Conversely, (Fajrianto & Mulawarman, 2021) reported that Ajinomoto Co., Inc. achieved a very high disclosure level, exceeding 50% of all relevant reporting standards. Based on the stakeholder theory perspective, the scores suggest that PT Petrokimia Gresik still has opportunities to improve responsiveness to diverse stakeholder interests. While efforts have been made to meet certain expectations through well-disclosed initiatives, several areas still require attention. Providing more transparent information regarding climate change impacts, non-discrimination policies, and the rights of indigenous peoples would reassure stakeholders that the company is not solely profit-oriented but also upholds holistic sustainability values.

Based on the legitimacy theory standpoint, the sustainability report reflects PT Petrokimia Gresik's commitment to operate in alignment with societal norms and values. By publishing data on economic, environmental, and social performance, the company seeks to build stakeholder trust and prevent potential social or regulatory sanctions. However, to strengthen legitimacy, PT Petrokimia Gresik needs to focus on improving disclosure by providing more comprehensive, credible, and relevant information for all stakeholders. This effort is crucial for establishing the company's reputation as a responsible and sustainable entity in the long term.

According to (Arifin, 2024), building a reputation as a responsible and sustainable company requires enhancing the credibility of reports through third-party assurance, providing complete and relevant sustainability disclosures, and ensuring ESG integrity by actively involving stakeholders. Furthermore, real commitment to environmental sustainability should be demonstrated through policies, sustainable financial instruments, and strengthened corporate governance. In practice, however, PT Petrokimia Gresik's sustainability report still has limitations. Many indicators are not presented in monetary terms due to human resource constraints, and environmental performance reporting reflects document completeness rather than effective impact management. This demonstrates a gap between reporting and actual sustainability implementation on the ground.

Nevertheless, PT Petrokimia Gresik remains committed to supporting the Sustainable Development Goals (SDGs) through various policies, programs, and activities that positively impact economic, environmental, and social aspects. For instance: SDG 1 (No Poverty): The company provides business capital assistance, housing improvements, and harvest aid for underprivileged communities. SDG 2 (Zero Hunger): Assistance packages for disaster victims and needy communities. SDG 3 (Good Health and Well-being): Implementation of the Healthy Village Program, including activities for children with special needs, eye examinations, healthy juice provision, mass circumcision, stunting prevention programs, and therapy for people with mental health disorders. SDG 4 (Quality Education): Scholarships through the BESTRO Program for high-achieving high school and undergraduate students from underprivileged families, along with educational infrastructure support. SDG 5 (Gender Equality): Ensuring no gender discrimination in organizational structure and providing equal opportunities for women in managerial positions. SDG 6 (Clean Water and Sanitation): Assistance for clean water availability and borehole construction in underserved areas. SDG 7 (Affordable and Clean Energy): Utilization of purge gas as fuel substitution, replacement of conventional lighting with LEDs, and installation of solar cell lamps. SDG 8 (Decent Work and Economic Growth): Implementation of Comdev Kampung Pisang Trepan and LITERASI (Integrated Cattle Farming Environment) programs to support small and micro businesses and increase local income. SDG 9 (Industry, Innovation, and Infrastructure): Assistance for places of worship and public facilities, focusing on innovation and operational efficiency.

SDG 10 (Reduced Inequalities): Scholarships for underprivileged children. SDG 11 (Sustainable Cities and Communities): Mangrove restoration and Healthy Village Program initiatives. SDG 12 (Responsible Consumption and Production): Conversion of organic waste into compost and silage, plastic waste into paving blocks, and various waste reduction programs. SDG 13 (Climate Action): Support for climate-resilient village initiatives for adaptation and mitigation. SDG 14 (Life Below Water): Efforts to protect marine ecosystems through the development of the Mangrove Restoration Center. SDG 15 (Life on Land): Greening and biodiversity conservation programs, as well as the Community Waste Awareness (Masdarsa) program. SDG 16 (Peace, Justice, and Strong Institutions): Anti-corruption efforts, implementation of good corporate governance (GCG), and protection of human rights. SDG 17 (Partnerships for the Goals): Collaborations with government, NGOs, and communities to achieve sustainable development goals.

4. CONCLUSION

The analysis of the 2023 sustainability report disclosure quality of PT Petrokimia Gresik shows varying results across the three main perspectives. Overall, the disclosures fall under the "Partially Applied" level, with an average score of 58%, indicating that the company has made efforts to provide information, but not in a fully comprehensive or in-depth manner. The environmental perspective achieved the highest disclosure quality (71%), followed by economic (60%) and social (48%). Analyses using stakeholder and legitimacy theories suggest that these disclosures represent efforts to respond to stakeholder expectations and build legitimacy; however, imbalances remain, and significant improvements are needed, particularly in the social aspect. The suboptimal quality of disclosure is influenced by several factors, including the lack of monetary data for some indicators, limitations in human resources to support the collection and processing of sustainability data, and GRI guidelines that sometimes require only descriptive procedures without quantitative information. Nevertheless, PT Petrokimia Gresik demonstrates a commitment to the Sustainable Development Goals (SDGs) through various initiatives that have a positive impact on economic, environmental, and social dimensions.

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