



DOI: <https://doi.org/10.38035/gijlss.v3i3>
<https://creativecommons.org/licenses/by/4.0/>

Corporate Governance in the Digital Economy and ESG (Environmental, Social, and Governance) Principles

Soffa Marwa¹, Bambang Soesatyo²

¹Universitas Borobudur, Jakarta, Indonesia, hollandtomatoes@gmail.com

²Universitas Borobudur, Jakarta, Indonesia, bambang_soesatyo@borobudur.ac.id

Corresponding Author: hollandtomatoes@gmail.com¹

Abstract: The rapid growth of the digital economy demands fundamental transformation in corporate governance (GCG), which no longer focuses solely on financial performance, but also on the integration of sustainability principles. Demands from investors and global stakeholders are encouraging companies in Indonesia to adopt an Environmental, Social, and Governance (ESG) framework as an integral part of their business strategy. Digital transformation plays a significant moderating role, where technologies such as the Internet of Things (IoT) and artificial intelligence (AI) can accelerate ESG implementation and improve risk management accuracy. However, the Financial Services Authority (OJK) has identified major challenges in its implementation, particularly the limited availability of competent human resources and reliable data, which risks reducing ESG reporting to a mere formality. This study aims to analyse the integration model between GCG and ESG principles in the context of Indonesia's digital economy, identify the role of digital transformation in strengthening the impact of ESG on company performance, and examine regulatory challenges and the role of the OJK in promoting substantive ESG implementation. This study uses a normative juridical method. The analysis focuses on relevant regulatory frameworks, such as OJK Regulation (POJK) No. 51/2017 on Sustainable Finance, as well as a conceptual approach to examining the synergy between GCG theory and ESG principles in the digital era. It was found that the synergy between ESG and GCG significantly improves reputation, resilience, and investor confidence. Digital technology has been proven to increase operational efficiency and risk mitigation in ESG management by 30-60%. The role of the board of directors is crucial in driving ESG performance. However, implementation in Indonesia is still top-down and oriented towards compliance with OJK regulations, while the internal capacity of companies, including human resources and data infrastructure, is not yet fully adequate. The convergence of the digital economy and ESG is shaping a new paradigm of techno-ethical governance. However, its success depends on addressing capacity challenges. It is recommended that regulators such as the OJK shift from merely requiring reporting to facilitating HR capacity building and data standardisation. Companies need to invest strategically in digital technology and talent development to ensure authentic and impactful ESG implementation.

Keywords: Corporate Governance, ESG, Digital Transformation, Sustainable Finance, OJK

INTRODUCTION

Contemporary global economic developments currently show a fundamental shift in how a company's value is assessed. Whereas in the past financial performance indicators were the sole key benchmark, the paradigm has now evolved towards a more comprehensive assessment that incorporates sustainability as an important aspect. The frameworks of Good Corporate Governance (GCG) and Environmental, Social, and Governance (ESG) have become the new foundation for defining value creation strategies in the modern business ecosystem. This change is inseparable from increasing pressure from investors, regulators, and the wider community, who demand transparency, ethics, and long-term accountability in business management (Esan et al., 2022). Thus, sustainability is no longer just a trend, but an inherent requirement in corporate strategy.

At the same time, the business world is also facing a rapid wave of digital transformation that is having a major impact on traditional business models. The digital economy is now not only a complement to business activities, but a prerequisite for achieving increasingly ambitious sustainability goals, such as carbon neutrality and resource efficiency. New digital technologies such as Artificial Intelligence (AI), Big Data, and the Internet of Things (IoT) are driving green-digital transformation. These technologies enable automation, predictive analytics, and significant improvements in corporate efficiency and performance speed. In other words, the integration of digital technology is a fundamental instrument for companies to achieve sustainability, not just an additional initiative that runs separately.

It is in this context that the urgency of research on the synergy between GCG, ESG, and digitalisation finds its relevance. An important question that arises is how GCG can evolve to be able to synergistically oversee and manage the integration of ESG with digitalisation. This is crucial given that companies are required to increase their competitiveness in the digital economy era while responding to global demands for environmental performance accountability (Kurniati et al., 2024). Adaptive GCG will help companies manage risks while taking advantage of the opportunities from this integration. Therefore, digitalisation must be understood as an integral part of an organisation's sustainability strategy, not just a stand-alone technical innovation.

In Indonesia, the issue of synergy between GCG, ESG, and digitalisation is becoming increasingly prominent as regulators and investors pay more attention to sustainable business practices. The implementation of GCG and ESG, especially for companies listed on the capital market, has become a major concern. The government, through the Financial Services Authority (OJK), has reinforced this direction by issuing OJK Regulation (POJK) Number 51/POJK.03/2017 on Sustainable Finance. This regulation requires Financial Services Institutions, Issuers, and Public Companies to balance economic, social, environmental, and governance aspects in their operations. Furthermore, the regulation requires entities to prepare a Sustainable Finance Action Plan (RAKB) and an annual Sustainability Report, so that sustainability practices are no longer voluntary, but rather a binding legal obligation (Wisnumurti & Putra).

The synergy between GCG and ESG is also reflected in the dynamics of the Indonesian capital market. The Indonesia Stock Exchange (IDX) plays an active role by launching ESG-based indices, such as the ESG Leaders Index and the SRI-KEHATI Index. These indices have proven to be more resilient than the Composite Stock Price Index (IHSG), especially during crises such as the COVID-19 pandemic. This indicates a shift in investor orientation, with increasing attention being paid to responsible and sustainable business practices. In this context, GCG is an important instrument for ensuring that ESG disclosures are of high quality and trustworthy. In other words, good governance not only strengthens investor confidence, but also increases the strategic value of ESG practices themselves.

Previous studies provide an important starting point for understanding the relationship between GCG and ESG in Indonesia. For example, Rahman and Sari (2024) found that the existence of a Board of Commissioners and Independent Commissioners contributes significantly to improving the quality of ESG disclosure. From a financial perspective, several studies also show that ESG disclosure can reduce corporate risk, especially in crisis situations, enabling companies to survive or even excel amid uncertainty. Specifically, the environmental (E) aspect of ESG disclosure has been shown to have a negative impact on capital costs, indicating a reduction in risk for investors.

However, the existing literature also points to various complexities and inconsistencies. Musfiyana and Inayah (2024) highlight that external GCG mechanisms do not always have a significant impact on company value. Similarly, Wicaksono et al. (2024) note that although the environmental pillar (E) has been proven to be significant, disclosure of social (S) and governance (G) aspects often has no statistically significant effect on capital costs. This indicates an imbalance in the effectiveness of the three ESG pillars, necessitating a new approach to strengthen the role of S and G.

The research gap emerging from the literature is quite clear. First, there is a lack of explicit analysis of how GCG can be adapted to manage the hybrid risks and opportunities arising from the synergy between ESG and digitalisation. Second, although the role of digital technology has proven to be important, there have not been many studies that describe how technologies such as AI and IoT can specifically strengthen the impact of the social (S) and governance (G) pillars, which tend to be weaker than the environmental (E) pillar. Therefore, this study aims to bridge this gap. This emphasises the integration of governance, sustainability, and digitalisation aspects in the context of the Indonesian capital market.

The objectives of this study broadly cover four main aspects. First, analysing the legal framework of POJK 51/2017 in regulating the adaptation of GCG to ESG requirements in the digital era. Second, it identifies the role of GCG mechanisms, both internal and external, in improving the quality and quantity of ESG disclosure. Third, it examines the role of digital technologies such as AI and IoT as catalysts for operational efficiency and instruments for improving the accuracy of ESG reporting. Fourth, it examines the impact of the synergy between GCG, ESG, and digitalisation on the risk profile and business resilience of companies listed on the Indonesian capital market. Thus, this study is expected to contribute academically and practically to strengthening sustainable corporate governance that is adaptive to technological developments.

METHOD

The research method used in this study is categorised as normative legal research, often referred to as doctrinal research. This type of research was chosen because its main focus is on examining legal materials and the basic norms or rules that underlie legislation. This approach is considered most relevant for examining legal obligations related to Good Corporate Governance (GCG), Environmental, Social, and Governance (ESG), and sustainable finance principles as regulated by the Financial Services Authority (OJK), as well as analysing the relationship between these regulations and their practical implementation in the corporate sector. Thus, this normative study serves not only as a doctrinal review of applicable legal rules, but also as a means of assessing the effectiveness of regulations when faced with the dynamics of modern business (Akbar, 2024).

The main approach used is the statute approach or legislative approach. This approach requires researchers to focus on analysing legal norms contained in various regulations, ranging from the 1945 Constitution as the highest source of law, sectoral laws such as Law No. 8 of 1995 on Capital Markets, to more specific technical regulations such as Government Regulations and Financial Services Authority Regulations (POJK). By following the

hierarchy of national legislation, this study seeks to identify consistency, continuity, and legal loopholes that may arise in the application of GCG, ESG, and sustainable finance principles in Indonesia.

The types and sources of legal materials in this study are classified into three main categories. First, primary legal materials, namely regulations that have permanent and binding legal force, such as laws, government regulations, and OJK regulations, particularly POJK No. 51/POJK.03/2017 concerning the Application of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, which is the main focus of this study. Second, secondary legal materials, which are sources that provide explanations and context for primary legal materials, such as academic journals discussing the relationship between GCG, ESG, and digital transformation, industry reports, and the opinions of legal and economic experts. Third, tertiary legal materials, which are supporting materials such as legal dictionaries and encyclopaedias, used to clarify terminology and enrich conceptual understanding. The data collection technique used was a literature study. This technique involved gathering information from various written sources relevant to the research object, including legislation, reference books, research reports, and scientific journal articles. The collected data was then systematically collected, selected, and classified to support the overall focus of the research. Through a literature study, researchers can trace the relationship between applicable legal norms and developments in academic literature, while also identifying implementation practices in the business world.

The collected data was then analysed using qualitative analysis with a normative juridical approach. The analysis process is carried out by organising the data, classifying it logically and juridically, and then presenting it in a descriptive form. The purpose of this analysis is to interpret legal rules and relate them to the context of implementation in order to produce a comprehensive picture of the effectiveness of regulations.

In drawing conclusions, this study uses a deductive reasoning pattern. The process begins by establishing general premises in the form of legal norms that already have a strong foundation, such as the obligation to implement GCG as stipulated in POJK 51/2017. Furthermore, these general norms are linked to more specific empirical findings, such as the role of the Board of Commissioners in encouraging ESG disclosure or the influence of digitalisation in improving the quality of sustainability reporting. Through this deductive pattern, the study seeks to draw relevant general conclusions from a series of specific findings, thereby producing a deeper understanding of the synergy between GCG, ESG, and digitalisation within the legal framework in Indonesia.

RESULTS AND DISCUSSION

1. Regulatory Framework and Sustainability Governance Architecture in Indonesia

A. The Normative Mandate of POJK 51/2017 and Its Implications for GCG

The integration of ESG into the GCG framework in Indonesia is based on regulatory mandates, specifically Financial Services Authority Regulation (POJK) Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance. This regulation was issued to create a financial system that is not only stable and inclusive, but also sustainable, requiring financial service entities, issuers, and public companies to balance economic, social, and environmental aspects. POJK 51/2017 explicitly requires corporations to prepare and submit a Sustainable Finance Action Plan (RAKB) annually to the OJK.

This obligation has profound implications for the architecture of corporate governance. The principles of sustainable finance, which include responsible investment, sustainable business strategies, and social and environmental risk management, are now an integral part of management oversight. Companies are also required to prepare Sustainability Reports containing information on economic, social, and environmental performance. With this

POJK, sustainability issues have moved from the realm of voluntary Corporate Social Responsibility (CSR) initiatives to the realm of legally binding and supervised governance obligations.

B. The Role of OJK and IDX in Building an ESG Ecosystem

OJK, in accordance with the mandate of Law No. 32 of 2009, is obliged to develop and implement environmental economic instruments through policies that cover social and environmental aspects in the financial sector. The continued implementation of POJK 51/2017 includes advanced employee development activities, the development of a risk management system that integrates environmental, social and governance (ESG) components, and more comprehensive reporting.

On the capital market side, the Indonesia Stock Exchange (IDX) supports this ecosystem by becoming a member of Sustainable Stock Exchanges (SSE) and launching ESG-focused indices such as SRI-KEHATI and ESG Leaders. These indices, supported by collaboration with global rating providers (e.g. Sustainalytics), aim to increase the transparency of companies' ESG performance and serve as a reference for investor decision-making. This shows that oversight of ESG implementation in Indonesia is driven by both regulatory forces (top-down) and capital market dynamics (bottom-up).

C. Implementation Challenges: From Compliance to Strategic Value

Although the regulatory framework is robust, implementation in the field still faces substantial challenges. One of the main problems is the Policy-Practice Gap, where ESG reporting is often seen merely as an administrative obligation to meet minimum regulatory compliance. This hinders the utilisation of ESG as a strategic tool to enhance reputation, operational efficiency, or shareholder value.

This gap is exacerbated by internal capacity constraints. The OJK acknowledges that the advanced implementation stage requires advanced employee development and the establishment of a complex LST risk management system. When the focus of GCG remains stuck on basic compliance, companies fail to capitalise on opportunities to transform LST risks into strategic value creation. The transition to strategic value requires mature GCG, which focuses on substantive RAKB development rather than merely filling out reports.

Table 1. Indonesia's GCG and Sustainable Finance Regulatory Framework

Regulation Year	Legal basis	Main Coverage of Regulations	The Implications of GCG on ESG
2017	POJK No. 51/POJK.03/2017	Implementation of Sustainable Finance, Sustainability Report (RAKB)	Changing ESG from voluntary to a legally binding governance obligation under the supervision of the OJK.
2009 & 2020	Indeks SRI-KEHATI (2009) dan ESG Leaders (2020)	Company ratings based on ESG performance	Promoting transparency and guiding ESG risk-based investment decisions.

2. Corporate Governance (CG) as a Driver of ESG Disclosure

A. Internal CG Mechanisms and Their Influence on ESG Disclosure

GCG principles serve as the foundation for ensuring that corporate management is conducted in an ethical, transparent, and accountable manner, which is an absolute prerequisite for the successful implementation of ESG. Strong GCG is expected to reduce transaction costs and improve financial performance. In the context of sustainability disclosure, internal GCG bodies play a central supervisory role.

Research shows that the Board of Commissioners, and in particular Independent Commissioners, play a significant positive role in encouraging improvements in the quality

and quantity of ESG disclosure. The presence of strong Independent Commissioners signals the board's commitment to objectivity and oversight that extends beyond the interests of majority shareholders. Effective oversight from this highest GCG body is crucial because ESG requires the integration of non-financial risks into core business strategies.

B. The GCG Committee Dilemma: Between Strategic Oversight and Compliance

Although the role of the Board of Commissioners has proven to be positive, there are findings that indicate weaknesses at the operational level of GCG. Research data shows that Audit Committees often do not play a significant role in promoting ESG disclosure. Analysis concludes that this is because Audit Committees in Indonesian companies are formed more on the basis of compliance with existing regulations, rather than as substantive strategic oversight bodies for Environmental, Social and Governance risks.

True governance maturity, particularly in the context of ESG, should be measured not only by the existence of GCG bodies (compliance), but also by the quality of the strategic oversight of these bodies. If the Audit Committee only functions as a rubber stamp without integrating ESG risks as material risks, then the G (Governance) pillar in the ESG framework becomes weak. This explains why some studies note that external GCG mechanisms (such as audit quality) may not be sufficient to improve market perception of companies, and even ESG as a whole sometimes has a negative effect on company value (Musfiyana & Inayah, 2024, in). This weakness highlights the need for technical strengthening and strategic orientation in the mandate of the GCG Committee to address ESG challenges.

3. The Digital Economy as a Catalyst and Moderator of ESG Performance

A. Digital Transformation and ESG Operational Efficiency

Digital transformation has become imperative for companies seeking to enhance competitiveness and achieve sustainable development. At the core of ESG and sustainability integration is the use of digital technologies, such as Artificial Intelligence (AI) and Big Data, which enable the creation of innovative and resilient sustainable environments. These technologies are considered 'critical' in achieving corporate sustainability goals, with 92% of global companies aiming to reach net-zero targets by 2030, which requires the implementation of advanced technologies to measure, reduce, and eliminate carbon footprints.

The role of AI and IoT is highly transformational in sustainability reporting (green accounting). AI can improve the transparency, accuracy, and efficiency of ESG disclosure through process automation. Reporting and predictive analytics to forecast environmental impacts. This facilitates easier data collection and helps organisations meet compliance standards effectively. Therefore, digitalisation is a strategic tool that enables GCG to address the complexity of ESG data, particularly in the Environmental (E) pillar through real-time monitoring and the Social/Governance (S and G) pillars through more quantitative metric measurements.

B. Digitalisation as a Moderating Variable of Financial Performance

Investment in digitalisation has been shown to have a significant direct positive impact on Financial Performance (FP). Theoretically, investment in digital technology is also hypothesised to function as a significant and positive moderator of the relationship between ESG and Financial Performance. This hypothesis is based on the argument that digitalisation can accelerate the positive impact of ESG on corporate profitability by improving operational efficiency and reducing corporate social costs.

However, a more detailed multi-country study, which analysed the Energy and Utilities sectors, found that the overall moderation of digitalisation on the ESG-FP relationship was

not significantly positive. In fact, in developed countries, the impact of specific ESG pillars moderated by digitalisation sometimes showed a negative relationship on certain financial variables. The explanation for this phenomenon relates to timing: large digital investments often only occurred after the pandemic and may not yet be ‘mature enough’ to show their full positive impact.

The lesson to be learned is that digitalisation is indeed important, but GCG must ensure that such investments are strategically oriented and mature. Digitalisation is a strategic key for GCG to address the weaknesses of the S and G pillars, which are often empirically insignificant. By implementing AI and Big Data, GCG can transform S and G metrics from qualitative narratives into transparent and audit-ready quantitative data. This improvement in the quality of S and G data will strengthen the company's credibility signals to the market, thereby reinforcing the positive impact of ESG on overall capital costs.

Table 2. The Role of Digital Technology in Optimising ESG Pillars

ESG Pillar	The Challenges of GCG Without Digitalisation	The role of AI/IoT/Big Data (Catalyst)	Improvement in GCG Performance/Efficiency
Environment (E)	Manual emission data collection is prone to inaccuracy	IoT sensors for real-time monitoring, carbon footprint analytics	Improved data accuracy and proactive environmental risk mitigation.
Social (S)	Qualitative social impact reporting is difficult to verify	AI for stakeholder sentiment and satisfaction measurement, digital skills training	Transforming S metrics into quantitative data, enhancing social accountability.
Governance (G)	Information asymmetry and high sustainability reporting costs	AI-based Sustainability Report automation, Smart Contracts	Reducing information asymmetry, improving efficiency and reporting compliance.

4. Implications of ESG and Digitalisation on Risk Profile and Capital Costs

A. ESG as a Risk Mitigation Mechanism and Investor Confidence Enhancement

The implementation of strong GCG and ESG is supported by Signalling Theory and Stakeholder Theory. ESG disclosure serves as a signal to investors that the company has quality management, transparency, and a strong governance structure. Effective GCG can help reduce information asymmetry between management and investors, which ultimately reduces the perception of investment risk. The most tangible impact of integrated GCG and ESG is increased business resilience. During periods of uncertainty, such as the COVID-19 pandemic, companies included in the SRI-KEHATI Index (which have good ESG practices) showed better performance recovery compared to the IHSG in general. This shows that investors view sustainable ESG practices as a vital risk mitigation factor, which makes companies considered more prepared to face macroeconomic and environmental challenges.

B. Empirical Evidence: The Effect of Environmental Disclosure on the Cost of Capital

Empirical analysis in Indonesia shows an uneven relationship between ESG pillars and financial performance. A study on the effect of ESG on the Cost of Capital (CoC) in Indonesia found a key finding: Environmental disclosure has a statistically significant negative impact on CoC. This means that the better a company's environmental practices and disclosures, the lower the costs it must bear to attract capital. This is based on the assumption that companies with good environmental practices are considered more sustainable and have lower environmental risks in the future, thereby increasing investor confidence. However, this finding is offset by the fact that Social (S) and Governance (G) disclosures do not show a statistically significant effect on the cost of capital. This disparity reflects the increasingly sensitive focus of global investors on climate risk, which tends to be more easily quantified

and verified (E pillar). Meanwhile, the S and G pillars—which are often more qualitative and still focused on compliance—fail to provide sufficiently strong or credible risk mitigation signals to the market.

To maximise the benefits of ESG (i.e., lower cost of capital and increased resilience), GCG must respond to this imbalance by prioritising digital investment. Investing in data-oriented AI and IoT is the solution to improving the quality and quantification of S and G metrics. By transforming S and G into transparent and accountable data, the resulting risk signals will be stronger and more credible, enabling these pillars to have a significant positive impact on CoC, equivalent to the Environmental pillar.

Table 3. Summary of Empirical Findings on the Relationship between GCG, ESG, and Performance in Indonesia

Research Focus	Key Relationships	Statistical Significance	Reference Sources
GCG Internal & ESG Disclosure	Board of Commissioners → ESG Disclosure	Significantly Positive	Rahman & Sari (2024)
ESG & Cost of Capital (Crisis Period)	Environmental Disclosure (E) → Cost of Capital (CoC)	Significantly Negative (CoC decreased)	Wicaksono, et al. (2024)
ESG & Cost of Capital (Crisis Period)	Social (S) and Governance (G) Disclosure → Cost of Capital (CoC)	Not Significant	Wicaksono, et al. (2024)
Digitalisation (Moderator) & ESG-FP (Global)	Digitalisation → ESG-FP Relationship	Not Significant Positive (Implementation Complexity)	Zhu, et al. (2024)

CONCLUSION

The main conclusion of this study shows that the Good Corporate Governance (GCG) framework in Indonesia has undergone a significant transformation by legally integrating Environmental, Social, and Governance (ESG) through POJK 51/2017. This regulation de jure makes ESG no longer a voluntary initiative, but a legal obligation that binds all issuers, public companies, and financial service institutions to prepare Sustainability Reports and Sustainable Finance Action Plans (RAKB). On the other hand, the quality of governance is proven to be greatly influenced by internal GCG mechanisms, particularly the role of the Board of Commissioners and Independent Commissioners, who serve as the main drivers in improving ESG transparency and disclosure. However, the role of GCG organs at the operational level, such as the Audit Committee, still tends to be limited to minimum compliance functions and has not yet fully exercised strategic oversight of environmental, social, and governance (ESG) risks.

Beyond governance aspects, digitalisation has proven to be a crucial catalyst in driving more effective ESG implementation. Digital technologies, particularly Artificial Intelligence (AI), the Internet of Things (IoT), and Big Data, have provided the fundamental infrastructure supporting operational efficiency and accuracy in ESG reporting. The use of these technologies not only facilitates green accounting but also enables the transformation of business models towards greater sustainability. As a result, digitalisation not only strengthens ESG practices but has also been shown to have a positive impact on improving corporate financial performance. However, the risk mitigation generated by ESG is not yet fully equitable. The environmental pillar (E) shows the most significant contribution, proven to be able to reduce capital costs through strong risk mitigation signals to the capital market, as demonstrated by the resilience of the SRI-KEHATI Index during the crisis. Conversely, the social (S) and governance (G) pillars are still relatively weak in providing risk mitigation signals, thus requiring strengthening through improved data quality and indicator quantification.

The contribution of this study lies in its attempt to bridge the normative analysis of POJK 51/2017 with empirical findings on the synergy between GCG, ESG, and digitalisation. Thus, this study provides holistic insights into how GCG needs to adapt to respond to the increasingly complex demands of the stakeholder economy. However, this study also has limitations, particularly in terms of the moderating effect of digitalisation on the relationship between ESG and financial performance, which still shows inconsistent global results. In this context, further research is recommended to develop a more specific and quantitative measurement framework to assess the impact of digital investment on social and governance pillars, particularly in the context of Indonesian companies.

Based on these findings, there are several policy and practical recommendations that can be implemented. First, regulators such as the OJK and the Indonesia Stock Exchange need to strengthen the governance (G) pillar by tightening GCG mechanism guidelines, so that committees such as the Audit Committee go beyond minimum compliance and truly integrate LST risks as part of strategic material risks. This must be supported by increasing human resource capacity through comprehensive ESG risk literacy training. Second, companies must prioritise investment in ESG digital infrastructure, including AI, IoT, and Big Data, which can improve accuracy, transparency, and efficiency in sustainability data management. In this way, the social and governance pillars can have credibility and an impact equivalent to the environmental pillar in reducing capital costs. Third, ESG implementation in Indonesia should be adapted to the local context through the concept of 'ESG A-la Indonesia'. This approach emphasises the importance of local wisdom by involving the community from the early stages of initiative formulation, so that the sustainability programmes implemented are truly relevant to the social, cultural, and environmental challenges unique to Indonesia.

REFERENCES

- Akbar, F. M. A. (2024). METODE KUALITATIF DAN KUANTITATIF PADA STUDI ISLAM. *Ar Rasyiid: Journal of Islamic Studies*, 2(2), 95-112.
- Akhter, F., Hossain, M. R., Elrehail, H., Rehman, S. U., & Almansour, B. (2023). Environmental disclosures and corporate attributes, from the lens of legitimacy theory: a longitudinal analysis on a developing country. *European Journal of Management and Business Economics*, 32(3), 342-369.
- Amiruddin & Asikin, Z. (2012). *Introduction Method Study Law*. Raja Grafindo Persada. Jakarta.
- Dwi Oka, NK, & Hermawan, AA (Year No known). Evaluation Implementation Finance Sustainable Based on POJK Number 51/POJK. 03/2017 (Study Case at Bank Sumsel Babel). Owner: *Research and Journal Accountancy*.
- Haryadi, YS, & Hartono, M. (2024). The Influence Disclosure ESG and Digital Transformation Against Performance Corporate Finance. *Journal Scientific Economics and Business*, 11(1).
- Ibrahim, J. (2012). *Theory & Methodology Study Law Normative*. Bayumedia Publishing, Malang.
- Kurniati, A., Purba, TY, & Fitriani, A. (2024). Integration Intelligence Artificial Intelligence (AI) in Reporting Sustainability: Steps Transformational in Accountancy Green. *E- Journal University Alirsyad*, 3(1).
- Musfiyana, N., & Inayah, S. (2024). The Influence Mechanism External Good Corporate Governance (GCG) and Environmental, Social, and Governance (ESG) Sustainability on Company Value in LQ-45 Companies. *Journal of Integrated Communication, Accounting and Finance (inCAF)*, 5(1).

- Authority Service Finance (OJK). (2017). *Regulation Authority Service Finance Number 51/POJK.03/2017 concerning Implementation Finance Sustainable For Service Institutions Finance , Issuers , and Public Companies .*
- Rahman, ASA, & Sari, VM (2024). The Role of Good Corporate Governance (GCG) in Improving Environmental, Social, and Governance (ESG) Disclosures. *Journal Research Accounting and Computerization Accounting (JRAK)* , 15(1).
- Soekanto , S., & Mamudji , S. (2004). *Research Law Normative : A Review Short .* Raja Grafindo Persada , Jakarta.
- Trisakti , NP, & Darmawan , A. (2024). Analysis The Influence of Environmental Social Governance, Ownership Managerial , Ownership Institutional , Audit Committee , and Debt to Equity Ratio on Firm Value. *Sinergi : Journal Scientific Field Knowledge Knowledge and Technology* , 24(2).
- Wicaksono , AY, et al. (2024). The Effect of ESG on Cost of Capital during Pandemic with Moderation Performance Finance . *Owner: Research and Journals Accounting* , 8(2).
- Wisnumurti, P. S., & Putra, N. N. (Tahun tidak diketahui). OJK Issues Regulation on Sustainable Finance: Corporations Required to Report Business Action Plans. *Hukumonline*.
- Zhu, J., et al. (2024). Digitalization as a Moderator of the Relationship between ESG and Financial Performance in the Energy and Utilities Sectors: Evidence from Multi-Country Analysis. *PMC NCBI*.