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FINANCE | RESEARCH ARTICLE

The Influence of Corporate Social Responsibility, Good Corporate Governance, and Climate Disclosure on Company Performance in The Palm Oil Industry

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Abstract: This study examines the influence of corporate social responsibility, good corporate governance, and climate disclosure on company performance in the palm oil industry. Unlike previous research, this study incorporates IFRS S2 as a factor in climate disclosure to assess its impact on company performance. The study employs a quantitative method using secondary data from the financial reports of palm oil companies listed on the Indonesia Stock Exchange for 2019–2023. The sampling technique used is purposive sampling. The results indicate that corporate social responsibility, good corporate governance, and climate disclosure positively and significantly impact company performance. The implications of this study highlight the importance of enhancing transparency in climate disclosure by IFRS S2 standards and improving CSR practices to strengthen the competitiveness of the palm oil industry.

Keywords: CSR, GCG, Climate Disclosure, Company Performance.

JEL Classification Code: M14, G34, Q56, L25, L73.

1. INTRODUCTION

The agricultural sector plays a significant role in Indonesia's economy, as evidenced by its substantial contribution to the Gross Domestic Product (GDP), which accounted for approximately 12.40 percent in 2022. This positions it as the third-largest contributor after the Manufacturing Industry sector (18.34 percent) and the Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles sector (12.85 percent). One of the major contributors to GDP within the agricultural industry is the plantation subsector. In 2022, the plantation subsector contributed 3.76 percent to the total GDP and 30.32 percent to the Agriculture, Forestry, and Fisheries sector, making it the top contributor in this category. Palm oil is one of the key plantation commodities that has a strategic role in Indonesia's economic development. As the world's largest palm oil producer, the industry has created 16 million jobs, directly and indirectly. Currently, Indonesia's most significant non-oil and gas exports are dominated by plantation industries, particularly palm oil commodities. The palm oil industry significantly contributes to Indonesia's non-oil and gas trade surplus and is a strategic source of national foreign exchange. However, the primary dilemma in governance lies in the contradictory impacts of palm oil sector development. While the industry substantially contributes to fiscal revenues and foreign exchange for producing countries, its expansion has significant environmental repercussions. Claims suggest that palm oil plantations generate considerable carbon emissions, mainly when grown on peatlands. Ultimately, the rapid expansion of the palm oil sector has complicated governance within and beyond its supply chain.

Public awareness of the environmental impacts of organizations, mainly manufacturing companies, has grown more than ever. According to Gaganis et al. (2019), public opinion demands that organizations act responsibly toward the environment, pushing businesses to adopt Corporate Social Responsibility (CSR) business models (Han et al., 2019). Numerous researchers have



highlighted the importance of CSR in mitigating the environmental impacts of economic activities, exploring aspects such as its effects on business profitability and its relationship with corporate governance practices (Lin et al., 2021; Yuan et al., 2020). One of the factors used to assess a company's financial performance is its ability to generate profits. Beyond profitability, companies can also enhance their financial performance by implementing Corporate Social Responsibility (CSR). Studies on CSR's impact on financial performance by Purnaningsih (2018), Kholis (2014), Sa & Sudiarto (2022), and Mubyarto et al. (2021) show that companies that adopt CSR practices tend to achieve better financial performance. Corporate Governance refers to regulating and controlling companies to enhance business success while considering stakeholder interests and reducing agency conflicts to achieve corporate objectives (Multazam et al., 2023; Subiyanto, 2024).

According to the World Bank, good governance is defined as the implementation of strong and accountable management in governance based on market efficiency principles and efforts to prevent corruption in both administrative and political dimensions. For both the public and private sectors, it is considered an innovative approach to creating reliable public management credibility (Handayani & Nur, 2019). Good corporate governance minimizes risks arising from business activities, optimizing profitability. Increased profits are directly linked to improved profitability metrics (Kurniawansyah & Kurnianto, 2022.). Several previous studies have examined the relationship between CSR and GCG with company performance (Purnaningsih, 2018; Kholis, 2014; Sa & Sudiarto, 2022; Mubyarto et al., 2021). The findings indicate that companies implementing effective CSR practices have higher financial performance. Good corporate governance can also reduce business risks, enhance profitability, and minimize conflicts of interest (Multazam et al., 2023; Subiyanto, 2024). However, there remains a research gap in understanding how climate disclosure contributes to company performance, particularly in the palm oil industry, which has a significant environmental impact. This study aims to fill that gap by integrating IFRS S2 standards, which focus on climate disclosure in corporate financial reporting. IFRS S2 provides a more comprehensive framework for measuring climate risks and their impact on business operations. By incorporating this factor, this research contributes new insights into how climate transparency can enhance company performance in the palm oil sector.

2. LITERATURE REVIEW

2.1. Institutional Theory

Institutional Theory explains how companies are influenced by external pressures, such as social norms, regulations, and public expectations, to adopt Corporate Social Responsibility (CSR) practices and Good Corporate Governance (GCG) (Bui & Krajcsák, 2024). This theory helps explain why companies must comply with sustainability standards, including Climate Disclosure, to gain legitimacy and support from stakeholders. It also highlights that companies focus on financial performance and legitimacy obtained through adherence to institutional pressures. Therefore, Climate Disclosure acts as a mediator that strengthens the relationship between CSR, GCG, and company performance, with companies meeting social expectations perceived more favorably by the public and investors.

2.2. Agency Theory

Agency Theory explains the relationship between a company's owners (principals) and managers (agents). In the context of CSR and Good Corporate Governance, this theory highlights potential conflicts of interest between company managers and owners seeking maximum profits. In this study, Agency Theory provides a framework for understanding how corporate management (agents) can utilize CSR and Climate Disclosure to reduce information asymmetry between them and the owners (principals) (Lesmono & Siregar, 2021). Transparent disclosures regarding social responsibility and good governance signal the owners that management is acting in their best interest, positively influencing company performance. This theory is also relevant in explaining how Climate Disclosure mediates the relationship between CSR, GCG, and company performance by reducing uncertainty



and enhancing investors' trust in management (Putri, 2024). Owners concerned about corporate reputation or facing external stakeholder pressures may encourage more transparent climate-related disclosures to ensure the company meets expected social and environmental standards. Climate-related disclosures can also be mediated by the owners' interests in enhancing investor and public trust, thus supporting better corporate performance (Aprilia & Wuryani, 2021). This theory helps to explain how ownership structures influence managerial decisions related to CSR, GCG, and climate disclosures, ultimately impacting company performance.

2.3. *The Impact of Corporate Social Responsibility on Company Performance*

Corporate Social Responsibility (CSR) is a business approach that considers corporate operations' social and environmental impacts, including its relationship with various stakeholders. Through CSR, companies recognize the importance of addressing the interests of shareholders, employees, customers, local communities, governments, and the environment. This study uses Return on Equity (ROE) as an indicator to measure business performance. Research by Fibriyanti & Syafik shows that Good Corporate Governance, proxied by independent commissioners and audit committees, does not significantly influence financial performance, while CSR disclosure positively affects financial performance (Fibriyanti & Syafik, 2024). Based on this, the research hypothesis is as follows:

H1: Corporate Social Responsibility (CSR) positively affects performance.

The Impact of Good Corporate Governance on Company Performance

Stakeholder Theory emphasizes that companies have responsibilities to shareholders and all parties affected by their operations, such as employees, customers, suppliers, and the broader community. Good Corporate Governance (GCG) practices should consider the interests and welfare of all stakeholders. Agency Theory underpins these interactions. GCG can be a motivational tool for business managers to enhance productivity and improve business performance. In this study, ROE is used to measure business performance. Research by Fachrudin and Charvin shows that the size of the board of directors does not have a significant positive effect on financial performance based on ROE and Tobin's Q. The frequency of board of commissioners' meetings has a significant negative effect on financial performance (ROE). In contrast, the size of the commissioners' board significantly negatively affects financial performance. Based on Tobin's Q, the frequency of Board of Commissioners' meetings significantly positively affects financial performance. The study also shows that the size of the board of directors, frequency of board of commissioners' meetings, audit committee qualifications, and company age collectively influence financial performance. Based on these findings, the research hypothesis is as follows:

H2: Good Corporate Governance (GCG) positively affects ROE.

The Impact of Climate-Related Disclosures on Company Performance

Climate-related disclosures refer to corporate reporting on the environmental impacts of their business activities, including greenhouse gas emissions, energy usage, and measures taken to mitigate these impacts. Such disclosures are often made following international standards such as IFRS S2, ensuring transparency and accountability. Research by Vitale et al. (2022) states that mandatory disclosure policies related to non-financial information positively affect operational profitability and shareholder returns. The study also found that mandatory environmental disclosures encourage companies to invest more in eco-friendly business sectors by increasing corporate funding. Based on these findings, the research hypothesis is as follows:

H3: Climate-related disclosures positively affect ROE.

2.4. Research Framework

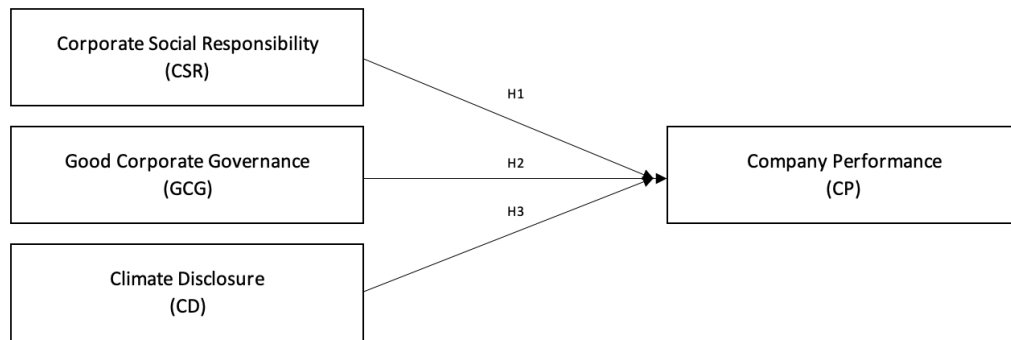


Figure 1. Research Framework

3. RESEARCH METHOD AND MATERIALS

3.1. Research Design

This study employs a quantitative method. The financial reports used are secondary data from palm oil companies. In this research, secondary data is utilized. The population in this study consists of palm oil industry companies listed on the Indonesia Stock Exchange during the years 2019–2023. The population includes 26 palm oil industry companies over the 5-year research period. This study uses a purposive sampling technique with the following criteria:

Table 2. Research Sample Selection

No	Criteria	Amount
1	Palm oil industry companies listed on the Indonesia Stock Exchange in 2019-2023.	26
2	Palm oil industry companies that publish annual reports on the Indonesia Stock Exchange for the research year 2019-2023.	(1)
Number of companies included in the research sample		25
Observation year		5
Number of observations		125

3.2. Definition of Variables

1. Company Performance (Y)

The dependent variable used in this study is Company Performance, measured using Return on Equity (ROE). Return on Equity (ROE) is a ratio that evaluates a business's ability to generate profit at a certain level of equity, utilizing a profitability metric from the shareholders' perspective. (Rahayu, 2024). ROE can be calculated using the following formula: (Khoesuma, 2022):

$$ROE = \frac{Net\ Profit}{Total\ Equity}$$

2. Corporate Social Responsibility (X1)

Corporate Social Responsibility (CSR) is a concept that refers to a company's responsibility for the social, environmental, and economic impacts of its activities on the broader society (Gharbi & Jarboui, 2024). The evaluation of CSR disclosure is conducted based on the Corporate Social Responsibility Disclosure Index (CSRDI), which is aligned with the Global Reporting Initiatives (GRI). This disclosure includes various corporate social initiatives related to the environment, energy, occupational health and safety, labor, products, and

community engagement. This variable is measured using the Global Reporting Initiatives (GRI) G4 framework, which comprises various corporate social responsibility disclosure indicators. The disclosures are categorized into several key areas: environment, energy, occupational health and safety, labor, products, and community engagement. Each disclosed indicator is assigned a score of 1, while undisclosed indicators receive a score of 0. The total CSR disclosure score is calculated as the ratio of disclosed items to the total number of relevant items in GRI G4. The calculation of the CSR Disclosure Index (CSRI) can be formulated as follows (Putri, 2024):

$$CSRI = \frac{\text{Number of Items Disclosed}}{\text{Total Disclosure}}$$

3. Good Corporate Governance (X2)

Corporate Governance is a system, principles, and processes used to direct and manage a company. (Putra, 2024). Corporate governance encompasses oversight and control mechanisms to ensure the company is managed correctly, transparently, and accountable. Corporate governance is measured by comparing the number of independent commissioners to the total members of the board of commissioners. (Aprilia & Wuryani, 2021).

$$DK = \frac{\text{Total Independent Commissioners}}{\text{Total commissioners}}$$

4. Climate Disclosure (X3)

Climate Disclosure refers to the disclosure of information regarding the impact of a company's activities on climate change and the strategies and actions taken to manage the risks and opportunities arising from climate change. This disclosure aligns with the International Financial Reporting Standards (IFRS 2) standards. It may include information such as greenhouse gas (GHG) emissions, energy consumption, energy efficiency initiatives, and adaptation to climate policies and risk mitigation efforts. Climate disclosure can be measured using an index or score calculated from the number of items disclosed by the company in its annual or sustainability report. For example, the climate disclosure index can be calculated using the following formula:

$$\text{Climate Disclosure Index} = \frac{\text{Number of Climate - Related Items Disclosed}}{\text{Total Climate Items Required to be Disclose}} \times 100\%$$

3.3. Research Analysis

This study uses regression analysis to test the effect of CSR, GCG, and Climate-Related Disclosure on company performance. The regression formula used is:

$$KP = \alpha + \beta_1 CSR + \beta_2 GCG + \beta_3 CD + e$$

Description:

KP	=	Company Performance
α	=	Constant
β	=	Regression Coefficient
CSR	=	Corporate Social Responsibility
GCG	=	Good Corporate Governance
CD	=	Climate Disclosure

4. RESULTS AND DISCUSSION

4.1. Descriptive Statistics

Table 3. Descriptive Statistics

Date: 12/20/24 Time: 16:14				
Sample: 2019 2023				
	KP	CSR	GCG	CD
Mean	0.023154	0.639769	0.322692	0.685000
Median	0.050000	0.700000	0.330000	0.760000
Maximum	1.230000	0.800000	0.670000	0.850000
Minimum	-1.550000	0.000000	0.000000	0.000000
Std. Dev.	0.359088	0.204456	0.154968	0.224099
Skewness	-1.721635	-2.575145	-0.885793	-2.400830
Kurtosis	11.10229	8.303222	3.521031	7.618537
Jarque-Bera	419.8093	296.0189	18.47079	240.4287
Probability	0.000000	0.000000	0.000098	0.000000
Sum	3.010000	83.17000	41.95000	89.05000
Sum Sq. Dev.	16.63381	5.392493	3.097958	6.478450
Observations	125	125	125	125

Table 3 presents the mean value of the company's performance (0023), with a minimum and maximum value of -1.550 and 1.230, respectively. The mean CSR value is 0.639, with minimum and maximum values of 0.000 and 0.800, respectively. The mean GCG value is 0.322, with minimum and maximum values of 0.000 and 0.670, respectively. The climate disclosure mean value is 0.685, with minimum and maximum values of 0.000 and 0.850.

4.2. Classical Assumptions

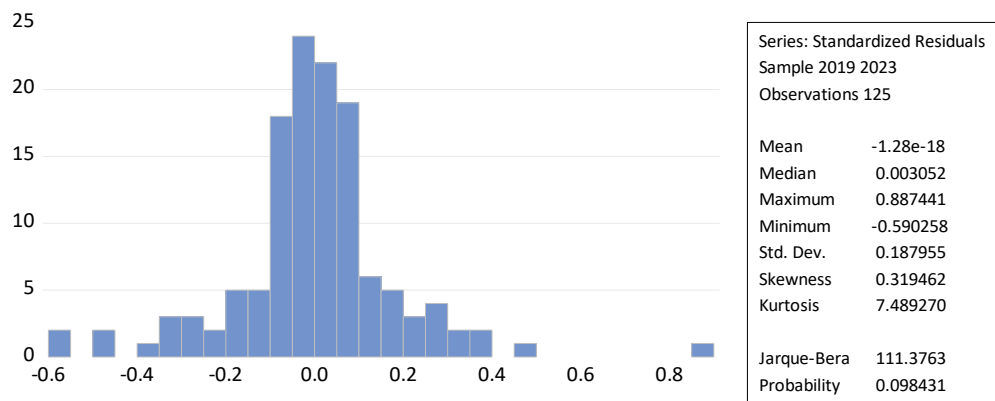


Figure 2. Normality Test

Figure 2 presents the results of the normality test. The normality test, conducted using the Jarque-Bera (JB) method, indicates that the data used are typically distributed. Based on the table above, it can be observed from the probability value of 0.098, which exceeds the alpha value 0.05. From these test results, it can be concluded that the regression model in this study meets the normality assumption.

Table 4. Multicollinearity Test



	CSR	GCG	PI
CSR	1.000000	0.092429	0.639945
GCG	0.092429	1.000000	0.155303
PI	0.639945	0.155303	1.000000

Based on Table 4, it can be observed that the correlation values are less than 0.09, indicating that there are no signs of multicollinearity among the variables. The multicollinearity test, conducted by calculating the correlation coefficients among the independent variables in this study, confirms that no multicollinearity symptoms are found because none of the correlation values exceed 0.09. Thus, the model passes the multicollinearity test and is suitable for further testing.

Table 5. Heteroscedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.000664	0.019613	-0.033852	0.9730
CSR	-0.000749	0.029734	-0.025206	0.9799
GCG	0.056262	0.031039	1.812645	0.0723
PI	0.004838	0.026429	0.183051	0.8551
Effects Specification			S.D.	Rho
Cross-section random			0.021980	0.1764
Idiosyncratic random			0.047493	0.8236
Weighted Statistics				
Root MSE	0.046288	R-squared		0.027725
Mean dependent var	0.014124	Adjusted R-squared		0.004576
S.D. dependent var	0.047125	S.E. of regression		0.047017
Sum squared resid	0.278540	F-statistic		1.197671
Durbin-Watson stat	2.359482	Prob(F-statistic)		0.313480
Unweighted Statistics				
R-squared	0.037223	Mean dependent var		0.020326
Sum squared resid	0.332550	Durbin-Watson stat		1.976276

Based on Table 5, the probability values for the heteroscedasticity test are more significant than 0.05, indicating no signs of heteroscedasticity. Therefore, it can be concluded that the model passes the heteroscedasticity test and is suitable for further testing.

Table 6. Autocorrelation Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.964218	0.088672	-10.87393	0.0000
CSR	0.751248	0.133806	5.614465	0.0000
GCG	0.356331	0.139783	2.549175	0.0120
PI	0.571914	0.118671	4.819331	0.0000
Effects Specification			S.D.	Rho
Cross-section random			0.103205	0.1910
Idiosyncratic random			0.212417	0.8090
Weighted Statistics				
Root MSE	0.208093	R-squared		0.538923
Mean dependent var	0.015681	Adjusted R-squared		0.527945
S.D. dependent var	0.307643	S.E. of regression		0.211370
Sum squared resid	5.629349	F-statistic		49.09117
Durbin-Watson stat	2.078475	Prob(F-statistic)		0.000000
Unweighted Statistics				
R-squared	0.586639	Mean dependent var		0.023154
Sum squared resid	6.875767	Durbin-Watson stat		1.701695

Based on the results of the autocorrelation test in Table 6, the Durbin-Watson value is 2.07. This value lies between -2 and +2, indicating no negative or positive autocorrelation signs. Therefore, it can be concluded that there is no autocorrelation in this study, and the panel data regression model is deemed suitable for use.

4.3. Regression Analysis

Based on the three model tests conducted, the best model for this study is the random effects model. The interpretation of the random effects model is as follows:

Table 7. Effect Model (REM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.964218	0.088672	-10.87393	0.0000
CSR	0.751248	0.133806	5.614465	0.0000
GCG	0.356331	0.139783	2.549175	0.0120
PI	0.571914	0.118671	4.819331	0.0000
Effects Specification			S.D.	Rho
Cross-section random			0.103205	0.1910
Idiosyncratic random			0.212417	0.8090
Weighted Statistics				
Root MSE	0.208093	R-squared	0.538923	
Mean dependent var	0.015681	Adjusted R-squared	0.527945	
S.D. dependent var	0.307643	S.E. of regression	0.211370	
Sum squared resid	5.629349	F-statistic	49.09117	
Durbin-Watson stat	2.078475	Prob(F-statistic)	0.000000	
Unweighted Statistics				
R-squared	0.586639	Mean dependent var	0.023154	
Sum squared resid	6.875767	Durbin-Watson stat	1.701695	

Based on Table 7, the panel data regression equation is as follows:

$$Y = 0.0964218 + 0.751248 (X1) + 0.356331 (X2) + 0.571914 (X3)$$

From the results of the above tests, the following conclusions can be drawn:

1. The effect of CSR (X1) on Company Performance (Y): The coefficient value is 0.751248, with a significance value 0.000. Since the significance value is less than 0.05, it can be concluded that there is a positive and significant effect of CSR (X1) on Company Performance (Y). Thus, H1 is accepted.
2. The effect of GCG (X2) on Company Performance (Y): The coefficient value is 0.356331, with a significance value of 0.012. Since the significance value is less than 0.05, it can be concluded that there is a positive and significant effect of GCG (X2) on Company Performance (Y). Thus, H2 is accepted.
3. The effect of Climate Disclosure (X3) on Company Performance (Y): The coefficient value is 0.571914, with a significance value 0.000. Since the significance value is less than 0.05, it can be concluded that there is a positive and significant effect of Climate Disclosure (X3) on Company Performance (Y). Thus, H3 is accepted.

4.4. Discussion

a. The Effect of Corporate Social Responsibility (CSR) on Company Performance

This study demonstrates that Corporate Social Responsibility (CSR) significantly impacts company performance. CSR enhances the company's reputation in the eyes of the public and stakeholders, fostering greater trust from consumers and business partners. Additionally, sustainable

CSR implementation attracts investors who value sustainability, strengthening the company's competitiveness in the market (Gharbi & Jarboui, 2024). Internally, CSR boosts team member motivation and loyalty by creating a positive and socially oriented work environment. This combination of external and internal impacts contributes to improved profitability, stability, and long-term sustainability of the company (Hidayati & Rosidi, 2024). The findings support both institutional theory and agency theory. Institutional theory suggests that companies adopt CSR practices to meet social expectations and enhance legitimacy, contributing to reputation and competitiveness (Iisyanti et al., 2024). Meanwhile, agency theory explains that managers implement CSR as a form of accountability to shareholders, helping to reduce conflicts of interest and improve company performance through transparency and stronger relationships with stakeholders (Lesmono & Siregar, 2021). This research aligns with previous studies (Gharbi & Jarboui, 2024; Suaidah & Putri, 2020; Ningsih & Retnaningdiah, 2021), highlighting CSR's significant influence on company performance. Strategically implemented CSR improves the company's public and stakeholder image, ultimately driving increased customer loyalty, investor trust, and overall corporate reputation. CSR yields positive external impacts and enhances team member motivation and loyalty internally. Well-planned and sustainable CSR programs contribute to operational stability and strengthen market competitiveness. This study supports the view that CSR is critical for achieving social legitimacy and sustaining long-term business success.

b. The Effect of Good Corporate Governance (GCG) on Company Performance

This study demonstrates that good corporate governance (GCG) significantly influences company performance. Effective GCG enables companies to manage risks more efficiently, improve operational efficiency, and ensure better decision-making (Martiny et al., 2024). This enhances financial performance and strengthens relationships with investors and other stakeholders, contributing to the company's long-term stability. Moreover, implementing good GCG fosters a more transparent and accountable environment, improving the company's reputation and competitiveness in the market (Bui & Krajcsák, 2024). The findings support both institutional theory and agency theory. Institutional theory explains that companies implementing good corporate governance gain social legitimacy, strengthen their reputation, and enhance stakeholder trust, all of which contribute to better performance (Martiny et al., 2024). On the other hand, agency theory highlights that GCG reduces conflicts between owners and managers by ensuring decisions align with shareholder interests (Buchetti et al., 2025). Effective GCG implementation enhances transparency, accountability, and oversight, positively impacting company performance. This research aligns with previous studies (Bui & Krajcsák, 2024; Putra, 2024; Sitorus et al., 2020; Akhbar & Yuniarti, 2023) that demonstrate the significant impact of GCG on company performance. The implementation of GCG aims to improve company performance and benefit all stakeholders. Information transparency, a key indicator of governance, positively affects company performance. The more transparent a company is in disclosing information, the greater the investor trust, ultimately leading to increased investments, stock prices, and corporate competitiveness. Additionally, the research highlights that high-quality information disclosure fosters healthy stock price volatility in the market, reflecting investor confidence in the company's growth potential. When companies consistently provide transparent information about growth opportunities or future investment potential, they become more attractive to domestic and foreign investors. Good information transparency enhances market trust and improves the company's financial performance.

c. The Effect of Climate Disclosure on Company Performance

This study demonstrates that climate disclosure significantly influences company performance. Companies that disclose their environmental impacts and climate policies build greater trust with stakeholders, including investors and consumers (Megeid, 2024). Transparent disclosure of efforts to mitigate climate change signals a commitment to sustainability, which enhances reputation and attracts environmentally conscious investors (Iriyadi & Antonio, 2021). Moreover, companies proactive in managing climate risks are better prepared for regulatory changes and financial risks related to climate change, leading to more stable and sustainable long-term performance (Ghose et al., 2024).

The findings support both institutional theory and agency theory. Institutional theory suggests that companies transparently disclosing their environmental impacts and climate policies align with evolving societal and industry norms concerning sustainability (Shanti & Pello, 2024). Climate disclosure helps companies gain social legitimacy, improve stakeholder reputation, and bolster company performance. Meanwhile, agency theory explains that climate disclosure reduces conflicts between company owners (principals) and managers (agents) by ensuring that decisions align with shareholders' long-term interests (Safutri et al., 2023). Clear disclosures about climate mitigation efforts also increase transparency and managerial accountability in managing environmental risks, helping companies avoid potential financial losses and improve long-term performance. This research aligns with prior studies (Iriyadi & Antonio, 2021; Megeid, 2024; Ghose et al., 2024), which show that climate disclosure significantly impacts company performance. Policymakers, investors, and society increasingly focus on climate-related issues, encouraging companies to report climate risks and mitigation strategies transparently. Voluntary climate risk disclosure is viewed positively by the market, reflecting corporate accountability and preparedness, ultimately boosting financial performance and corporate reputation. Further findings by Megeid (2024) reveal that companies with higher climate risk disclosure scores exhibit greater Return on Assets (ROA) than those with lower disclosure scores. Transparent climate disclosure also helps companies meet investor expectations, with sustainability information increasingly influencing investment decisions. This transparency drives more effective risk management, including its impact on corporate financial statements, contributing to improved overall performance.

5. CONCLUSION

The findings of this study indicate that Corporate Social Responsibility (CSR) significantly impacts company performance. Sustainable CSR implementation enhances the company's reputation in the eyes of the public and stakeholders and strengthens trust among consumers, business partners, and investors. Internally, CSR improves team member motivation and loyalty, boosting company performance and stability. CSR's influence aligns with institutional and agency theories, demonstrating that companies engage in CSR to gain social legitimacy and reduce conflicts of interest between managers and shareholders. Regarding Good Corporate Governance (GCG), this study also shows that effective GCG implementation improves company performance. GCG helps companies manage risks, enhance operational efficiency, and ensure more precise and transparent decision-making. Good GCG strengthens relationships with investors and stakeholders, supporting the company's long-term sustainability. These findings are supported by institutional and agency theories, wherein GCG provides social legitimacy and enhances transparency, positively impacting company performance.

Climate disclosure has also been proven to influence company performance. Companies that disclose their environmental policies and impacts transparently demonstrate a commitment to sustainability, enhancing their reputation and attracting investor interest. Transparent disclosure of climate change mitigation efforts reflects the company's readiness to address climate risks and regulatory changes that could affect financial performance. This aligns with institutional and agency theories, where climate disclosure increases transparency and accountability in managing environmental risks, ultimately contributing to better and more stable company performance.

6. LIMITATIONS AND FUTURE RESEARCH AGENDA

Although this study provides significant insights into the impact of Corporate Social Responsibility (CSR), Good Corporate Governance (GCG), and climate disclosure on company performance, several limitations should be noted. First, this study uses data exclusively from plantation sector companies in the palm oil sub-sector listed in Indonesia, which may limit the generalizability of the findings to companies in other countries with different economic or regulatory contexts. Second, the measurement of company performance in this study is based on financial indicators, which may not fully capture long-term performance, particularly from non-financial perspectives such as social and environmental impact. Third, this study examines only a limited set of

variables and does not account for external factors that may influence the results, such as global market conditions or economic crises.

Based on these limitations, future research should expand the sample by including companies from various sectors or countries to compare results and assess whether the findings are consistent internationally. Additionally, to obtain a more comprehensive perspective, it is suggested that an approach that combines financial and non-financial indicators be used when measuring company performance. Further research could also explore external factors that may affect the implementation of CSR, GCG, and climate disclosure, providing a more holistic understanding of their impact on company performance.

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