International Conference on Sustainable Economics, Management, and Accounting
(ICSEMA 2026) Proceedings
Vol. 02 Year 2026, 443 – 455
ISSN: 3109-3337

THE EFFECTS OF MEDIA EXPOSURE, ENVIRONMENTAL COSTS, AND ENVIRONMENTAL PERFORMANCE ON SUSTAINABILITY REPORT DISCLOSURE: THE MODERATING ROLE OF GOOD CORPORATE GOVERNANCE

Stevanus Adi Prasetya[1*], Teguh Budi Raharjo[2], Fahmi Firmansyah[3]

[1-3]Accounting, Pancasakti Tegal University, Indonesia

[*]Email corresponding author: stevanusadi853@gmail.com

Article Information: Received --- June, 25 2026, ***Published*** --- August, 10 2026

Abstract

This study examines the effects of Environmental Cost, Environmental Performance, and Media Exposure on Sustainability Report Disclosure, with Good Corporate Governance (GCG) acting as a moderating variable among basic materials companies listed on the Indonesia Stock Exchange from 2020 to 2024. The results indicate that Environmental Performance positively and significantly influences sustainability reporting, suggesting that companies with stronger environmental achievements are more likely to disclose sustainability information to enhance accountability and maintain legitimacy among stakeholders. Conversely, Environmental Cost and Media Exposure do not exhibit significant effects, indicating that environmental expenditures and media attention are not primary drivers of sustainability disclosure in the observed firms. The findings also reveal that GCG significantly moderates the relationship between Environmental Performance and Sustainability Report Disclosure, although the moderating effect is negative. This suggests that stronger governance mechanisms may lead companies to be more selective and cautious when communicating sustainability-related information. However, GCG does not significantly moderate the relationships involving Environmental Cost and Media Exposure. The study supports both Legitimacy Theory and Stakeholder Theory by emphasizing the importance of environmental performance in encouraging sustainability reporting. From a practical perspective, companies should prioritize improving environmental performance to strengthen sustainability disclosure practices. Despite its contributions, the study is limited to the basic materials sector and employs a single proxy for corporate governance. Future research is recommended to include broader governance measures, additional explanatory variables, and different industry sectors to provide a more comprehensive understanding of sustainability reporting determinants.

Keywords: Environmental Cost, Environmental Performance, Good Corporate Governance, Media Exposure, Sustainability Report Disclosure.

INTRODUCTION

The rise of sustainability issues has shifted the modern business paradigm from one focused solely on economic profit to one that balances economic, social, and environmental aspects. This shift encourages companies to enhance the transparency of sustainability information through Sustainability Report Disclosure (SRD) as a form of accountability to stakeholders. Sustainability Report Disclosure not only serves as a corporate communication tool for conveying sustainability performance but also functions as an instrument to secure social legitimacy and build stakeholder trust in the company's operational activities. According to Tusiyati (2023), sustainability disclosure is a medium used by companies to demonstrate their commitment to sustainable business practices, while Sanjaya et al. (2024) explain that transparency in sustainability information can improve the quality of a company's relationships with investors and other stakeholders. Therefore, sustainability report disclosure is increasingly viewed as a key indicator in assessing a company's commitment to sustainable development. On a global scale, the integration of these environmental impacts into financial statements has evolved dramatically, shifting from a marginalized accounting practice into a mainstream, technology-driven component of modern corporate reporting (Ayinla et al. (2024). In developed jurisdictions, such as the Nordic region, corporate adoption of standardized frameworks like the Global Reporting Initiative (GRI) has been proven to look positively associated with actual environmental performance, demonstrating that international sustainability disclosures represent a substantive approach to corporate legitimacy rather than a merely symbolic gesture Khatri & Kjærland (2023).The urgency of Sustainability Report Disclosure is particularly high for companies in the basic materials sector, as this sector has operational characteristics closely tied to the use of natural resources and production activities that have the potential to cause significant environmental impacts. As the primary supplier of raw materials for various industrial sectors and infrastructure development, companies in the basic materials sector make a significant contribution to national economic growth. However, capital-intensive production activities, large-scale energy consumption, and intensive exploitation of natural resources mean that this sector faces greater pressure from regulators, investors, and the public regarding corporate environmental responsibility. Jati et al. (2023) state that companies with a high level of environmental impact tend to face greater demands to disclose sustainability information transparently. Furthermore, Kurniawati (2023) explains that increased stakeholder attention to environmental issues is driving companies to strengthen their sustainability disclosure practices as a form of accountability for the operational impacts they generate.

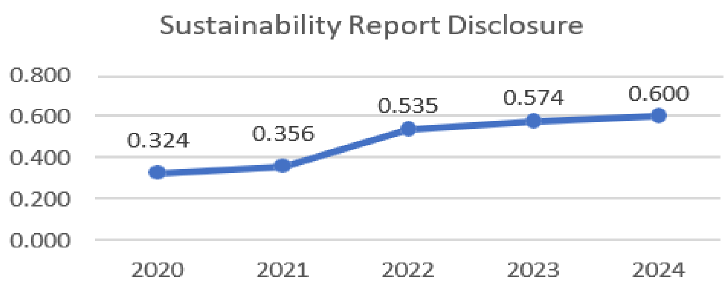

Figure 1 Sustainability Report Disclosure

In this context, Environmental Cost, Environmental Performance, and Media Exposure are factors suspected of influencing the scope of Sustainability Report disclosure. Environmental Cost reflects a company's commitment to allocating economic resources toward environmental management activities, while Environmental Performance indicates a company's ability to control the environmental impacts resulting from its operational activities. On the other hand, Media Exposure serves as an external oversight mechanism that can increase public pressure on companies to disclose sustainability information more broadlys. Pebrina & Dewi (2025) explain that adequate allocation of environmental costs can improve the quality of a company's sustainability disclosures. Meanwhile, Andrefe & Kurniawati (2024) found that good environmental performance encourages companies to disclose sustainability information more comprehensively as a form of legitimacy to stakeholders. In addition to these internal factors, Nurhasanah & Afriyenti (2024) state that high media exposure can increase public attention toward corporate activities, thereby encouraging greater transparency in sustainability reporting.

Although the relationship between Environmental Cost, Environmental Performance, Media Exposure, and Sustainability Report Disclosure has been extensively studied, previous research findings remain inconsistent. While global literature demonstrates a robust, substantive link between reporting practices and environmental outcomes (Khatri & Kjærland, 2023), empirical findings in developing markets like Indonesia reveal a critical gap where corporate transparency is highly reactive to external pressure. Anggraeni & Sisdyani (2025) found that Media Exposure has a positive effect on Sustainability Report Disclosure, while other studies indicate that this effect is not significant. Divergent findings also emerged regarding the relationship between Environmental Cost and Environmental Performance and Sustainability Report Disclosure. Some studies found a significant positive effect, while others showed different results. Inconsistencies in research findings were also observed regarding the role of Good Corporate Governance (GCG) as a moderating variable. Sary et al. (2025) demonstrated that Good Corporate Governance can strengthen the influence of Environmental Cost and Environmental Performance on Sustainability Report Disclosure, whereas Husni et al. (2023) found that Good Corporate Governance lacks significant moderating power. These differing results indicate that the relationships among variables require further testing, particularly in companies within the basic materials sector, which possess distinct environmental and operational characteristics compared to other sectors.

Based on the above description, this study is unique in that it integrates the effects of Environmental Cost, Environmental Performance, and Media Exposure on Sustainability Report Disclosure and examines the role of Good Corporate Governance—proxied by the proportion of independent board members—as a moderating variable among companies in the basic materials sector listed on the Indonesia Stock Exchange during the 2020–2024 period. Unlike previous studies, which generally focused on the manufacturing sector or examined direct relationships between variables, this study positions Good Corporate Governance as a governance mechanism that has the potential to strengthen the relationship between environmental factors, external pressures, and corporate sustainability disclosure practices. This study aims to analyze the influence of Environmental Cost, Environmental Performance, and Media Exposure on Sustainability Report Disclosure and to test the ability of Good Corporate Governance to moderate these relationships. Theoretically, this study is expected to contribute to the literature on sustainability accounting, particularly in explaining sustainability report disclosure practices from the perspectives of Stakeholder Theory and Legitimacy Theory. Practically, the research findings are expected to serve as a basis for companies to improve the quality of their sustainability disclosures, for investors to evaluate companies' sustainability commitments, and for regulators to formulate policies that promote transparency in sustainability reporting among companies in the basic materials sector.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Legitimacy Theory

Legitimacy Theory posits that a company's long-term viability depends on its ability to obtain and maintain acceptance from society. According to Dowling (2013), organizations operate within a broader social framework and are therefore expected to align their actions, policies, and objectives with prevailing societal norms, values, and expectations. Failure to meet these expectations may create a legitimacy gap, a condition in which stakeholders perceive a discrepancy between corporate behavior and social standards, potentially threatening the organization's reputation and continued operations. In this regard, Gray et al. (1996) argue that the disclosure of social and environmental information serves as an important instrument through which companies can demonstrate accountability, enhance transparency, and strengthen their legitimacy in the eyes of stakeholders.

The application of Legitimacy Theory is particularly relevant for understanding the relationship between environmental cost, environmental performance, media exposure, and sustainability report disclosure. Companies that invest resources in environmental initiatives, achieve favorable environmental performance, and attract public attention through media coverage are more likely to disclose sustainability-related information as a strategy to reinforce their legitimacy and demonstrate their commitment to responsible business practices. Moreover, Good Corporate Governance (GCG) plays a critical role in supporting this process by providing oversight mechanisms that promote the reliability, transparency, and credibility of sustainability disclosures. Through effective governance structures, companies can ensure that the information communicated to stakeholders accurately reflects their environmental and sustainability performance.

Stakeholder Theory

Stakeholder Theory argues that a company's responsibilities extend beyond maximizing shareholder wealth and encompass obligations to all parties that can affect or are affected by its operations, including investors, employees, customers, governments, local communities, and the natural environment. According to Freeman & Mcvea (2001), organizations seek to create sustainable value by developing and maintaining mutually beneficial relationships with their stakeholders. As a result, corporate success depends not only on financial performance but also on the ability to address the interests and expectations of diverse stakeholder groups.

Within the framework of Stakeholder Theory, sustainability report disclosure functions as an essential communication mechanism through which companies provide information regarding their economic, social, and environmental performance. Such disclosures enable stakeholders to evaluate the organization's commitment to sustainable business practices and corporate responsibility. In this context, environmental costs and environmental performance represent tangible indicators of a company's efforts to fulfill its environmental obligations and respond to the concerns of non-financial stakeholders. Meanwhile, media exposure reflects the degree of public scrutiny and visibility faced by a company, which can shape stakeholder expectations regarding transparency and accountability. Consequently, organizations that effectively respond to stakeholder demands are more likely to enhance the quality and comprehensiveness of their sustainability disclosures. By doing so, they can strengthen stakeholder trust, demonstrate accountability, and secure ongoing support for their business activities.

Hypothesis

Examining the Impact of Media Exposure on Sustainability Report Disclosure

Media exposure reflects the level of public attention toward a company through various media channels. Based on Legitimacy Theory, high public attention increases social pressure, thereby encouraging companies to disclose sustainability information more broadly to maintain legitimacy. From the perspective of Stakeholder Theory, the media serves as an information channel connecting companies with stakeholders; thus, companies receiving high media exposure tend to enhance information transparency to meet public expectations. Research by Cahyani & Sujana (2023), Nurhasanah & Afriyenti (2024), and Anggrainy & Rakhmawati (2026) indicates that media exposure has a positive effect on sustainability report disclosure. These findings suggest that the higher the public's attention toward a company, the greater the incentive for the company to enhance sustainability disclosure.

H1: Media Exposure has a positive impact on Sustainability Report Disclosure.

Examining the Impact of Environmental Costs on Sustainability Report Disclosure

Environmental costs represent the economic sacrifices companies make to manage and reduce the environmental impacts of their operational activities. According to Legitimacy Theory, the allocation of environmental costs demonstrates a company's commitment to meeting public expectations regarding responsible business practices. Meanwhile, Stakeholder Theory explains that companies disclose information related to environmental activities as a form of accountability to stakeholders. Tusiyati (2023) found that environmental costs have a positive effect on sustainability report disclosure. The greater the costs allocated to environmental activities, the greater the tendency for companies to disclose sustainability information to demonstrate their commitment to environmental responsibility.

H2: Environmental costs have a positive impact on sustainability report disclosure.

Examining the Impact of Environmental Performance on Sustainability Report Disclosure

Environmental performance reflects a company's ability to manage the environmental impacts resulting from its operational activities. According to Legitimacy Theory, companies with strong environmental performance have an incentive to disclose sustainability information as a means of obtaining and maintaining social legitimacy. From the perspective of Stakeholder Theory, the disclosure of strong environmental performance serves to meet stakeholders' information needs regarding the company's environmental responsibilities.Jati et al. (2023), Lestari & Khomsiyah (2023) and Mahendra & Agus Purwanto (2024) found that Environmental Performance has a positive effect on Sustainability Report Disclosure. These findings indicate that companies with better environmental performance tend to engage in more extensive sustainability disclosure.
H3: Environmental Performance has a positive impact on Sustainability Report Disclosure.

Good Corporate Governance in Moderating the Effect of Media Exposure on Sustainability Report Disclosure

Good corporate governance serves as a monitoring mechanism that ensures companies respond to external pressures in a transparent and accountable manner. Research by Cahyani & Sujana (2023) shows that companies with good governance tend to be more responsive to public scrutiny because the board of commissioners and management strive to maintain the company's reputation through broader information disclosure. Conversely, Nurhasanah & Afriyenti (2024) found that media pressure does not always lead to increased sustainability report disclosure because companies may view media coverage as short-term pressure that does not influence reporting policies. These differing findings suggest that the effectiveness of media exposure in driving sustainability report disclosure depends on the quality of a company's governance. The better the corporate governance, the greater the tendency for companies to respond to public attention through more transparent sustainability disclosures.
H4: Good Corporate Governance Strengthens the Effect of Media Exposure on Sustainability Report Disclosure.

Good Corporate Governance in Moderating the Effect of Environmental Costs on Sustainability Report Disclosure

Good corporate governance can enhance the effectiveness of environmental information disclosure through corporate monitoring and accountability functions. Ramadhani et al. (2022) explain that good governance encourages companies to disclose environmental activities and investments as a form of accountability to stakeholders. However, Pebrina & Dewi (2025) found that environmental costs do not always lead to broader sustainability disclosures because some companies still view environmental costs as operational consequences rather than strategic information that needs to be communicated to the public. This situation indicates that the influence of Environmental Cost on Sustainability Report Disclosure depends on the effectiveness of governance mechanisms. The stronger the Good Corporate Governance, the greater the likelihood that the environmental costs incurred by the company will be transparently disclosed in the sustainability report.
H5: Good Corporate Governance Strengthens the Effect of Environmental Cost on Sustainability Report Disclosure.

Good Corporate Governance in Moderating the Effect of Environmental Performance on Sustainability Report Disclosure

Good Corporate Governance serves to ensure that environmental performance achievements are communicated credibly to stakeholders. Hasan et al. (2025) explain that effective oversight mechanisms encourage companies to disclose sustainability information more comprehensively because the board of commissioners strives to maintain the company's accountability and legitimacy. Conversely, Anggraeni & Sisdyani (2025) demonstrate that good governance does not always enhance sustainability disclosure if companies prioritize minimum compliance over voluntary transparency. These differing results indicate that the quality of governance can determine the extent to which environmental performance is reflected in Sustainability Report Disclosure. Therefore, Good Corporate Governance is expected to strengthen the influence of Environmental Performance on Sustainability Report Disclosure.

H6: Good Corporate Governance Strengthens the Effect of Environmental Performance on Sustainability Report Disclosure.

RESEARCH METHODS

This research utilizes a quantitative, causal explanatory approach to examine the effects of Media Exposure, Environmental Cost, and Environmental Performance on Sustainability Report Disclosure, with Good Corporate Governance incorporated as a moderating variable. The study focuses on basic materials companies listed on the Indonesia Stock Exchange (IDX) between 2020 and 2024. The target population includes 113 firms operating within the sector. Using a purposive sampling method based on predefined selection criteria, 39 companies were chosen as the final sample. Consequently, the study analyzes 195 firm-year observations collected over the five-year research period.

Variabel	Measurement	Scale	Source
Sustainability Report Disclosure	$SRDI = \frac{K}{N}$	Ratio	Jati et al., 2023
Media Exposure	$\{\frac{e^2 - ec}{t^2}\}$ if e > c $\{\frac{ec - e^2}{t^2}\}$ if c > e 0 if c = e	Ratio	Anggraeni & Sisdyani, 2025
Environmental Cost	$EC = \frac{Cost\ CSR}{Net\ Income\ After\ Tax}$	Ratio	Pebrina & Dewi, 2025
Environmental Perfomance	Proper: Gold = 5 Green = 4 Blue = 3 Red = 2 Black = 1	Ordinal	Dianty & Nurrahim, 2022
Good Corporate Governance	$PDK = \frac{Total\ Independen\ Directors}{Total\ Board\ of\ Commissioners}$	Ratio	Laksono & Kusumaningtias, 2021

Data processing and statistical analyses were performed using Stata version 17. The selection of the most appropriate panel data estimation model was based on the results of the Hausman specification test, which was used to determine whether a Fixed Effects Model or a Random Effects Model provided a better fit for the data. Prior to estimating the regression models, classical diagnostic tests were conducted to verify that the underlying assumptions of the analysis were satisfied. The proposed hypotheses were then examined using panel data regression and Moderated Regression Analysis (MRA). These analytical techniques enabled the assessment of the direct effects of Media Exposure, Environmental Cost, and Environmental Performance on Sustainability Report Disclosure, while also evaluating the moderating role of Good Corporate Governance in shaping these relationships.

The panel data regression model used in this study is formulated as follows:

$$Y = \alpha + \beta_1 (ME) + \beta_2 (EC) + \beta_3 (EP) + \beta 4 (ME*PDK) + \beta 5 (EC*PDK) + \beta 6 (EP*PDK) + \varepsilon$$

Notes:

Y = Sustainability Report Disclosure
α = Constant
B = Regression Coefficient
ME = Media Exposure
EC = Environmental Cost
EP = Environmental Perfomance
PDK = Proportion of the Board of Commissioners
E = *Error*

RESULTS AND DISCUSSION

Tabel 1. Descriptive Statistics

Variable	Obs	Mean	Std Dev.	Min	Max
SRDI	195	0,000	0,2329	-0,4755	0,5220
ME	195	0,000	0,5690	-1,3863	0,6137
EC	195	0,0151	0,0686	0,0001	0,7473
EP	195	-0,9974	0,1667	-1,0986	-0,5878
PDK	195	1,14517	0,4516	0,6931	2,7081

Source: Secondary Research Data, processed by Stata17, (2026)

Table 2 presents the statistical profile based on 195 firm-year observations in the basic materials sector for the period 2020–2024. The dependent variable, the Sustainability Report Disclosure Index (SRDI), has a mean of 0.000 with a standard deviation of 0.2329, where this mean value reflects the result of data transformation (centering) that positions the midpoint of corporate sustainability disclosure at zero.

The main independent variables exhibit a fairly diverse distribution: Media Exposure (ME) has a mean of 0.000 with a range from -1.3863 to 0.6137, while Environmental Cost (EC) has a mean of 0.0151, indicating a relatively low but still present allocation of environmental costs across the entire sample, with a minimum value of 0.0001. Technically, Environmental Performance (EP) recorded an average score of -0.9974, which describes the company's PROPER ranking position after calibration within the research model.

Furthermore, the moderating variable, Good Corporate Governance (PDK), recorded an average score of 1.1452 with a range from 0.6931 to 2.7081. This distribution reflects the varying intensity of governance mechanism implementation among the sample companies, which will later be tested for its role in moderating the relationship between environmental performance and environmental costs on the extent of sustainability report disclosure.

Tabel 2. Correlation Test

	SRDI	ME	EC	EP	PDK
SRDI	1,0000				
ME	0,1736	1,0000			
EC	0,0361	-0,1065	1,0000		
EP	0,03937	0,02049	0,1026	1,0000	
PDK	0,1526	0,1051	-0,2002	0,3152	1,0000

Source: Secondary Research Data, processed by Stata17, (2026)

Based on the results of the correlation test in Table 3, all research variables showed a relatively low level of correlation. The Media Exposure (ME) variable has a positive correlation with Sustainability Report Disclosure (SRDI) of 0.1736, while Environmental Cost (EC) and Environmental Performance (EP) have positive correlations of 0.0361 and 0.03937, respectively, with SRDI. Meanwhile, the proportion of independent board members (PDK) shows a positive correlation of 0.1526 with SRDI. These results indicate that an increase in Environmental Cost, Environmental Performance, Media Exposure, and Good Corporate Governance tends to be followed by an increase in Sustainability Report Disclosure, although the relationship formed is still relatively weak.

Furthermore, the correlations among the independent variables also show low values, such as the correlation between ME and EC at -0.1065, EC and EP at 0.1026, and EP and PDK at 0.3152. Correlation values among variables below 0.80 indicate that the research model does not face serious multicollinearity issues. Thus, all independent variables and moderating variables are suitable for use in panel data regression analysis to test their effects on Sustainability Report Disclosure.

Tabel 3. Variance Inflation Factor

Variabel	VIF	1/VIF
EP	1,20	0,8366
PDK	1,18	0,8459
EC	1,09	0,9151
ME	1,06	0,9415
Mean VIF	1,13	

Source: Secondary Research Data, processed by Stata17, (2026)

Based on the results of the multicollinearity test using the Variance Inflation Factor (VIF) in Table 3, all research variables have Variance Inflation Factor (VIF) values below the tolerance limit of 10. The Environmental Performance (EP) variable has a VIF value of 1.20, followed by Good Corporate Governance (PDK) at 1.18, Environmental Cost (EC) at 1.09, and Media Exposure (ME) at 1.06. Furthermore, the average VIF value of 1.13 indicates a very low level of correlation among the independent variables.

These results indicate that the regression model in this study does not exhibit multicollinearity. Thus, all independent variables and moderating variables can be used in panel data regression testing because there are no strong linear relationships among the variables that could disrupt the stability of the study's model estimates.

Tabel 4 Panel Data Regression

R-squared (Within)	: 0,1389				F(7, 149)	: 3,43
Prob > F: 0,0020	: 0,0020				corr(u_i, Xb)	: 0,3485
sigma_u: 0,1881	: 0,1881				sigma_e	: 0,1585
Rho	: 0,5848					
SRDI	Coefficient	Std. err	t	P > t	[95% conf.	Interval]
ME	-0,0302	0,0256	-1,18	0,240	-0,0808	0,0203
EC	0,1356	0,3638	0,37	0,710	-0,5833	0,8545
EP	0,5244	0,1688	3,11	0,002	0,1910	0,8579
PDK	0,1072	0,0870	1,23	0,220	-0,0647	0,2791
ME x PDK	0,1489	0,1660	0,90	0,371	-0,1791	-0,4769
EC x PDK	-0,2089	0,3392	-0,62	0,539	-0,8793	0,4614

EP x PDK	-0,5677	0,2143	-2,65	0,009	-0,9911	0,1442
Constanta	0,3640	0,2181	1,67	0,097	-0,0670	0,7950

Source: Secondary Research Data, processed by Stata17, (2026)

Research Findings

The Effect of Media Exposure on Sustainability Report Disclosure

The research results indicate that Media Exposure does not affect Sustainability Report Disclosure (p = 0.240), thus H1 is rejected. This finding suggests that the level of media coverage of a company has not yet become a primary factor driving increased sustainability disclosure in the basic materials sector. Companies tend to prioritize regulatory compliance and operational needs over pressure from the media.

These findings do not support Legitimation Theory, which states that media exposure can encourage companies to increase transparency to gain social legitimacy. These research results are consistent with Anggraeni & Sisdyani (2025), who explain that media attention is not always responded to through increased sustainability disclosure. Thus, the effectiveness of media exposure in encouraging sustainability report disclosure depends on industry characteristics and the sources of legitimacy held by the company.

The Effect of Environmental Costs on Sustainability Report Disclosure

The results of the study indicate that environmental costs do not affect sustainability report disclosure (p = 0.710), thus H2 is rejected. This finding suggests that the amount of environmental costs incurred by a company does not necessarily lead to increased sustainability disclosure. This suggests that companies still view environmental costs as a form of operational compliance rather than a strategic tool to enhance transparency toward stakeholders.

These results do not support Stakeholder Theory, which emphasizes the importance of information disclosure as a form of corporate accountability to stakeholders. These findings align with Yulyan et al. (2024) dan Pebrina & Dewi (2025), who explain that environmental expenditures are more oriented toward fulfilling operational obligations rather than improving the quality of sustainability reporting. These findings indicate that commitment to sustainability reporting is not solely determined by the magnitude of environmental costs incurred by a company.

The Effect of Environmental Performance on Sustainability Report Disclosure

The results of the study indicate that environmental performance has a positive effect on sustainability report disclosure (p = 0.002), thus H3 is accepted. This finding suggests that companies with better environmental performance tend to disclose sustainability information more extensively as a form of accountability to stakeholders.

These findings support Legitimacy Theory and Stakeholder Theory, which explain that companies disclose environmental information to gain social legitimacy and meet stakeholders' information needs. This finding is consistent with the research by Jati et al. (2023), Lestari & Khomsiyah (2023), serta Mahendra & Agus Purwanto (2024) which shows that good environmental performance encourages companies to increase sustainability disclosure to strengthen their reputation and public trust. These findings confirm that Environmental Performance is a key determinant of Sustainability Report Disclosure in companies in the basic materials sector.

Good Corporate Governance in Moderating the Effect of Media Exposure on Sustainability Report Disclosure

The results indicate that Good Corporate Governance does not moderate the effect of Media Exposure on Sustainability Report Disclosure (p = 0.371), thus H4 is rejected. This finding suggests that the presence of independent commissioners has not yet been able to enhance the effectiveness of media pressure in encouraging companies to expand their sustainability disclosures.

These results indicate that corporate governance mechanisms function more as tools for internal oversight rather than as means to amplify the influence of external pressure. This finding aligns with Nurhasanah & Afriyenti (2024) who explain that the influence of media on sustainability reporting is highly dependent on a company's internal responses and policies.

Good Corporate Governance in Moderating the Effect of Environmental Costs on Sustainability Report Disclosure

The results of the study indicate that Good Corporate Governance does not moderate the effect of Environmental Costs on Sustainability Report Disclosure (p = 0.539), thus H5 is rejected. This finding suggests that corporate governance mechanisms have not yet been able to ensure that environmental expenditures translate into broader sustainability disclosures.

This finding aligns with Pebrina & Dewi (2025), who explain that the effectiveness of corporate governance in promoting environmental transparency is still influenced by management orientation and corporate policy. Thus, the presence of independent commissioners is not sufficient to strengthen the relationship between Environmental Cost and Sustainability Report Disclosure.

Good Corporate Governance in Moderating the Effect of Environmental Performance on Sustainability Report Disclosure

The results of the study indicate that good corporate governance moderates the effect of Environmental Performance on Sustainability Report Disclosure (p = 0.009), so H6 is accepted. However, the negative direction of the interaction coefficient indicates that Good Corporate Governance weakens the relationship between Environmental Performance and Sustainability Report Disclosure.

This finding suggests that companies with better governance tend to be more selective in disclosing sustainability information even though they have high environmental performance. These results suggest that Good Corporate Governance functions not only as a mechanism for enhancing transparency but also as a mechanism for controlling information. This finding extends Legitimacy Theory and Stakeholder Theory by demonstrating that corporate governance can play a role in controlling the quality and relevance of sustainability information communicated to stakeholders.

CONCLUSION

This study investigates the influence of Environmental Cost, Environmental Performance, and Media Exposure on Sustainability Report Disclosure (SRD), while examining the moderating role of Good Corporate Governance (GCG) among basic materials companies listed on the Indonesia Stock Exchange during the 2020–2024 period. The findings demonstrate that Environmental Performance has a positive and significant impact on sustainability disclosure, indicating that companies with stronger environmental achievements tend to provide more extensive sustainability information to enhance accountability and maintain stakeholder legitimacy. In contrast, Environmental Cost and Media Exposure do not significantly affect sustainability reporting practices, suggesting that environmental expenditures and public attention are not primary determinants of disclosure decisions within the sampled firms.

The results further reveal that Good Corporate Governance significantly moderates the relationship between environmental performance and sustainability disclosure, although the interaction effect is negative. This outcome implies that stronger governance mechanisms may encourage firms to adopt a more selective approach when communicating sustainability-related information. However, GCG does not significantly moderate the effects of environmental cost and media exposure on sustainability disclosure.

These findings provide empirical support for Legitimacy Theory and Stakeholder Theory, emphasizing the importance of environmental performance in promoting corporate transparency and stakeholder engagement. From a practical perspective, companies are encouraged to strengthen their environmental performance as a key driver of sustainability reporting. Nevertheless, the study is limited by its focus on a single industry sector and the use of a narrow governance proxy. Future research should incorporate broader governance indicators, additional explanatory variables, and a wider range of industries to enhance the understanding of factors influencing sustainability disclosure practices.

BIBLIOGRAPHY

Andrefe, & Kurniawati. (2024). PENGARUH KINERJA LINGKUNGAN TERHADAP KINERJA KEUANGAN DENGAN REPUTASI PERUSAHAAN SEBAGAI PEMODERASI. *Jurnal Ekonomi Dan Bisnis*, *17*(1),

Anggraeni, N. L. A., & Sisdyani, E. A. (2025). GREEN ACCOUNTING, KOMISARIS INDEPENDEN, MEDIA EXPOSURE DAN PENGUNGKAPAN LAPORAN KEBERLANJUTAN. *E-JURNAL EKONOMI DAN BISNIS UNIVERSITAS UDAYANA*, *14*(10), 1493–1503.

Anggrainy, K. N., & Rakhmawati, I. (2026). Pengaruh Profitabilitas , Tata Kelola Perusahaan , dan Media Exposure terhadap Pengungkapan Sustainability Report. *Jurnal Ekonomi Bisnis Islam*, *4*(1), 87–101.

Ayinla, B. S., Ike, C. U., Asuzu, O. F., Atadoga, A., Ndubuisi, L., & Adeleye, R. A. (2024). Environmental costing and sustainable accounting : A comprehensive review : Delving into methods of accounting for environmental impacts in financial statements. *World Journal of Advanced Research and Reviews*, *21*(02), 235–251.

Cahyani, P. M., & Sujana, I. K. (2023). *Sustainability Report Quality : Effect of Media Exposure , Stakeholder Pressure , Audit Committee*. 1272–1283.

Dianty, & Nurrahim. (2022). PENGARUH PENERAPAN GREEN ACCOUNTING DAN KINERJA LINGKUNGAN TERHADAP KINERJA KEUANGAN. *Economics Professional in Action (E-Profit)*, *4*(02).

Dowling, J. (2013). *ORGANIZATIONAL LEGITIMACY : Social Values and Organizational Behavior between the Organizations seek to establish congruence*. *18*(1), 122–136.

Freeman, R., & Mcvea, J. (2001). A Stakeholder Approach to Strategic Management. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.263511

Gray, R., Owen, D., & Adams, C. (1996). *Accounting and Accountability: Changes and Challenges in Corporate Social and Environmental Reporting*. Prentice Hall.

Hasan, Zamzam, Ali, & Zainuddin. (2025). Peran Good Corporate Governance dalam Memoderasi Hubungan antara Green Accounting , Environmental Performance , dan Green Intellectual Capital terhadap Financial Performance. *Jurnal Ekonomi & Ekonomi Syariah*, *8*(2), 1208–1228.

Husni, A. M., Rodhiyah, M., & Dedyansyah, A. F. (2023). PENGARUH GREEN ACCOUNTING DAN KINERJA LINGKUNGAN TERHADAP KINERJA KEUANGAN DENGAN TATA KELOLA PERUSAHAAN SEBAGAI VARIABEL MODERASI (Studi Pada Perusahaan Manufaktur Sektor Basic Material Yang Terdaftar Di BEI Tahun 2021-2023) Ahmad. *Jurnal Perpajakan Dan Akuntansi*.

Jati, K. W., Agustina, L., Deviani, Ulupui, I. G. K. A., & Krimayanti, D. (2023). The effect of environmental performance on sustainability reporting : A case of Indonesia. *Business Perspectives*, *14*(1), 36–46. https://doi.org/10.21511/ee.14(1).2023.04

Khatri, I., & Kjærland, F. (2023). Sustainability reporting practices and environmental performance amongst nordic listed firms. *Journal of Cleaner Production*, *418*(May), 138172.

Kurniawati, F. (2023). Pengaruh tipe industri, ukuran perusahaan, dan kinerja lingkungan terhadap pelaporan keberlanjutan: studi literatur. *Jurnal Riset Akuntansi Tridinanti*, *4*(2), 159–166.

Laksono, & Kusumaningtias. (2021). Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan dan Nilai Perusahaan Sektor Aneka Industri Tahun 2016-2018 B. *Jurnal Akuntansi Unesa Vol*, *09*(02).

Lestari, A. D., & Khomsiyah. (2023). Pengaruh Kinerja Lingkungan , Penerapan Green Accounting , dan Pengungkapan Sustainability Report Terhadap Nilai Perusahaan. *Jurnal Ekonomi Bisnis, Manajemen Dan Akuntansi*, *November*, 527–539. https://doi.org/doi.org/jebma.v3n3.2799 Pengaruh

Mahendra, D. A., & Agus Purwanto. (2024). PENGARUH PROFITABILITAS, LEVERAGE, LIKUIDITAS, DAN AKTIVITAS TERHADAP PENGUNGKAPAN LAPORAN KEBERLANJUTAN DAN NILAI

Nurhasanah, D., & Afriyenti, M. (2024). Pengaruh Stakeholder Engagement, Media Exposure dan Tekanan Pemegang Saham terhadap Kualitas Sustainability Report. *Jurnal Eksplorasi*

Pebrina, N. P. N., & Dewi, L. G. K. (2025). PENGARUH ENVIRONMENTAL COST TERHADAP PENGUNGKAPAN SUSTAINABILITY REPORT. *Jurnal Ekonomi Dan Bisnis Universitas Udayana*, *14*(08), 1229–1240.

Ramadhani, K., Saputra, M. S., & Wahyuni, L. (2022). Pengaruh penerapan green accounting dan kinerja lingkungan terhadap kinerja keuangan dengan tata kelola perusahaan sebagai variabel moderasi. *Jurnal Akuntansi Trisakti*, *0832*(September), 227–242. https://doi.org/http://dx.doi.org/10.25105/jat.v9i2.14559

Sanjaya, G. D., Dewi, N. W. Y., & Atmaja, I. M. D. (2024). PENGUNGKAPAN KINERJA KEBERLANJUTAN PADA PERUSAHAAN PERBANKAN BEI TAHUN 2018-2022. *Jurnal Ilmiah Mahasiswa Akuntansi*, *2*, 955–968.

Sary, P. M., Novianti, N., & Rahmi, S. (2025). Pengaruh Kinerja Lingkungan dan Green Accounting terhadap Kinerja Keuangan Dimoderasi oleh GCG. *Ournal of Artificial Intelligence and Digital*

Tusiyati. (2023). Analisis Pengaruh Kinerja Lingkungan Dan Kinerja Keuangan Terhadap Pengungkapan Laporan Keberlanjutan Pada Perusahaan Nonkeuangan Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Bina Akuntansi*, *6*(2), 66–85.

Yulyan, A. S., Ghofur, R. A., Devi, Y., & Audia, N. (2024). ANALISIS PENGARUH ENVIRONMENT COST DISCLOSURE (ECD) DAN INDONESIAN ENVIRONMENT REPORTING (IER) TERHADAP SUSTAINABILITY REPORTING (Studi pada Perusahaan Manufaktur yang Terdaftar di Jakarta Islamic Index (JII) Tahun 2020-2022). *Jurnal Akuntansi Dan Audit Syariah*, *5*(1), 64–85. https://doi.org/DOI: https://doi.org/10.28918/jaais.v5i1.7580