Formosa Journal of Multidisciplinary Research (FJMR)
Vol. 5 No. 4, 2026: 1125-1138

Identification Factors Affecting Corporate Sustainability in the Primary Consumer Goods Sector on the Indonesia Stock Exchange, 2020-2024

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A R T I C L E I N F O

Keywords: Corporate Sustainability, ESG, Content Analysis, Indonesia Stock Exchange, Primary Consumer Sector

Received : 28, February
Revised : 30, March
Accepted: 23, April

A B S T R A C T

This study examined and mapped the determinants of corporate sustainability practices among companies in the primary consumer goods sector listed on the Indonesia Stock Exchange (IDX) over 2020–2024. Employing descriptive qualitative content analysis on 105 documents from 21 purposively selected companies, the study identified five sustainability pillars: innovation capacity, corporate governance, environmental management, corporate social responsibility, and human capital investment. Empirical findings reveal that corporate sustainability is shaped by the synergy of all five pillars, with notable implementation variation across sub-sectors, indicating the sustainability agenda has evolved into a strategic business pillar transcending mere regulatory compliance.

DOI: https://doi.org/10.55927/fjmr.v5i4.59
ISSN-E: 2829-8896
https://journalfjmr.my.id/index.php/fjmr

INTRODUCTION

In the contemporary business landscape, corporate sustainability has emerged as an inseparable evaluation dimension in organizational performance assessment. Organizational success is no longer measured solely by profit-generating capacity, but also encompasses the ability to create sustainable value through responsible management of environmental, social, and governance (ESG) aspects. This view is rooted in the Triple Bottom Line (TBL) concept proposed by Elkington (1997), which presents a balanced framework across profit, people, and planet as comprehensive benchmarks for business success. This framework was further reinforced by Dyllick and Hockerts (2002), who defined corporate sustainability as the ability to meet the needs of stakeholders without compromising the capacity of future generations.

From a national context, Indonesia's primary consumer goods sector occupies a crucial position as producer and distributor of products closely tied to society's basic needs. The impetus for sustainability practices has been strengthened by OJK Regulation No. 51/POJK.03/2017, which requires all listed companies and public entities to publish sustainability reports periodically. This regulation creates a conducive environment for companies to systematically integrate ESG dimensions into their business strategies (Luo & Tang, 2021).

Although ESG and corporate sustainability literature has expanded rapidly, studies specifically tracing sustainability practice patterns in Indonesia's primary consumer goods sector using cross-sub-sector and cross-period content analysis remain scarce. Most available research tends to quantitatively test ESG disclosure's impact on financial performance (Friede, Busch, & Bassen, 2015). This study therefore aims to identify the determining factors of corporate sustainability in the primary consumer goods sector on the IDX during 2020–2024, while elaborating on implementation pattern variations across sub-sectors.

LITERATURE REVIEW

Corporate Sustainability and the Triple Bottom Line Framework

Corporate sustainability is understood as an organization's capacity to maintain long-term economic performance continuity, alongside fulfilling social responsibility and preserving environmental sustainability. Elkington (1997) asserted that corporate success must account for contributions to society (people) and ecosystems (planet), which evolved into the more operational and measurable ESG approach (Slaper & Hall, 2011). Bansal and Song (2017) affirmed that corporate sustainability is inherently linked to a company's social legitimacy amid increasingly intense institutional pressures.

Sustainability Regulatory Landscape in Indonesia

OJK Regulation No. 51/POJK.03/2017 plays a strategic role in promoting sustainability reporting culture among listed companies in Indonesia, requiring transparent reporting on sustainability strategies, policies, and achievements. Wahyuningsih and Mahendra (2020) found that regulatory pressure has not fully driven reporting substance quality, as most companies remain in a compliance-oriented logic. GRI Standards (2021) and TCFD frameworks have further

influenced disclosure standards for globally market-oriented companies (Eccles, Ioannou, & Serafeim, 2014).

Legitimacy Theory and Stakeholder Perspectives

Understanding sustainability reporting practices cannot be separated from legitimacy theory and stakeholder theory. Suchman (1995) defined legitimacy as the collective perception that an entity's actions conform to prevailing social values and norms; ESG disclosures thus serve as a calculated response to institutional pressures to remain legitimate (Deegan, 2002). Freeman (1984) argued that corporate obligations encompass all parties affected by operational activities, making employee, community, and environmental interests integral to strategic decision-making.

ESG Operational Framework in Corporate Sustainability

The ESG framework occupies a central position as an operational instrument in measuring and managing corporate sustainability. In the environmental dimension, companies are evaluated based on energy efficiency, waste management, carbon emission control, and natural resource conservation (Luo & Tang, 2021). The social dimension encompasses community relations, employment standards, OHS, and community empowerment (Friede et al., 2015), while the governance dimension concerns transparency, accountability, internal control, and business ethics (Al-Shaer, 2020).

Content Analysis as a Sustainability Research Instrument

Content analysis is a highly relevant tool for examining corporate sustainability reports, capable of identifying dominant themes, disclosure patterns, and communication tendencies in corporate documents systematically (Krippendorff, 2018). Directed content analysis offers methodological flexibility by combining deductive reasoning from established theoretical frameworks with inductive reasoning from new empirical findings (Mayring, 2014; Hsieh & Shannon, 2005).

Research Gap and Study Novelty

ESG research in Indonesia remains dominated by quantitative approaches testing aggregate ESG score effects on financial performance. This study distinguishes itself through three characteristics: (1) cross-sub-sector analytical scope within one strategic sector; (2) a 2020–2024 temporal dimension enabling post-pandemic narrative pattern identification; and (3) integration of five sustainability dimensions into one configuration-based analytical model (Gillan, Koch, & Starks, 2021). This aligns with Crane et al. (2017) calls for more contextual and multidimensional sustainability research.

Conceptual Framework

Drawing from the theoretical foundations outlined above, this study proposes a configurative conceptual framework that integrates five sustainability pillars within an ESG-TBL analytical lens. The framework positions sustainability reports and annual reports as the primary data source, subject to directed

qualitative content analysis. Five analytical pillars—innovation, governance, environment, social responsibility, and human capital—converge to form corporate sustainability outcomes, which are subsequently examined for configurative variation across IDX sub-sectors. Figure 1 presents the conceptual framework of this study.

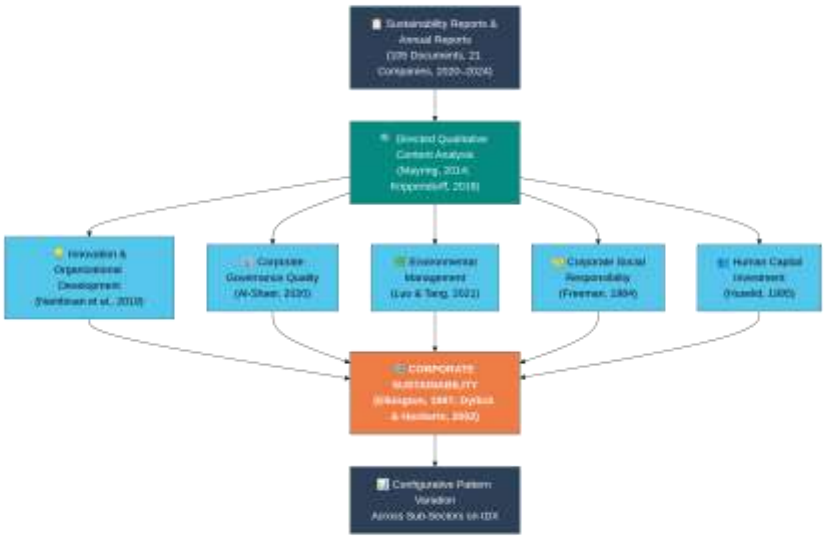

Figure 1. Conceptual Framework of the Study

METHODOLOGY

This study employed a descriptive qualitative design using directed qualitative content analysis (Krippendorff, 2018; Mayring, 2014). The descriptive-exploratory nature was reinforced by a longitudinal dimension spanning 2020–2024, enabling comprehensive documentation of sustainability disclosure pattern evolution over time.

The research population comprised all primary consumer goods sector companies listed on the IDX, totaling 128 entities. Purposive sampling was applied with three criteria: (1) consistent sustainability and/or annual report publication throughout 2020–2024; (2) no delisting or prolonged trading suspension; and (3) all relevant documents publicly accessible. These criteria yielded a final sample of 21 companies with 105 observation documents (five documents per company annually) (Creswell & Poth, 2018).

The primary analytical instrument was a content analysis matrix encompassing five sustainability dimensions. The unit of analysis was set at the substantive paragraph level, with key phrases or sentences as recording units. Coding proceeded in three stages: open coding, axial coding, and selective coding. Category development was conducted hybridly—deductively from ESG and TBL frameworks and inductively from recurring document findings. Analysis reliability was maintained through intra-coder reliability testing (Neuendorf, 2017).

RESEARCH RESULTS

Research Sample Profile

The unit of analysis comprised 21 companies generating 105 observation documents. Sub-sector composition included 10 palm oil plantation companies (47.6%), 4 processed food-beverage companies (19.0%), 3 livestock production companies (14.3%), 2 tobacco industry companies (9.5%), 1 retail company (4.8%), and 1 cosmetics and household products company (4.8%). Table 1 presents the complete sample distribution.

Table 1. Research Sample Distribution by Sub-Sector

No.	Sub-Sector	Companies	Proportion (%)
1	Palm Oil Plantation	10	47.6%
2	Processed Food & Beverage	4	19.0%
3	Animal/Livestock Production	3	14.3%
4	Tobacco Industry	2	9.5%
5	Retail	1	4.8%
6	Cosmetics & Household Prod.	1	4.8%
	Total	21	100.0%

Source: Researcher's content analysis (2025)

Innovation Capacity and Organizational Development

Content analysis results indicate that each sub-sector's innovation agenda was heavily influenced by their respective operational characteristics. The retail sub-sector prioritized digital service transformation, customer application development (Alfagift), and logistics network efficiency. The food-beverage industry focused on product diversification, production process renewal, and eco-friendly packaging. The livestock sector emphasized closed-house technology, feed formula improvement, and digital health monitoring. Palm oil plantations highlighted harvest mechanization, satellite/drone land surveillance, and superior seed development. This aligns with Nambisan et al. (2019) who emphasized that digital innovation is highly context-specific to industry. Table 2 summarizes dominant innovation themes per sub-sector.

Table 2. Dominant Innovation Themes by Sub-Sector

Sub-Sector	Main Innovation Focus
Retail	Digital service, customer app (Alfagift), logistics efficiency
Food & Bev.	Product diversification, process renewal, eco-friendly packaging
Livestock	Closed-house modernization, feed formulation, digital health monitoring
Plantation	Harvest mechanization, satellite/drone monitoring, superior seeds
Tobacco	Product diversification, energy efficiency, raw material optimization
Cosmetics/HPC	Beauty formulation innovation, sustainable packaging development

Source: Researcher's content analysis (2025)

Corporate Governance Quality

Analysis of the governance dimension revealed that most companies consistently documented GCG principle applications, systematic risk management, regulatory compliance, structured audit mechanisms, anti-corruption policies, and reporting transparency. Several companies formed sustainability committees structurally integrated into the board of commissioners. A robust governance configuration serves as a foundational pillar ensuring ESG dimensions are genuinely embedded in decision-making and corporate accountability mechanisms (Al-Shaer, 2020; Aguilera et al., 2015).

Environmental Management Commitment

Among all themes identified in the environmental dimension, social partnerships (100%), waste and emission management (95.2%), and OHS and training (90.5%) were most widely adopted. Plantation sub-sector companies were more prominent through RSPO/ISPO certification compliance, NDPE policy implementation, and High Conservation Value conservation programs. Manufacturing and retail companies more frequently disclosed energy efficiency and waste management initiatives. Table 3 presents the complete sustainability theme adoption profile, and Figure 2 visualizes adoption rates.

Table 3. Sustainability Theme Adoption Profile – Full Sample (n=105 Documents)

No.	Sustainability Theme	Dimension	Adoption Rate	Status
1	Social Partnership	Social	100.0%	Dominant
2	Waste & Emission Management	Environmental	95.2%	Dominant
3	OHS & Human Capital Dev.	Human Capital	90.5%	Dominant
4	Mechanization & Monitoring	Innovation	61.9%	Moderate
5	Corporate Governance (GCG)	Governance	42.9%	Moderate
6	Renewable Energy	Environmental	23.8%	Early Stage
7	Digital Service	Innovation	9.5%	Early Stage

Source: Researcher's content analysis (2025)

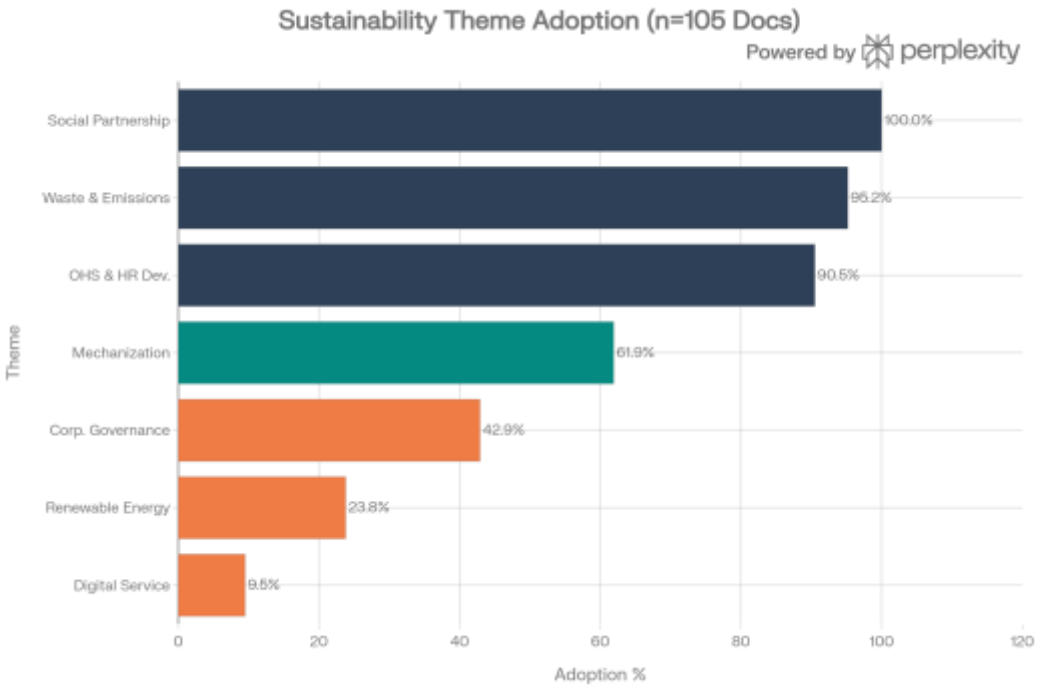

Figure 2. Sustainability Theme Adoption Rate Across All Documents

Social Responsibility and Human Capital Investment

In the social dimension, community partnership programs, MSME development facilitation, community education, and empowerment programs dominated disclosures across all sample documents (100%). In the human capital dimension, OHS themes, zero accident achievement, continuous training, and workforce competency development were found in nearly all documents (90.5%). These findings confirm that corporate sustainability relies heavily on community relations quality and effective human resource management, consistent with Huselid's (1995) arguments. Plasma farmer empowerment programs reflect the Creating Shared Value concept (Porter & Kramer, 2011).

Comparative Sustainability Profile Across Sub-Sectors

Comparison of sustainability profiles across sub-sectors reveals that all sample entities show full adoption on social partnership and waste/emission management themes. Significant differences emerge on mechanization themes (prominent in plantations and livestock) and digitalization (identified only in retail and cosmetics). Renewable energy adoption appears in the cosmetics/HPC sub-sector and some food-beverage industries. Table 4 presents theme intensity per sub-sector, while Figure 3 (heatmap) and Figure 4 (grouped bar chart) provide visual comparisons.

Table 4. Sustainability Theme Intensity Across Sub-Sectors (%)

Theme	Cosmetics	Food & Bev.	Plantation	Livestock	Retail	Tobacco
Digital Service	100%	0%	0%	0%	100%	0%
Mechanization	0%	0%	100%	100%	0%	0%
Corp. Governance	100%	100%	0%	100%	100%	0%
Renewable Energy	100%	100%	0%	0%	0%	0%
Waste & Emissions	0%	100%	100%	100%	100%	100%
Social Partnership	100%	100%	100%	100%	100%	100%
OHS & Training	100%	100%	100%	100%	100%	0%

Source: Researcher's content analysis (2025)

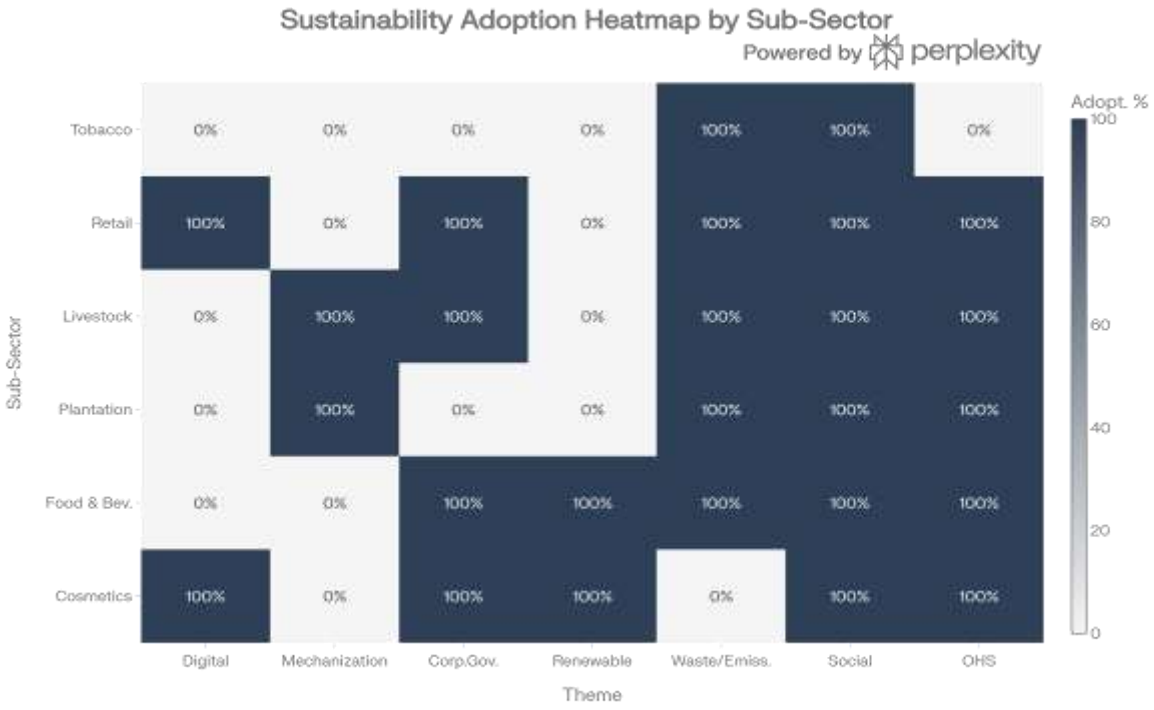

Figure 3. Sustainability Theme Adoption Heatmap by Sub-Sector

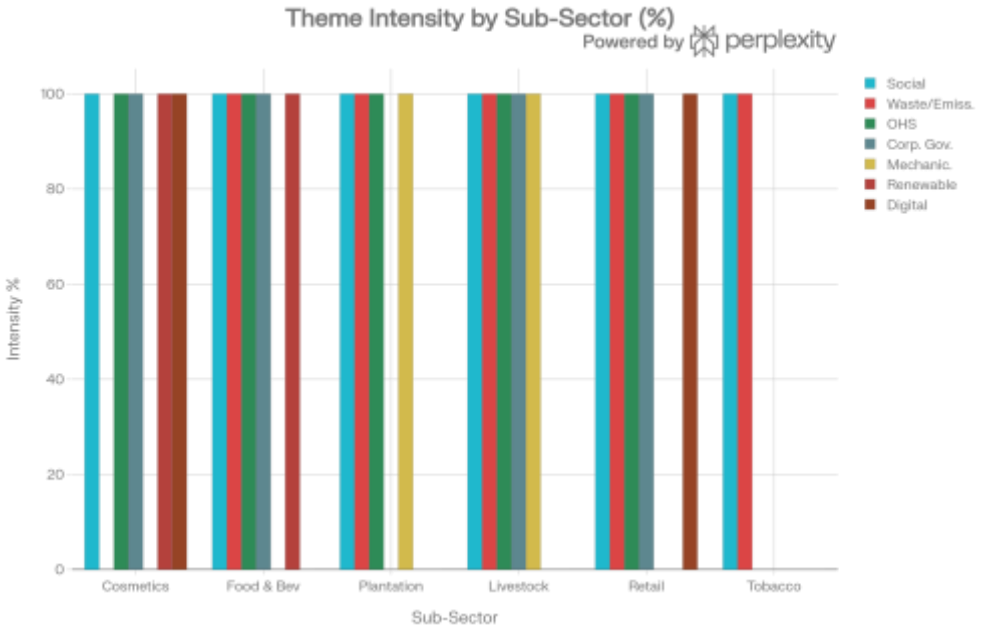

Figure 4. Sustainability Theme Intensity by Sub-Sector

Content Analysis Coding Matrix

To document the methodological trail, Table 5 presents the coding matrix describing the theme identification flow from text units in sample documents to relevant analytical categories and dimensions. This matrix was constructed using hybrid deductive-inductive logic as recommended by Mayring (2014) and Hsieh and Shannon (2005).

Table 5. Content Analysis Coding Matrix (Selected Representative Examples)

No.	Representative Text Unit	Initial Code	Sub-Category	Dimension
1	Enhancement of shopping experience through digital platforms and mobile apps	Digital platform, app	Digital transformation	Innovation
2	Integrated logistics management system applied to shorten product distribution time	Logistics, distribution	Supply chain optimization	Innovation
3	Company formed sustainability committee and tightened anti-gratification policy	Sustainability committee, anti-gratification	Governance architecture	Governance
4	Business risk management	Risk, integration	Strategic risk management	Governance

	integrated into all activity lines			
5	Production facilities operate using biomass energy and photovoltaic panels	Biomass, photovoltaic	Renewable energy use	Environmental
6	Liquid effluent and solid waste managed according to environmental quality standards	Effluent, solid waste	Waste management	Environmental
7	Nucleus-plasma partnership scheme developed to improve community livelihoods	Nucleus-plasma, partnership	Community empowerment	Social
8	Mentoring programs and market access for MSMEs provided continuously	MSME, mentoring	Community economic development	Social
9	Intensive training programs and zero accident targets established in work environment	Training, zero accident	HR capacity & OHS	Human Capital
10	Closed-house livestock technology applied to optimize production efficiency	Closed house, productivity	Production facility modernization	Innovation

Source: Researcher's content analysis (2025)

Frequency Recapitulation Across All Documents

To provide stronger empirical grounding, this study complements qualitative narrative with a semi-quantitative frequency-based examination of theme occurrences across 105 documents. Social and human capital themes appeared most consistently, while digitalization and renewable energy show relatively low penetration. Table 6 presents the complete recapitulation, and Figure 5 shows the adoption trend from 2020–2024.

Table 6. Frequency Recapitulation of Theme Occurrences Across All Documents

Sustainability Theme	Frequency (Docs)	Proportion (%)	Adoption Category
Social Partnership	105	100.0%	Dominant
Waste & Emission Management	100	95.2%	Dominant
OHS & Human Capital Dev.	95	90.5%	Dominant
Mechanization & Monitoring	65	61.9%	Moderate
Corporate Governance (GCG)	45	42.9%	Moderate
Renewable Energy	25	23.8%	Early Stage
Digital Service	10	9.5%	Early Stage

Source: Researcher's content analysis (2025)

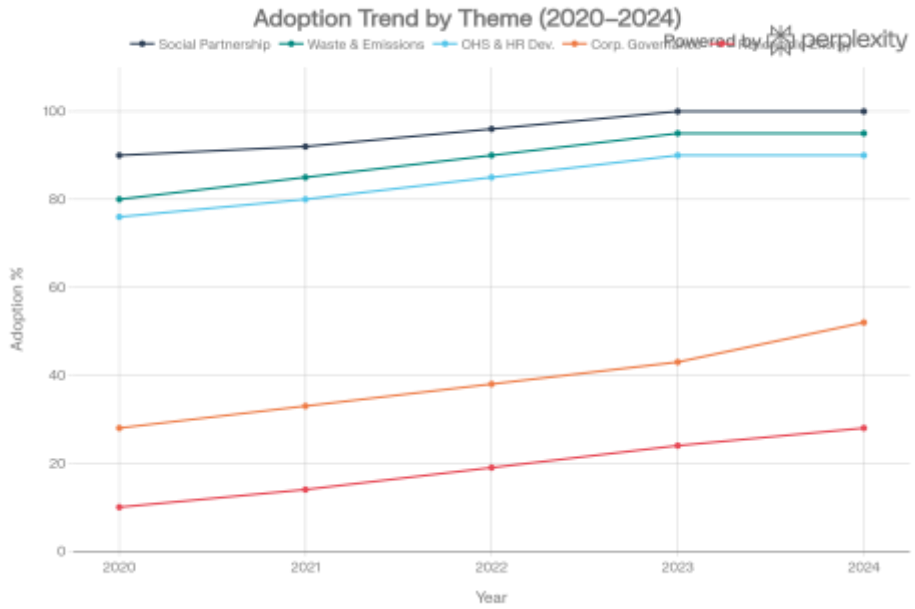

Figure 5. Sustainability Theme Adoption Trend 2020–2024

DISCUSSION

The evidence generated confirms that corporate sustainability in the primary consumer goods sector is not shaped by a single factor, but by the synergy of five mutually reinforcing pillars. Innovation acts as the engine of corporate adaptation to market dynamics and efficiency demands. Governance provides institutional infrastructure ensuring sustainability agendas are embedded in every layer of decision-making. Environmental management manifests commitment to resource efficiency, waste impact minimization, and emission control. Social and human capital dimensions reinforce company relations with workers, surrounding communities, and supply chain networks. This integration aligns with the Integrated Reporting framework (IIRC, 2013), which places connectivity among organizational capitals as the primary factor in sustainable value creation.

Implementation pattern variation across sub-sectors reinforces the argument that sustainability is highly contextual. Retail entities construct their

sustainability agenda around digital transformation and distribution optimization. Food-beverage and livestock industries prioritize product safety and upstream partnerships. Palm oil plantation companies define sustainability through international certification compliance, conservation initiatives, and plasma farmer empowerment. This variation aligns with Gillan, Koch, and Starks (2021), who assert that a company's position in the value chain significantly determines sustainability priorities.

Viewed through the Triple Bottom Line lens, the dominance of social, environmental, and human capital themes indicates corporate awareness in balancing people and planet orientations within business agendas (Elkington, 1997). However, the limited adoption of structural innovations such as renewable energy and digitalization raises questions about whether disclosures represent substantive commitment or are more driven by legitimacy calculation (Cho et al., 2015; Suchman, 1995). Overall findings reinforce the thesis that corporate sustainability in Indonesia has moved toward transformative strategic integration, aligned with Porter and Kramer's (2011) Creating Shared Value perspective.

CONCLUSION AND RECOMMENDATION

This study concludes that corporate sustainability in Indonesia's primary consumer goods sector during 2020–2024 is shaped by dynamic interaction among five main pillars: innovation capacity, corporate governance quality, environmental management effectiveness, corporate social responsibility, and human capital investment. Content analysis shows that social partnership, waste and emission management, and OHS programs are the most universally adopted themes. Sustainability implementation patterns differ significantly across sub-sectors, following configurative rather than universal prescriptive logic. This study's substantive contribution lies in expanding ESG research from a quantitative-aggregative toward a more contextual perspective capable of capturing implementation nuances.

Based on these findings, the following recommendations are proposed: (1) Company management should integrate sustainability agendas more deeply into core business strategies, including operational innovation, governance strengthening, resource efficiency, sustainable social partnerships, and systematic human capital investment. (2) Regulatory authorities, particularly OJK, should promote improvement of sustainability reporting substance beyond formal compliance, through the development of more measurable, sub-sector-specific, and impact-oriented disclosure guidelines. (3) Academics and practitioners should give greater attention to structural innovation aspects such as renewable energy and digital transformation that remain at early adoption stages across sectors.

ADVANCED RESEARCH

This study carries several limitations. Future research is recommended to develop stricter and more standardized coding quantification protocols, including intercoder reliability testing using Cohen's Kappa coefficient (Neuendorf, 2017), to enhance objectivity and finding credibility. Subsequent

studies may also consider integrating content analysis with longitudinal financial panel data to empirically test whether depth of reported sustainability practices correlates with long-term financial performance. Cross-country comparisons within Southeast Asia's primary consumer sector would also provide valuable configurative insights.

ACKNOWLEDGEMENTS

The authors extend sincere gratitude to the Faculty of Economics and Business, Universitas Jambi, and all colleagues who provided academic input and support during the completion of this research.

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