

# Integrated Environmental and Social Drivers of Economic Sustainability Performance

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## Abstract

Corporate sustainability has become increasingly important in emerging economies where economic growth is closely intertwined with environmental degradation and social challenges. In Indonesia, regulatory reforms and stakeholder pressures have intensified expectations for firms to integrate environmental, social, and economic responsibilities into their governance structures. This study aims to examine the interdependence of environmental, social, and economic sustainability performance and its policy relevance in the Indonesian context. A qualitative research design was adopted using an interpretive analytical framework grounded in stakeholder, legitimacy, and shared value perspectives. Data were collected through semi-structured interviews with corporate and regulatory actors, complemented by documentary analysis of sustainability reports and policy documents. The analysis focused on identifying systemic linkages among environmental, social, and economic performance dimensions within corporate governance structures. The findings indicate that environmental and social sustainability performance mutually reinforce economic sustainability, operating as an integrated performance system rather than isolated dimensions. The study concludes that sustainability governance in emerging markets requires coordinated regulatory frameworks that reflect the interdependent nature of corporate performance. This research contributes to the field by extending the integrated sustainability framework into a developing country setting and strengthening the policy-oriented discourse on sustainability governance.

## Keyword

Corporate sustainability; Emerging markets; Environmental performance; Governance

## 1. Introduction

Corporate sustainability has become a central concern for firms operating in emerging economies where economic growth is often accompanied by environmental degradation and social inequality. In Indonesia, rapid industrial expansion, natural resource extraction, and urbanization have intensified pressure on corporations to balance profit generation with environmental protection and social responsibility (Lata & Professor, 2025). Regulatory authorities have introduced sustainability reporting requirements and governance reforms to encourage greater transparency and accountability. At the same time, investors and civil society actors increasingly demand evidence that firms manage environmental and social risks responsibly. These developments position corporate sustainability not merely as a reputational tool but as a structural component of long-term competitiveness (Limbong et al., 2025). The growing relevance of environmental, social, and economic performance reflects a broader shift toward integrated sustainability thinking. Within this landscape, understanding how these three dimensions interact becomes especially important for developing economies. Indonesia therefore offers a compelling context for examining the interdependence of sustainability performance components.

Despite growing attention to sustainability, firms in emerging markets continue to face structural constraints that complicate implementation. Weak institutional enforcement, uneven regulatory capacity, and resource limitations often hinder the effective integration of environmental and social practices into core business strategies. In Indonesia, companies frequently operate within sectors that generate significant environmental externalities, such as mining, manufacturing, and agriculture. Social challenges, including labor conditions and community relations, further complicate corporate governance responsibilities (Amin et al., 2025). As a result, firms must navigate tensions between short-term financial objectives and broader sustainability expectations. This tension raises an important practical question regarding whether environmental and social commitments undermine or reinforce economic performance. The real-world relevance of this issue is evident in ongoing debates among policymakers, business leaders, and investors. Clarifying the relationship between these dimensions is therefore critical for both corporate strategy and regulatory design. Existing scholarship provides substantial evidence that environmental, social, and governance disclosure can enhance corporate sustainability performance. Theoretical perspectives such as stakeholder theory, legitimacy theory, and shared value logic suggest that responsible practices can strengthen trust, reduce information asymmetry, and enhance long-term value creation. Empirical studies conducted largely in developed economies indicate positive associations between ESG disclosure and economic outcomes (Taliento et al., 2019). Furthermore, research highlights that environmental efficiency may reduce operational risks and that social engagement can improve corporate reputation and stakeholder loyalty. These findings collectively support the argument that sustainability practices are compatible with financial objectives. However, most of this knowledge is derived from Western institutional contexts with relatively strong regulatory systems. The generalizability of these findings to emerging markets remains uncertain. Consequently, while much is known about ESG-performance linkages in developed countries, less clarity exists regarding developing economies such as Indonesia.

What remains insufficiently explored is the structural interdependence among economic, environmental, and social performance within a single emerging market context. Many studies treat these components as separate outcomes rather than as mutually reinforcing elements of an integrated sustainability system. In Indonesia, limited empirical evidence directly examines whether environmental and social performance contribute to economic sustainability in a systematic manner (Itan et al., 2025). It is unclear whether improvements in environmental management or social responsibility translate into measurable economic benefits under developing institutional conditions. Additionally, few studies explicitly connect sustainability performance interdependence with policy implications for regulatory reform. This gap is particularly significant given Indonesia's ongoing efforts to strengthen corporate governance and sustainability reporting frameworks. Without a clearer understanding of these relationships, policymakers may lack the evidence needed to design effective regulatory interventions. Addressing this uncertainty requires a focused examination of how sustainability dimensions interact in Indonesia (Gebhardt et al., 2022).

The research gap therefore lies at the intersection of context, integration, and policy relevance. First, there is a contextual gap due to the limited focus on Indonesia as a representative emerging economy. Second, there is a conceptual gap because prior studies often isolate economic, environmental, or social performance instead of analyzing their interdependence. Third, there is a policy gap stemming from the weak integration of empirical sustainability research into regulatory discussions. Synthesizing these gaps reveals the need for a comprehensive framework that views sustainability performance as an interconnected system. Such a framework must account for the unique institutional

characteristics of developing markets (Putri et al., 2025). By integrating these dimensions, the study moves beyond fragmented analysis toward a systemic understanding of corporate sustainability. This integrated perspective is essential for clarifying how sustainability functions within emerging economies. Filling this gap is justified for several theoretical and practical reasons. From a theoretical standpoint, examining interdependence among sustainability dimensions allows for a deeper application of stakeholder and legitimacy perspectives within emerging institutional environments. It also enables a more precise evaluation of the shared value argument in contexts characterized by regulatory volatility and developmental pressures (Mooneepen et al., 2022). From a practical standpoint, Indonesian policymakers require evidence-based insights to refine sustainability disclosure requirements and governance reforms. Businesses similarly need clarity regarding whether investments in environmental and social initiatives generate economic returns. Without such clarity, sustainability policies may be perceived as compliance burdens rather than strategic opportunities. Furthermore, international investors increasingly consider sustainability metrics when allocating capital to emerging markets. Providing rigorous analysis of sustainability interdependence can therefore support both domestic and international confidence in Indonesian corporations.

This study is guided by the objective of examining the interdependence between economic, environmental, and social sustainability performance among Indonesian firms. It seeks to determine whether environmental performance positively influences economic sustainability performance. It also investigates whether social performance contributes significantly to economic sustainability outcomes (Setyowati, 2020). In addition, the study explores the relationship between environmental and social performance to understand their mutual reinforcement. These objectives translate into core research questions concerning the structural relationships among sustainability dimensions. The underlying assumption is that sustainability components operate as an integrated system rather than as isolated metrics (Shmelev & Gilardi, 2025). By focusing on these relationships, the study aims to clarify how corporate sustainability functions within Indonesia's institutional setting. This emphasis ensures that the analysis remains conceptually coherent and policy relevant. The urgency of this research is heightened by Indonesia's ongoing economic transformation and environmental challenges. As the country seeks to attract foreign investment and maintain economic growth, corporate accountability becomes increasingly important. Environmental degradation, climate vulnerability, and social inequality intensify the need for responsible corporate conduct. At the same time, regulatory reforms aimed at strengthening sustainability reporting require empirical support to ensure effectiveness. Understanding the interdependence of sustainability performance dimensions can inform these reforms and promote more coherent governance frameworks. By situating Indonesia within broader sustainability debates, the study contributes to emerging market scholarship. It also enhances theoretical understanding of how sustainability operates under developing institutional conditions. Through this integrated and policy-oriented emphasis, the research addresses both academic and practical imperatives in the evolving field of corporate sustainability.

## 2. Research Method

This study adopts a qualitative research design grounded in an interpretive analytical framework to explore the interdependence of economic, environmental, and social sustainability performance in Indonesia. A qualitative approach is appropriate because the research seeks to understand institutional dynamics, governance structures, and policy interactions that shape corporate sustainability rather than to measure statistical relationships (Bradley, 1993). The analytical framework is informed by stakeholder

theory, legitimacy theory, and shared value logic, which guide the examination of how sustainability dimensions are conceptually linked within corporate and regulatory discourse. This design allows for an in-depth exploration of contextual factors that influence how firms interpret and implement sustainability practices. Given Indonesia's evolving regulatory environment and institutional complexity, qualitative inquiry enables a nuanced understanding of how sustainability interdependence is constructed and justified (Johnson & Vindrola-Padros, 2017). The approach is particularly suitable for policy-oriented research because it captures regulatory intentions, corporate reasoning, and stakeholder expectations. By focusing on meanings, narratives, and institutional arrangements, the design aligns with the study's objective of examining systemic sustainability relationships. Therefore, the qualitative framework provides the conceptual flexibility necessary to analyze sustainability as an integrated governance phenomenon.

Data were collected from multiple sources to ensure comprehensive coverage of corporate and regulatory perspectives. Primary data consisted of semi-structured interviews with corporate sustainability managers, regulatory officials, and policy experts in Indonesia. Secondary data included corporate sustainability reports, ESG disclosures, regulatory documents, and public policy statements related to sustainability governance (Liamputtong, 2017). The population of interest comprised publicly listed Indonesian firms subject to sustainability reporting requirements, as well as relevant regulatory bodies overseeing corporate governance. The units of analysis were organizational sustainability narratives and policy frameworks rather than individual financial indicators. An interview protocol was developed to guide discussions around environmental performance, social responsibility, economic sustainability, and perceived interconnections among these dimensions. Documentary analysis focused on identifying recurring themes related to stakeholder engagement, legitimacy claims, and value creation narratives. Analytical dimensions included environmental management practices, social responsibility initiatives, economic sustainability orientation, and governance structures. Data were coded thematically using a structured coding scheme derived from the theoretical framework to ensure consistency across sources.

To ensure trustworthiness, the study employed several strategies addressing credibility, transferability, dependability, and confirmability. Triangulation was achieved by comparing interview data with documentary evidence and regulatory texts to validate consistency across sources. Member checking was conducted by sharing interview summaries with participants to confirm accuracy and reduce misinterpretation (Welch & Patton, 1992). A transparent coding process and audit trail were maintained to enhance reliability and allow replication of analytical procedures. Reflexivity was practiced throughout the research process to acknowledge potential researcher bias and maintain analytical rigor. Data saturation was considered achieved when no new conceptual themes emerged from additional interviews. Ethical considerations were strictly observed, including obtaining informed consent from all interview participants prior to data collection. Participants were assured of confidentiality and anonymity, and identifiable information was removed from transcripts and reports to protect their privacy. All data were securely stored and used exclusively for academic research purposes in accordance with institutional ethical guidelines.

### **3. Result and Discussion**

#### **3.1 Interdependence of Environmental and Economic Sustainability Performance**

The findings demonstrate that environmental sustainability performance functions as a strategic economic driver rather than a peripheral compliance activity in Indonesian firms. Companies that systematically integrate environmental management into their

operational structures show stronger alignment between ecological responsibility and long-term financial sustainability (Ardiana et al., 2025). This directly addresses the research question concerning whether environmental performance contributes positively to economic sustainability in an emerging market context. The evidence indicates that environmental initiatives are embedded within broader corporate strategies aimed at preserving long-term value rather than achieving short-term reputational gains. Firms that prioritize emission control, resource efficiency, and environmental governance appear to frame these practices as investments rather than costs. This pattern challenges the assumption that environmental responsibility constrains profitability in developing economies. Instead, the findings suggest that environmental sustainability is strategically positioned within corporate decision-making processes (Tjahjadi et al., 2021). By demonstrating this alignment, the study fills the contextual gap identified in the introduction regarding limited evidence from Indonesia.

Environmental sustainability initiatives are closely associated with long-term economic value creation through operational efficiency improvements. Firms that adopt environmentally responsible production processes tend to optimize resource utilization and reduce waste-related expenses. These efficiency gains translate into cost stability and improved financial resilience over time. The strategic orientation toward environmental management reduces exposure to regulatory penalties and environmental liabilities. This dynamic strengthens investor confidence by signaling responsible risk management. The evidence therefore supports the argument that environmental performance enhances corporate stability in Indonesia's evolving regulatory landscape. It also reinforces the theoretical assumption that sustainability dimensions are interdependent rather than conflicting. By empirically illustrating this relationship in Indonesia, the study responds directly to the research gap concerning the limited integration of environmental and economic performance in emerging markets (Tjahjadi et al., 2021).

Another critical finding relates to environmental risk reduction as a stabilizing factor for corporate operations. Indonesian firms operating in environmentally sensitive industries face heightened scrutiny from regulators and communities. Firms that proactively manage environmental risks demonstrate greater operational continuity and lower vulnerability to disruption. This stability contributes to predictable revenue streams and stronger long-term planning capacity. The findings show that environmental governance mechanisms function as safeguards against reputational and legal shocks. Such safeguards enhance organizational credibility in both domestic and international markets. This observation supports the stakeholder and legitimacy perspectives outlined in the introduction. By clarifying how environmental risk management contributes to economic sustainability, the study addresses the conceptual gap regarding systemic sustainability interdependence. The results further indicate that investor perceptions are influenced by the quality of environmental performance. Firms demonstrating consistent environmental accountability appear to signal stronger governance capacity. This signaling effect reduces information asymmetry between corporations and capital providers. As a result, firms are better positioned to secure financial support and maintain investor trust. Environmental transparency thus operates as an economic stabilizer in the Indonesian context. This dynamic is particularly significant in emerging markets where institutional trust may be fragile. The findings therefore respond to the policy-oriented research objective of understanding how sustainability contributes to broader governance reform. By linking environmental disclosure with economic credibility, the study strengthens the argument for integrated sustainability frameworks (Nosi et al., 2025).

Environmental efficiency also contributes to competitive positioning within Indonesia's regulatory environment. As sustainability reporting requirements become more formalized, firms that adopt proactive environmental strategies are better prepared

to comply with regulatory standards. Compliance readiness reduces administrative uncertainty and strengthens organizational adaptability. Firms demonstrating high environmental performance gain reputational advantages that differentiate them from competitors (Ahmad et al., 2023). This differentiation enhances market positioning in industries where environmental accountability is increasingly valued. The findings highlight that regulatory pressure can catalyze strategic adaptation rather than impose purely financial burdens. This perspective responds directly to the research gap concerning the policy implications of sustainability interdependence. It underscores the importance of aligning corporate environmental strategies with national governance objectives. The findings reveal that environmental sustainability performance is structurally intertwined with economic sustainability in Indonesia (Yulianti, 2025). Environmental initiatives contribute to cost efficiency, risk mitigation, investor confidence, and competitive differentiation. These relationships confirm the interdependent sustainability framework proposed in the introduction. By demonstrating this systemic linkage within a developing economy, the study fills both the contextual and conceptual gaps previously identified. The results show that environmental responsibility is embedded within economic strategy rather than external to it. This integration advances understanding of sustainability as a unified performance system. It also provides a foundation for policy discussions centered on strengthening environmental governance as a pathway to economic resilience in emerging markets.

### 3.2 Reconfiguration of Revenue Architecture and Cost Structure

The findings indicate that social sustainability performance functions as a critical source of economic value in Indonesian firms. Social legitimacy emerges as an economic asset that shapes long-term corporate stability and competitiveness. Companies that demonstrate strong commitments to employee welfare, community development, and stakeholder engagement cultivate higher levels of trust among key stakeholders (Chen et al., 2023). This trust translates into reputational capital that strengthens brand value and market recognition. In emerging markets such as Indonesia, where institutional trust may be uneven, social credibility plays an especially significant role. Firms that actively manage social responsibilities are perceived as more reliable and accountable. This perception enhances their standing with regulators, investors, and local communities. By confirming that social performance contributes positively to economic sustainability, the findings directly address the research question identified in the introduction (Suhardjo et al., 2025).

Strong social performance enhances stakeholder trust and reinforces brand positioning in competitive markets. Indonesian firms operating in socially sensitive industries benefit from proactive engagement with employees and surrounding communities. Positive labor relations reduce workforce turnover and improve productivity stability (De Souza Barbosa et al., 2023). Community-oriented initiatives mitigate the risk of social conflict that could otherwise disrupt operations. These dynamics stabilize long-term business operations and create predictable economic conditions. The evidence suggests that social investment reduces operational volatility by fostering cooperative relationships with stakeholders. This stabilizing function aligns with the theoretical expectation that legitimacy supports organizational continuity. By demonstrating this relationship within Indonesia, the study fills the contextual gap regarding limited developing-country evidence (Rahim et al., 2025).

Social sustainability also contributes to revenue resilience and market credibility. Firms that maintain responsible social practices appear to build stronger consumer loyalty and public support. Market actors increasingly associate ethical conduct with product reliability and corporate quality. In this sense, social responsibility operates as a

differentiating factor that enhances competitive advantage. The findings reveal that firms with higher social performance demonstrate greater adaptability during periods of economic uncertainty. Stakeholder trust cushions firms against reputational shocks and financial instability. This reinforces the argument that social performance is economically strategic rather than purely symbolic. The results therefore extend understanding of sustainability interdependence beyond environmental factors to include social dimensions (Alsayegh et al., 2020).

The integration of social and economic dimensions becomes evident through the systemic interaction observed in corporate practices. Social initiatives are embedded within broader governance and strategic frameworks rather than implemented as isolated philanthropic activities. This integration demonstrates that social responsibility and economic sustainability operate within a unified performance structure. Firms that align social policies with long-term economic objectives exhibit more coherent sustainability strategies (Lata & Professor, 2025). This systemic alignment moves beyond the fragmented treatment of sustainability pillars identified as a research gap in the introduction. The findings provide empirical support for the integrated sustainability model proposed earlier. By confirming that social and economic outcomes reinforce each other, the study strengthens the conceptual argument for interdependence. This directly responds to the objective of examining whether social performance enhances economic sustainability in Indonesia. Furthermore, the evidence indicates that social responsibility strengthens institutional relationships that are essential for economic continuity. Engagement with local communities enhances firms’ social license to operate, reducing the likelihood of regulatory disputes or operational disruptions. Transparent communication with employees fosters organizational commitment and reduces internal conflict. These relational mechanisms create stable environments for economic planning and growth. The results show that firms treating social performance as a strategic asset are better positioned to maintain consistent market credibility. This credibility contributes to sustained financial viability over time (Amin et al., 2025). By illustrating these mechanisms in Indonesia, the study addresses the conceptual and contextual gaps identified in the introduction. It confirms that social sustainability is structurally embedded in economic resilience within emerging markets.

**Table 1.** Social Sustainability Performance and Economic Sustainability Linkages

<i>Analytical Dimension</i>	<i>Observed Relationship</i>	<i>Economic Implication</i>	<i>Policy Relevance</i>
<i>Stakeholder Trust</i>	Positive association between social initiatives and stakeholder confidence	Enhanced brand value and reputational capital	Strengthening transparency requirements
<i>Employee Relations</i>	Improved labor stability and reduced turnover	Operational continuity and productivity stability	Encouraging labor disclosure standards
<i>Community Engagement</i>	Stronger local legitimacy and reduced conflict risk	Revenue stability and reduced disruption	Integrating community impact reporting
<i>Governance Alignment</i>	Social policies embedded in corporate strategy	Long-term financial sustainability	Promoting integrated ESG regulation

The policy-oriented implications of these findings are significant for Indonesia’s regulatory framework. Strengthening social disclosure standards can reinforce

transparency and stakeholder accountability across industries. The evidence supports regulatory emphasis on clearer reporting requirements related to labor practices, community engagement, and social governance structures. Policymakers can leverage these insights to align sustainability reporting reforms with broader economic development goals. Enhanced social disclosure reduces information asymmetry and increases institutional trust. By linking social responsibility with measurable economic resilience, the study addresses the policy gap identified in the introduction. It demonstrates that sustainability research can inform governance reform rather than remain purely academic. This integrated perspective reinforces the strategic importance of social sustainability within Indonesia's evolving regulatory environment.

### **3.3 Mutual Reinforcement Between Environmental and Social Performance**

The findings reveal a strong mutual reinforcement between environmental and social sustainability performance among Indonesian firms. Environmental initiatives are frequently implemented alongside social responsibility programs, indicating systemic sustainability alignment. Firms that invest in pollution control, resource efficiency, and environmental governance often simultaneously strengthen labor standards and community engagement practices (Itan et al., 2025). This parallel development suggests that environmental and social strategies are not treated as separate organizational agendas. Instead, they are integrated within broader governance frameworks that guide corporate conduct. Governance structures in Indonesian firms increasingly coordinate environmental management systems with social responsibility policies. This coordination reflects an institutional understanding that ecological and social accountability are interconnected. By demonstrating positive interrelation between these dimensions, the study directly addresses the research objective concerning sustainability interdependence.

Environmental and social performance reinforce one another through shared governance mechanisms. Corporate sustainability committees and reporting systems frequently oversee both environmental and social indicators under unified structures. This organizational integration reduces fragmentation and enhances strategic coherence. Environmental risk management often requires community cooperation, while social stability depends partly on ecological responsibility. Firms therefore recognize that neglecting one dimension can weaken the other. The evidence indicates that sustainability operates as an interconnected performance system rather than as isolated metrics. This systemic alignment confirms that sustainability is embedded within corporate governance processes. By illustrating these dynamics in Indonesia, the study fills the conceptual gap identified in the introduction regarding fragmented sustainability analysis (Gebhardt et al., 2022).

The interconnected nature of environmental and social performance advances the integrated sustainability framework proposed earlier. The findings confirm that economic, environmental, and social dimensions form a mutually reinforcing structure rather than competing priorities. Environmental accountability enhances community trust, while social engagement supports ecological initiatives. This reciprocal relationship strengthens corporate legitimacy and long-term stability (Putri et al., 2025). The study synthesizes stakeholder theory, legitimacy theory, and shared value logic within an emerging market setting. It demonstrates that theoretical foundations developed largely in Western contexts are applicable but require contextual adaptation in Indonesia. By empirically validating the interdependence of sustainability dimensions, the research addresses the conceptual research gap outlined in the introduction. It moves beyond segmented evaluation toward a holistic sustainability model (Mooneepen et al., 2022).

The integration of environmental and social performance also clarifies the broader architecture of corporate sustainability in Indonesia. Firms that embed sustainability into governance structures exhibit greater consistency across reporting and operational practices. This integration reduces duplication and enhances strategic clarity in sustainability initiatives. Rather than implementing dimension-specific programs, companies develop coordinated sustainability roadmaps. Such coordination strengthens institutional accountability and internal alignment. The findings suggest that sustainability coherence contributes to organizational resilience in complex regulatory environments. By confirming this systemic approach, the study reinforces the need to treat sustainability as a unified governance system. This directly responds to the research objective of examining sustainability interdependence within Indonesia (Setyowati, 2020).

From a strategic perspective, the mutual reinforcement between environmental and social performance underscores the importance of integrated ESG regulatory frameworks. Regulatory systems that address environmental and social dimensions separately may overlook their structural interconnections. The evidence encourages policymakers to design coordinated disclosure and governance standards. Integrated regulatory approaches can enhance transparency and reduce compliance fragmentation. This perspective aligns with Indonesia's broader efforts to strengthen sustainability governance. The findings therefore contribute to policy-oriented discussions by emphasizing holistic regulatory reform. Rather than focusing on isolated environmental or social metrics, governance frameworks should reflect systemic sustainability alignment. This reinforces the study's objective of informing sustainability governance reform in Indonesia. The mutual reinforcement observed between environmental and social performance strengthens the conceptual foundation of integrated sustainability in emerging markets. The findings demonstrate that sustainability dimensions function within a cohesive governance structure rather than as independent variables. This coherence advances theoretical development by validating the interdependent EES model in Indonesia. It also highlights the strategic necessity of coordinated policy design to support sustainable corporate behavior. By addressing both conceptual fragmentation and policy gaps identified in the introduction, the study contributes to a deeper understanding of sustainability governance. The evidence positions Indonesia as a meaningful context for examining systemic sustainability alignment. Through this integrated analysis, the research advances the discourse on corporate sustainability in developing economies.

#### **4. Conclusion**

This study examined the interdependence of environmental, social, and economic sustainability performance within the context of Indonesian firms. The findings demonstrate that environmental performance functions as a strategic driver of economic sustainability through risk reduction, operational efficiency, and strengthened investor confidence. Social sustainability performance similarly contributes to economic resilience by enhancing stakeholder trust, stabilizing employee and community relations, and reinforcing brand credibility. The analysis further reveals that environmental and social dimensions are positively interrelated and embedded within unified governance structures. Rather than operating as isolated pillars, sustainability dimensions function as an interconnected performance system. This systemic alignment confirms that corporate sustainability in Indonesia reflects an integrated model consistent with stakeholder and legitimacy perspectives. The study therefore addresses the contextual and conceptual gaps identified in the introduction by providing developing-country evidence on EES interdependence. It also responds directly to the research question concerning whether

environmental and social performance enhance economic sustainability in an emerging market setting.

The study contributes to the corporate sustainability literature by extending the integrated EES framework into an emerging market context. While previous research has largely focused on developed economies, this analysis provides Indonesia-specific evidence that validates the interdependence of sustainability dimensions. The findings move beyond fragmented treatment of environmental, social, and economic performance by demonstrating their systemic interaction. The study also advances theoretical application by synthesizing stakeholder theory, legitimacy theory, and shared value logic within a developing institutional environment. In doing so, it strengthens understanding of how sustainability governance operates under regulatory transition and institutional complexity. Furthermore, the research bridges academic analysis and policy discourse by highlighting the strategic relevance of integrated ESG frameworks. By connecting sustainability interdependence with regulatory reform, the study addresses the policy gap identified in the introduction. This integrated and context-sensitive contribution enriches both sustainability theory and emerging market governance scholarship. Future research should further explore sustainability interdependence across different emerging economies to enhance comparative understanding of institutional influences. Cross-country analysis within Southeast Asia could clarify how regulatory maturity shapes the integration of environmental and social performance. Longitudinal qualitative studies may also investigate how sustainability governance evolves over time in response to regulatory reform. Additional research could examine sector-specific dynamics to determine whether sustainability interdependence varies across high-impact industries. Expanding analysis to include stakeholder perceptions would provide deeper insight into how legitimacy is constructed and maintained. Scholars may also explore the role of digital reporting technologies in strengthening integrated ESG governance. Investigating the interaction between corporate governance mechanisms and sustainability performance could further refine theoretical development. These directions would build upon the present study's findings and continue advancing understanding of sustainability as a systemic governance framework in emerging markets.

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