Jurnal Akuntansi Terapan Indonesia
Vol 08 No 01 Page 32-45 March 2025

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This Article is Avalilable in:
https://journal.umy.ac.id/index.php/jati/article/view/25422

DOI:
https://doi.org/10.18196/jati.v8i1.25422

Citation:
Michelle Chin Lee Yan, & Isna Putri Rahmawati. (2025). ESG Disclosure Comparison Analysis in the Fast-Moving Consumer Goods Industry . *Jati: Jurnal Akuntansi Terapan Indonesia*, *8*(1), 32-45. https://doi.org/10.18196/jati.v8i1.25422

Article History
Received:
09 January 2025
Reviewed:
21 February 2025
Revised:
20 March 2025
Accepted:
31 March 2025

Topic Article:
Sustainability Accounting

Article Type: Research Paper

ESG Disclosure Comparison Analysis in the Fast-Moving Consumer Goods Industry

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Abstract:
This article analyses the disclosure of ESG (Environmental, Social, and Governance) practices in Fast-Moving Consumer Goods (FMCG) companies that are listed on the Indonesia Stock Exchange in 2023. This study employed a descriptive analysis approach to describe the level of ESG disclosure in the Indonesian FMCG sector. The research sample included 20 FMCG companies that are listed on the Indonesia Stock Exchange in 2023. The results showcased that ESG disclosure in Indonesian FMCG companies, based on the Global Reporting Initiative (GRI) Standard, has reached a pretty good level. The average quantity of ESG disclosures was 57.39%, with details of environmental aspects at 51.61%, social aspects at 60.62%, and governance aspects at 60%. These findings reflect that although ESG disclosures in the Indonesian FMCG sector have reached an adequate level, there remains potential improvement, particularly regarding the disclosure of environmental aspects.

Keywords: *ESG disclosure, ESG, Fast-Moving Consumer Goods*

INTRODUCTION

Recent global business developments have encouraged companies to acknowledge the significance of adopting sustainable practices that correspond with their long-term objectives and social responsibilities, as stakeholders, consumers, and policymakers are increasingly focused on non-financial elements of business management (Vitale et al., 2022). Initially, a company's primary goal was to make a profit by producing and selling goods or services to consumers at a price higher than its production cost (Kotler, P., & Armstrong, 2021). In the short term, conventional approaches are suitable for assessing the success of companies, which often focus on measuring financial performance.

However, in the last two decades, profitability no longer determines business success and sustainability (Jasni et al., 2020). Other factors, such as environmental impacts and sustainability issues, have become an important part of the complexity of company operations due to increasing international regulations on the disclosure of non-financial information (Mans-Kemp & van der Lugt, 2020). Environmental, social, and governance aspects are now a significant concern for companies, especially amid the emergence of various natural events and increasing global challenges (Serafeim & Yoon, 2021). Therefore, evaluating a company's success solely through its financial performance is not enough.

Instead, companies should be evaluated through multi-faceted sustainability performance, recognizing the complex interplay between environmental responsibility, social fairness, and governance quality (Hieu, 2023). Efforts to balance profit orientation with proactive actions in maintaining social and environmental balance are key to corporate sustainability/2012).

Article 74 mentioned that the Company Law specifically mandated the criteria of a company that is obliged to CSR, the appropriateness and fairness of a limited liability company in reporting CSR, and sanctions for any limited liability company that does not implement CSR and sanctions for any limited liability company that does not implement CSR. Indonesia has adopted the Global Reporting Initiative (GRI), which is a guideline for preparing sustainability reports. These guidelines encourage every company to communicate transparently and accountably with stakeholders on economic, environmental, and social stakeholders on economic, environmental, and social performance. The adoption of GRI is stipulated in Article 66, paragraph 2 of Law No. 40 of 2007. In addition, through Article 68 of Law No. 32 of 2009 concerning the Protection and Management of the Environment, the role of the private sector in managing environmental and social risks is also emphasized. According to Article 1 Point 3 of the Company Law, Social and Environmental Responsibility is the company's commitment to participate in the development of the company's social and environmental sustainability. Environment is the company's commitment to participate in sustainable economic development in order to improve the quality of life and environment, both for the company itself, the local community, and society in general. ESG disclosure represents a critical process through which companies share specific information regarding their human and physical resources, community engagement, environmental impact, and contributions to products and services. This practice aims to demonstrate to society that the organization's operations align with and enhance social values (Alsayegh et al., 2020).

Specifically, the Fast-Moving Consumer Goods (FMCG) industry demonstrates significant influence across various regions, particularly evident during the COVID-19 pandemic, as it continues to advance despite challenges (Susilo et al., 2023). FMCG are goods or commodities that are widely consumed in most nations due to their low prices, frequent purchases, and short shelf lives, which make them convenient for consumers to buy. Because customers utilize them on a daily basis, they move quickly (Kulchitaphong et al., 2021). Therefore, FMCG is a vital sector of the Indonesian economy that makes a substantial contribution to the expansion and advancement of the nation. Food and drink, personal care products, and household goods are examples of FMCG products, which are usually bought regularly and utilized on a daily basis (Susilo et al., 2023). Hence, large FMCG companies are forced to implement sustainability initiatives due to the rising business risks linked to climate change, energy costs, food and water wastage, and biodiversity loss (Govindan et al., 2014). Customers are also calling for environmentally friendly products and packaging as they become more conscious of their influence on the environment. Customers are expected to demand more from brands that put sustainability first and integrate eco-friendly procedures into their business plans (Biercewicz et al., 2022). According to Bank Mandiri (2024), the FMCG industry's issues are both environmental and social aspects. The massive amount of garbage it produces and the labor circumstances are other significant ESG risks in the sector. We exist in a realm that represents an increased consciousness of social, environmental, and corporate matters (Domanović, 2021).

The information provided by the Ministry of Environment and Forestry of the Republic of Indonesia, uploaded to the United Nations Environment Program in 2020, shows that with a total population of 250 million, Indonesia ranked as the fourth most populous country globally and was the second largest producer of the plastic waste following China. Indonesia produces around 3.2 million tons of plastic waste that is not properly managed each year, with about 1.29 million tons finding their way into the ocean, adversely affecting marine ecosystems and biodiversity. This poses a major challenge to environmental sustainability, especially in coastal areas vulnerable to plastic pollution (Filella et al., 2022). In addition, the high amount of plastic waste triggers various health and environmental problems that can become a national crisis if not addressed immediately. About 76% of plastic waste in circulation is single-use packaging such as sachets and pouches that are difficult to recycle due to their small size and consist of layers of materials that are difficult to decompose (Lebreton & Andrady, 2019). Therefore, environmental dimensions are crucial in sectors that generate significant waste. The ongoing challenge involves innovating new techniques for waste storage and the recovery of valuable materials (Lanzalonga et al., 2024). The Sustainable Development Goals (SDGs) present a significant challenge for governments, driven by global pressures from various stakeholders around the world. Accomplishing these ambitious objectives necessitates the active participation of companies or businesses (Pizzi et al., 2020). As a result, the disclosure of these social responsibility activities becomes essential to strengthening stakeholder relationships (Hasan et al., 2022).

Rahmatulloh et al. (2025) stated that businesses in Indonesia are still very focused on maximizing shareholder wealth and striving to meet stakeholders' pressure. In addition, they are also increasingly facing challenges and practices in ESG within the scope of their companies. Afifa et al. (2025) asserted that ESG implementation is unique depending on industry norms, thus attracting investors who focus on sustainability. Chen et al. (2023) added that CSR scores across industries reflect industry standards and a company's CSR focus level. Hence, this current study focuses on ESG reports produced by Fast-Moving Consumer Goods (FMCG) companies, which include three main reporting actions. The fast-moving consumer goods sector contributes more than 90% of the impact on land, air, water, and biodiversity and more than 60% of greenhouse gas emissions (TSC, 2021). Evaluating ESG performance involves assessing the effectiveness of a company's sustainability practices and their impact on social, economic, and environmental dimensions (Lanzalonga et al., 2024). The company's environmental actions are related to its efforts to build a good environmental impact by following the regulations related to this aspect. Social actions include how the company has a good impact on stakeholders as well as the community where the company operates, and governance aspects by including the integrity and ethical behavior of the company in the company's management system, including the board of directors (Almeyda & Darmansyah, 2019).

Many previous studies have been conducted on ESG reporting, but most focus on analyzing the relationship between ESG and various other variables. In their study, Lanzalonga et al. (2024) concluded that while ESG performance is critical to a firm's sustainability and reputation, its direct impact on the valuation of intangible assets and intellectual capital remains unclear. Companies must strategically align their ESG initiatives with internal processes to realize their full potential in enhancing firm value. These findings underscore the need to explore further how ESG practices can be better integrated into business models to create tangible benefits. Wang et al. (2022) point out that an understanding of how governance structures affect CSR disclosure in different sectors highlights the need for customized approaches to improve accountability and transparency in practices in the retail industry. Sustainability reporting in the food industry (Buallay, 2022) revealed that sustainability reporting positively influences financial performance (ROE) while showing no effect on operational performance (ROA). Asuquo et al. (2018) also found that disclosure of social and environmental performance does not significantly impact financial performance.

Additionally, previous research indicates that there are many differences due to the distinction in regulations in each country in the target objects related to corporate awareness. Industry sector differences also have a considerable influence on research results. In addition, it is still difficult to find research on ESG disclosure in Indonesia's consumer products sector. By looking at the relationship between variables, the study has not been able to analyze carbon disclosure in depth. Understanding each aspect and item in carbon disclosure needs to be studied to increase company awareness. The large consumption of household products in today's life has caused up to one-third of environmental impacts, mainly due to packaging waste materials (Prakash & Pathak, 2017). Therefore, evaluating and assessing ESG disclosures in this sector is imperative. Previous research results on diverse ESG disclosures in various countries and sectors have been revealed. These ESG disclosures convey information related to non-financial and sustainability factors that are related to the creation of value in the context of environmental, social, and governance considerations (Del Gesso & Lodhi, 2024). This study, therefore, aims to explore the extent of ESG disclosure in the FCMG sector in depth. By conducting this research, an in-depth picture of which aspects still need to be explored and which are most disclosed may be obtained. This research contributes to companies and other stakeholders evaluating aspects that need to be of concern to companies in their efforts to carry out ESG activities.

RESEARCH METHODS

This study employed a qualitative methodology. The approach employed involved content analysis, encompassing areas such as carbon emissions, business ethics, community relations, emissions, waste management, occupational health and safety, and resource utilization (Melissa Chase, 2022). This study utilized the Global Reporting Initiative (GRI) standard as the main reference for evaluating each company's disclosure of Environmental, Social, and Governance (ESG) factors. The Global Reporting Initiative (GRI) stands as a prominent entity in the area of sustainability reporting standards. It has established stakeholder-focused reporting standards designed to guarantee the transparency of information, thereby enhancing comprehension of the impacts that the reporting organization has on issues related to society and the environment (de Villiers et al., 2022). GRI standards offer a detailed and organized framework that assists organizations in transparently and comparably reporting their effects on the economy, environment, and society. Specifically for the consumer goods sector, GRI standards relevant to the characteristics of this industry would be used. The standards outline the necessary disclosures regarding an organization's influence on economic, environmental, and social matters, implementing qualitative indicators to assess that influence (Molinari & Carungu, 2019).

In Indonesia, regulations related to the disclosure of Environmental, Social, and Governance (ESG) aspects are regulated through two principal regulations. First, Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 requires financial services institutions, issuers, and public companies to prepare and submit sustainability reports as part of transparency and accountability efforts. Second, Circular Letter of the Financial Services Authority (SEOJK) No. 16/SEOJK.04/2021 provides technical guidelines related to preparing and disclosing sustainability reports, including detailed indicators and report formats that companies must fulfill.

This analysis was conducted on Fast-Moving Consumer Goods sector companies in Indonesia. The research sample comprised 20 Fast-Moving Consumer Goods companies listed on the Indonesia Stock Exchange during 2023. ESG disclosures were measured by matching 92 checklist items with ESG disclosures made by the company. A score of 1 was given to items that were fulfilled, and a score of 0 was given to items not fulfilled by the company in its annual report. This analysis utilized secondary data obtained from annual reports and corporate sustainability reports. These data were obtained from the IDX.co.id website or the company's website in 2023.

RESULTS AND DISCUSSION

Table 1. Results of Statistical Description Analysis for Quantity of ESG Disclosure

	Min	Max	Mean	Median	Std. Deviation
Environmental Disclosure	0.16	0.96	0.51	0.51	0.24
Social Disclosure	0.12	1	0.61	0.59	0.22
Governance Disclosure	0.03	1	0.60	0.68	0.27
ESG Disclosure	0.18	0.98	0.57	0.53	0.22

Source: Excel 2024

Based on Table 1, the average total ESG disclosure was 57.39% (52.8 out of 92 items) of the total indicators. In general, FMCG sector companies in Indonesia have disclosed more than half of the ESG aspects that should be disclosed in the accountability report. This indicates that the companies have disclosed ESG quite well (more than 50%) based on GRI standards. Based on previous research by Asmara and Rahmawati (2024), the average level of ESG disclosure in the healthcare sector was 47.28%. Thus, Indonesia's Fast-Moving Consumer Goods (FMCG) sector shows superior ESG disclosure performance compared to the healthcare sector. A company's ESG practices are recognized as a meaningful contribution to consumers, thus increasing their significance (Gillan et al., 2021). An advantageous brand image has the potential to enhance consumer loyalty and foster positive word of mouth, which can ultimately lead to increased sales and profits for the organization (Plumeyer et al., 2019). The standard deviation of disclosure quantity of 22% indicates that the variation in ESG disclosure between companies is relatively high. This variation suggests that there is no uniform standard of ESG practices in FMCG sector companies in Indonesia because most companies only use the standards of the Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017.

Generally, the highest percentage of ESG disclosure is 98%, and the lowest is 18%. The highest disclosure is by PT Kino Indonesia Tbk (KINO). The company is known for its body care and maintenance products, household maintenance, beverages, food, pharmaceuticals, and animal care and food, and it oversees 30 trademarks spread throughout Indonesia. In 2023, the company obtained sales of IDR4,136,182 million, with profits reaching IDR77,244 million, making it the 11th highest sales order. However, the company still strives to provide positive environmental and societal feedback. On the other hand, the lowest disclosure is by PT Sekar Laut Tbk (SKLT), established in 1976. Based on the data in the annual report, in 2023, the company obtained sales of IDR1,794,000 million with a profit of IDR104,000 million, which is relatively low. The company focuses on three main products: crackers, sauce, chili sauce, and bread. This indicates a significant difference in market share and distribution of business products. Nonetheless, this company has not made many disclosures.

According to the data in Table 1, the lowest environmental disclosure score was 16%, owned by PT Sekar Laut Tbk (SKLT) and PT Malindo Feedmill Tbk (MAIN). This low score reflects limitations in disclosure related to broader environmental issues, especially in the climate change sub-sector. Both companies do not provide in-depth disclosures on climate change impacts, such as carbon footprint or relevant mitigation policies. In addition, disclosures on energy are also minimal, with both only prioritizing energy consumption data without considering broader sustainability or energy efficiency aspects. This should be a key aspect that must be disclosed as both companies focus on the food processing industry, which generates waste for the surrounding environment. This is also accompanied by the utilization of natural resources and the environment, which must be guaranteed as an aspect of corporate responsibility. It would be better if these two companies focused more on food production and distribution, which could lead to increased attention to managing broader environmental impacts. However, although disclosures for the energy sub-sector are minimal, PT Sekar Laut Tbk (SKLT) is one of the four companies disclosing in the biodiversity sub-sector, demonstrating its commitment to sustainability by focusing on the marine biota-based consumption sector. This shows that the company is more aware of preserving marine ecosystems and the sustainability of natural resources used in their production.

In comparison, PT Kino Indonesia Tbk (KINO) scored the highest at 96%, with only one disclosure missing, covering supply chain emissions, product use emissions, or waste management emissions. Nevertheless, achieving this very high disclosure is a form of accountability for the company's vision and mission, which aims to become a world-class sustainable company based on environmental responsibility and have a more significant positive impact. Therefore, PT Kino Indonesia Tbk (KINO) strives optimally to improve environmental quality and contribute positively to the environment. In this environmental aspect, the data averages 51% and a standard deviation of 24%. This indicates that reporting in this aspect is relatively moderate because of the unbalanced quantity of reporting between one company and another.

Regarding social aspects, the lowest disclosure was 12.5%, owned by PT Sekar Laut Tbk (SKLT). The company only disclosed four central and crucial sub-sector items in this aspect. This limited disclosure suggests that PT Sekar Laut Tbk has not fully integrated social sustainability principles in their ESG report, potentially reducing the transparency of their efforts in managing social impacts and making positive contributions to stakeholders. The highest disclosure quantity was 32 or 100% of PT Kino Indonesia Tbk (KINO), which also discloses environmental aspects. This proves that the company is trying its best to fulfill its vision and mission. Social aspects receive more attention than the environment, with an average disclosure of 60%. The standard deviation was 22%, indicating a high difference in the disclosure of social aspects in companies in the FMCG sector.

On governance disclosure, the lowest value was 1 or 3% owned by PT Uni-Charm Indonesia Tbk (UCID). This low disclosure can be understood considering that the company still refers to the Financial Services Authority Regulation No 51/POJK.03/2013, which emphasizes disclosures related to economic, environmental, and social aspects rather than overall corporate governance. Although corporate governance is considered important in the regulation adopted by PT Uni-Charm Indonesia Tbk (UCID), the main focus is more on sustainability issues directly related to environmental and social impacts. This causes disclosures related to corporate governance structures, policies, and practices, such as board independence, risk management, and internal control systems, to receive less attention. As a result, PT Uni-Charm Indonesia Tbk (UCID) has not fully adopted best practices in sustainable corporate governance, as expected by global standards (GRI) or the latest PJOK regulations.

The highest score of 29 or 100% was again owned by PT Kino Indonesia Tbk (KINO), which shows the company's commitment to transparency and sustainability. This success reflects the implementation of excellent disclosure standards, where PT Kino Indonesia has followed the latest regulations, namely POJK No.51/POJK.03/2017 and SEOJK No.16/SEOJK.04/2021. By following these two regulations, the company not only fulfills but also actively implements disclosures that align with the latest provisions in sustainable financial reporting.

The governance aspect had a slightly lower average disclosure than the social aspect at 60%, with the highest standard deviation at 8.06 or 27%, indicating a significant difference between companies with good governance and companies with minimal disclosure. Governance focuses on aspects such as board size, structure, and independence; skills development; gender diversity; internal control; code of conduct; information accessibility; and shareholder relations and involvement (Sciarelli et al., 2021). The three ESG components also evidence this; only the governance dimension positively influences financial performance (Maji & Lohia, 2023).

Table 2. Quantity of ESG Disclosures

ESG Disclosures	Total	%
Environmental Aspect	16	52%
Climate Change	3.85	55%
Waste	3.65	73%
Energy	8.1	48%
Environmental Supply Chain	0.4	20%
Social Aspect	19.4	61%
Social Supply Chain	0.4	20%
Occupational Safety and Employee Relations	15.4	64%
Data Privacy and Security	3.6	60%
Governance Aspect	17.4	60%
Stakeholder Engagement	0.85	85%
Governance	8.8	73%
Tax Management	0.2	5%
Anti-Corruption	1.05	35%
Crisis and Risk Management	6.5	72%

Source: Excel 2024

The data in Table 2 reveals the details of each sub-sector tested in the disclosure of environmental, social, and governance aspects. Each aspect consists of several sub-sections that reflect the company's priorities and focus more on sustainability practices. ESG practices are new accountability measures that reflect voluntary and non-financial objectives (Arayssi et al., 2020). In the environmental aspect, the sub-sections tested include climate change, waste, energy, and supply chain. The highest disclosure value in environmental disclosure was in the waste sub-section, which was 3.65 or 73%, with five sub-sections tested. In contrast, the lowest disclosure value was in the environmental supply chain, with an analysis result of 0.4 or 20%, and two indicators were tested, namely, 308-1 (selection of new suppliers using environmental criteria) and 308-2 (negative environmental impacts in the supply chain and actions taken). In the environmental supply chain disclosure sub-section, three companies disclose information in full, namely PT Hanjaya Mandala Sampoerna Tbk (HMSP), PT Garudafood Putra Putri Jaya Tbk (GOOD), and PT Kino Indonesia Tbk (KINO).

As a company that focuses on the production process, its primary goal is to optimize the use of natural resources, minimize resource extraction, and prevent waste and pollution (Ellen MacArthur Foundation, 2024). The environmental aspect of ESG refers to the effects on the natural environment, encompassing resource utilization, emissions, and waste management practices (Álvarez-Perez & Fuentes-Bracamontes, 2024). According to the Global Reporting Standards (GRI) in 2020, the standard on waste (GRI 306) addresses how organizations generate, manage, and disclose information on waste-related impacts, emphasizing the importance of understanding waste not only as a by-product but also as a potential resource. Eight companies have disclosed the waste sub-section thoroughly or

100%. On the other hand, the company with the lowest disclosure was PT Malindo Feedmill Tbk (MAIN), with 20% disclosure (1 out of 5 items).

The other three sub-sections covering climate change, energy, and environmental supply chain remain important aspects that require more attention to achieve more comprehensive disclosure. The disclosure score related to climate change was 3.85 or 55%. However, the four companies did not disclose climate change sub-section information, namely PT Akasha Wira International Tbk (ADES), PT Panca Mitra Multiperdana Tbk (PMMP), PT Sekar Laut Tbk (SKLT), and PT Malindo Feedmill Tbk (MAIN). On the other hand, companies that fully disclosed seven sub-sections are PT Tiga Pilar Sejahtera Food Tbk (AISA), PT Unilever Indonesia Tbk (UNVR), and PT Mustika Ratu Tbk (MRAT). These three companies have also earned a blue PROPER (Corporate Performance Rating Program in Environmental Management) achievement or the highest rating in this award. This signifies that the three companies have successfully disclosed the climate change sub-section by the specified standards and contributed positively to the environment. Currently, climate change causes excellent risks to human health, social and economic progress, and business growth (Boubaker et al., 2024; Kong Dongmin, Shen Rui, Wu Ziqi, 2022). In addition, Sautner et al. (2023) analyzed climate change risks at the firm level and recorded their connections to opportunities, physical shocks, and regulations linked to climate change.

The energy sub-section highlights that energy constitutes two-thirds of total greenhouse gas emissions, underscoring its critical role in efforts to mitigate climate change. Therefore, it is essential for energy companies to take action against climate change because of its profound effects on the environment and society. Implementing an effective ESG model allows energy companies to reduce environmental harm while enhancing productivity (Makridou et al., 2024). The disclosure of the energy sub-section is the most significant part tested in the environmental aspect, with an analysis result of 8.1 or 48% of companies disclosing in this sub-section. Of all the companies analyzed, only one company managed to fully disclose 17 information related to energy, namely PT Kino Indonesia Tbk (KINO). This company also got a Gold Award in the Implementation of Environmentally Sound Production for the Drug and Food category from BPOM.

The sustainability aspect is not easy to achieve in the social aspect because the complexity of measuring social performance compared to other aspects is higher, making it the most neglected element (Baid & Jayaraman, 2022). However, the social dimensions represent crucial factors, including employee working conditions, equality and inclusion, diversity, employee health and well-being, health and safety concerns, supply chain matters, and human rights (Newell & Marzuki, 2024). In the social aspect, the sub-section with the highest disclosure value is the work safety and employee relations sub-section, with an analysis result of 15.4 or 64%, indicating that the company has paid sufficient attention to occupational health and safety. The highest disclosure was 100% of the 24 items tested. On the other hand, the lowest disclosure was in the social supply chain sub-section, with a value of 0.4 or 20%, indicating that there is still a lack of information disclosure in this sub-section. This is evidenced by the fact that 15 of the 20 companies tested have not been disclosed in this sub-section. Only three companies provided complete transparency regarding their processes for selecting new suppliers, particularly in relation to social criteria, negative social impacts within the supply chain, and the measures implemented.

Occupational safety and employee relations provide a comprehensive framework for organizations to disclose their practices and their impact on worker health and safety. Employees who perceive that their workplace prioritizes their well-being and offers equitable opportunities tend to report greater job satisfaction (Ahmad et al., 2024). Based on GRI 403, the scope of this sub-section includes all employees of the company, other workers controlled by the company, and business relationships arising from business activities. In Indonesia, regulations related to Occupational Health and Safety (K3) are regulated in Government Regulation No. 50 of 2012 on implementing the Occupational Health and Safety Management System (SMK3). This regulation ensures that companies provide a safe working environment and reduce the risk of work accidents. In practice, employees are the only social aspect that directly impacts the company.

The aspects of governance represent a highly intricate and comprehensive area concerning corporate leadership, executive compensation, internal controls, and shareholder rights (Álvarez-Perez & Fuentes-Bracamontes, 2024). Effective corporate governance, characterized by transparency, accountability, and ethical decision-making, can significantly shape employees' views of the organization and their contributions to it (Kulal et al., 2023). The highest disclosure on the governance aspect was the relationship with stakeholders, with a value of 85%, which indicates that most companies are pretty transparent in establishing relationships with their stakeholders. However, three companies have not disclosed information regarding this sub-section, namely PT Akasha Wira International Tbk (ADES), PT Uni-Charm Indonesia Tbk (UCID), and PT Sariguna Primatirta Tbk (CLEO). This shows that there are still gaps in managing relationships with stakeholders. In contrast, tax management was the lowest sub-section, with a 0.2 or 5% value. This indicates that the implementation of tax management is still very minimal. There is only one company, PT Kino Indonesia Tbk (KINO), which fully discloses this sub-section, indicating that the application of tax management is minimal. The company is still only fixated on tax compliance set by regulations.

Furthermore, the governance sub-section, with a value of 8.8 or 73%, indicates a relatively good level of transparency and management structure. A total of 12 out of 20 companies have made full disclosure. However, two companies have not made 12 disclosure items regarding the governance sub-section. This is followed by crisis and risk management, which shows a reasonably good performance with a score of 6.5 or 72%, confirming the company's readiness to deal with uncertainty and operational risks. The last aspect of governance was the anti-corruption sub-section at 1.05 or 35 %. The analysis revealed that merely nine companies engaged in one or more of the tested items. Tyas and Rahmawati I. (2023) stated that the FMCG sector is included in the low-risk industry category for corruption, so anti-corruption enforcement and disclosure are still relatively low. This denotes that efforts to prevent corruption and integrity are still not optimal in corporate governance practices and must be improved and disclosed.

Another sub-section with significant disclosure is data privacy and security, with an analysis result of 3.6 or 60%, making it the second-highest sub-section after occupational safety. This sub-section consists of several indicators, including GRI 416 (customer health and safety), GRI 417 (marketing and labeling), and GRI 418 (customer privacy). The companies with the highest disclosure in this sub-section are PT Unilever Indonesia Tbk (UNVR) and PT Kino Indonesia Tbk (KINO), which have thoroughly disclosed information on managing customer privacy and data protection. In contrast, the company with no disclosure or 0% is PT Akasha Wira International Tbk (ADES). The nature of FCMG's business also exposes it to risks regarding customer privacy. Disclosure practices help gain trust and protect customer data, thereby meeting stakeholder expectations (Jasni et al., 2020).

CONCLUSIONS

The analysis indicates that the extent of ESG disclosure in the Indonesian FMCG sector is quite good, with the average quantity of ESG disclosure exceeding 50%. The analysis shows that social aspects indicate the highest level of disclosure, followed by governance and environmental aspects. This indicates that FMCG companies in Indonesia emphasize social aspects, especially those related to employee welfare and relations.

Although social aspects dominate, disclosures of environmental and governance aspects still need to be improved to meet more comprehensive sustainability standards. Furthermore, most FMCG companies only disclose the ESG dimensions regulated by the Financial Services Authority (OJK), which indicates a limitation in the scope of disclosure. Given that OJK only covers a few specific ESG aspects, companies need to expand the scope of their disclosures to include broader and more detailed sustainability aspects to improve transparency and sustainability, and these companies must follow and adopt the more complex GRI international standards. By doing so, FMCG companies can enhance their accountability, strengthen investor confidence, and align their sustainability strategies with global best practices.

This study contributes to the literature by evaluating the aspects of FMCG companies that still need to be disclosed and the reasons behind certain disclosure choices. By identifying gaps in ESG reporting, this study provides valuable insights into areas where FMCG companies can improve their sustainability practices. In addition, this study highlights the need for a more standardized ESG disclosure framework with global and current standards to ensure comprehensive and effective sustainability reporting.

To address the issues raised in this study, FMCG companies should adopt more proactive ESG strategies that go beyond compliance and integrate sustainability into their core business models. Companies should consider adopting innovative sustainability initiatives such as transparent supply chain management to reduce environmental impacts. In addition, collaboration between regulatory bodies, industry associations, and stakeholders is essential to develop a more robust ESG reporting framework aligned with national and international standards.

ACKNOWLEDGEMENT

This research is a grant from LPPM Universitas Sebelas Maret with Contract Number 371/UN27.22/PT.01.03/2025

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