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Analysis of Environmental, Social, and Governance (ESG) Program Implementation on Corporate Reputation in the Mining Industry

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Abstract:

This research employs a mixed methods approach to assess ESG program implementation at PT X, using qualitative analyses of documents, policies, and interviews with stakeholders, including management, employees, and community representatives. The study evaluates the impact of ESG on corporate reputation through both qualitative data, such as media analysis and stakeholder perceptions, and quantitative data that examine correlations between ESG performance indicators and reputation measures like media sentiment and investor confidence. The core assumption is that a well-communicated ESG program enhances a mining company's reputation. The study aims to analyze PT X's current ESG implementation, identifying strengths and challenges, while also determining its impact on corporate reputation across various stakeholder groups. Additionally, it seeks to suggest improvements to PT X's ESG strategy. Existing literature links ESG performance to corporate reputation and financial success, emphasizing transparency and stakeholder engagement. However, specific studies on ESG in the Indonesian mining sector are limited. This research aims to fill that gap by providing a detailed case study. Expected outcomes include a comprehensive assessment of PT X's ESG initiatives and their effectiveness, revealing their influence on reputation among stakeholders and identifying key perception drivers. Practical recommendations will be provided to optimize PT X's ESG strategy, enhancing its corporate reputation and sustainability. Ultimately, this research contributes empirical evidence regarding the relationship between ESG implementation and corporate reputation in Indonesia's mining industry, offering insights for companies in emerging economies on leveraging ESG practices for sustainable value.

Keywords: ESG Implementation, Corporate Reputation, Mining Industry, Stakeholder Trust, Sustainability Communication.

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INTRODUCTION

Awareness of corporate sustainability, particularly with regard to environmental, social and governance (ESG) aspects, has grown in many companies, especially in industries with significant impacts, such as mining. For mining companies such as PT X in Indonesia, implementing an effective ESG program is crucial to ensure that business activities continue to prioritize ESG aspects (Jaya & Vardhan, 2025; Kholis et al., 2020).

Several regulations and frameworks are driving ESG adoption in the Indonesian mining sector, including at PT X, with consulting firms such as Deloitte and McKinsey offering customized ESG frameworks (Suharto et al., 2025). Kadin has also issued an Indonesia-specific framework (Azzahra & Suzan, 2025). The OJK mandates ESG disclosure for listed companies, thereby increasing transparency (Financial Services Authority [OJK], 2017). As part of the MIND ID Group, PT X adheres to its internal

ESG standards, which often align with international best practices (Mind ID, 2023). These regulations and frameworks are critical for compliance, enhancing reputation, attracting investors, and ensuring the long-term sustainability of the company's business (Slaughter and May, 2024). PT X undoubtedly faces pressure to adopt environmentally friendly practices to maintain trust, avoid penalties, and ultimately improve its image (Suharto et al., 2025).

The environmental aspect of ESG in mining involves the management of natural resources, the reduction of carbon emissions, and the minimization of ecological impact. The main issues of concern are deforestation, water pollution, and greenhouse gas emissions. Mining activities can lead to deforestation and land degradation, which affect biodiversity and contribute to climate change (Litvinenko, 2022). Water pollution from mining waste can contaminate water sources and harm aquatic ecosystems (Islam, 2025). Greenhouse gas emissions from mining processes contribute to global climate change (Zhang, 2023). The social element of ESG relates to a mining company's responsibility towards its employees, local communities, and stakeholders. In mining, this is particularly important given the direct impact of activities such as relocation and land degradation on communities (Dara et al., 2023). PT X is expected to support community welfare through programs such as healthcare and education, while also upholding human rights, diversity, inclusion, and workplace safety to maintain a positive reputation (Putriningtyas et al., 2024).

The final ESG aspect, governance, involves transparency, legal compliance, ethics, and anti-corruption measures. Good governance demonstrates integrity and adherence to rules, which is vital for PT X in the face of government and public scrutiny. Effective governance also encompasses robust risk management. Corporate reputation is a key intangible asset, particularly in the mining industry, where ethical and environmental concerns can significantly impact public perception. A good reputation helps PT X gain stakeholder support and ensures long-term sustainability by enabling it to meet the increasing demand for social and environmental responsibility through effective implementation of the ESG agenda.

This study focuses on the impact of ESG implementation on a company's reputation among its stakeholders. PT X has launched various ESG initiatives, including a post-mining land rehabilitation program, educational facilities for local communities, and strict workplace safety standards. However, challenges remain, particularly regarding compliance with increasingly stringent environmental regulations and rising public and investor expectations for sustainable practices.

PT X, one of the largest coal mining companies in Indonesia, is not immune to issues surrounding Environmental, Social and Governance (ESG) practices. Despite launching various ESG initiatives, the company is still struggling to overcome negative community perceptions.

Media monitoring over the past year (January 2024 – December 2024) revealed several negative issues that have become public concerns. In terms of the environment, there have been allegations of river water pollution around mining operations, damage to ecosystems, and loss of biodiversity. There have also been an increasing number of community complaints relating to dust and air pollution.

In the social sector, there have been land disputes with indigenous peoples, and community empowerment programs have been deemed inadequate. In the area of corporate governance, PT X has been criticized for its lack of transparency and accountability, particularly regarding the disclosure of environmental and social impact data. There is also a lack of stakeholder involvement in decision-making.

Several studies further emphasize the need for PT X to improve its ESG performance. The World Economic Forum's The Global Risks Report 2024 ranked "failure to mitigate climate change" and "environmental damage" as the top two global risks. Studies from the University of Indonesia (2023) show that mining companies with strong ESG performance tend to have better reputations.

As the 2023 Global Risk Report highlights, failing to manage environmental risks can pose a serious threat to mining companies. PT X currently uses the Global Reporting Initiative (GRI) standard as the main reference for its ESG reporting. This is evident in its published sustainability reports, which map the GRI standards to reported points. However, PT X also pays attention to other standards, such as those of the Sustainability Accounting Standards Board (SASB) and the International Integrated Reporting Council (IIRC). This demonstrates PT X's commitment to improving the quality of its ESG reporting and aligning it with recognized global standards.

As public interest in sustainability issues grows, more investors are considering ESG factors when making investment decisions. Investors believe that companies with strong ESG practices have better risk management and are better able to handle regulatory changes and social pressures. For PT X, which operates in the mining sector, demonstrating a strong commitment to ESG is crucial for attracting investors and fostering relationships with stakeholders. Stakeholder expectations regarding ESG performance continuously evolve. This includes understanding the specific concerns of local communities, investors, employees, and government regulators and tailoring ESG programs to effectively address those concerns.

This study aims to analyze the implementation of the Environmental, Social, and Governance (ESG) program at PT X, assessing how effectively the company has integrated ESG principles into its operations. Furthermore, the research seeks to examine the impact of ESG implementation on PT X's reputation, identifying key strengths and potential areas for improvement in its current ESG strategy. The benefits of this research include providing valuable insights for PT X to refine its ESG practices, ultimately enhancing its corporate reputation, building stakeholder trust, and contributing to long-term sustainability. Additionally, the findings will offer a practical framework for other companies looking to adopt or improve their own ESG strategies.

RESEARCH METHOD

This research strategically integrated qualitative and quantitative methodologies to examine the relationship between *ESG* implementation and corporate reputation at PT X. The qualitative component involved an in-depth case analysis, focusing on specific *ESG* programs, barriers, and achievements through semi-structured interviews with key stakeholders, including media representatives, employees, and management. Additionally, it included a thorough examination of key company documents such as sustainability and annual reports. The quantitative aspect was supported by a questionnaire survey targeting a broader audience of stakeholders, including investors, employees, and the general public, to assess their perceptions of PT X's corporate reputation and the influence of *ESG* initiatives. Primary data collection included qualitative interviews and quantitative surveys, while secondary data encompassed a review of PT X's documentation and relevant industry reports. The questionnaire employed purposive sampling, specifically quota sampling, to select 30 respondents, ensuring diverse perspectives from various stakeholder groups, such as the public, shareholders, employees, media, and government representatives. Descriptive analysis summarized key data characteristics, while correlation analysis explored relationships between *ESG* factors and corporate reputation measures. Qualitative data underwent thematic analysis to identify significant patterns and insights. To enhance credibility, data triangulation compared findings from multiple sources, ensuring a comprehensive understanding of how PT X's *ESG* efforts influenced its reputation among different stakeholders. This multifaceted approach aimed to provide valuable insights into the impact of *ESG* practices within the mining sector in Indonesia.

RESULTS AND DISCUSSION

Characteristics Based on Respondent Categories

The data presented in the table above is derived from a series of questionnaires administered to 50 respondents, categorized as follows: 17 respondents identified as employees, 12 respondents (24%) from the community category, 8 respondents (16%) from the media category, 6 respondents (12%) from the investor category, 4 respondents (8%) from the mining industry holding category, 2 respondents (4%) from the government category, and 1 respondent (1%) from the association category.

Hypothesis Testing

Sugiyono (2020) asserts that this test is employed to partially ascertain the effect of an independent variable on a dependent variable. This is achieved by comparing the Sig. value to the value of 0.05 or less. The outcomes of this comparison can be discerned through the results of the calculated t value, which must be less than or equal to the t table. The t table is 2.013 (0.025; 47). This table can be obtained as follows:

Table 1. Hypothesis Testing

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.466	2,509		1,382	.174
	TOTAL.SC	.035	.240	.018	2.145	.005
	TOTAL.ESG	.295	.060	.611	4.898	.000
a. Dependent Variable: TOTAL.CR						

Based on the results of the T - test , the following conclusions can be drawn:

a. H_0 is rejected and H_1 is accepted, because the calculation obtained data states that the calculated T value is 2.145> 2.013 and the significant value of 0.00 > 0.05. From the data, it can be concluded that in this study the *Sustainability Communication* (SC) variable has a positive and significant effect on *Corporate Reputation.* (CR), so the first hypothesis is accepted.

b. H_0 is rejected and H_2 is accepted, because the calculation obtained data states that the T value count of 4.898 < 2.013 and *Sig value* of 0.00 < 0.05. From the data it can be concluded that in this study the ESG Program Implementation variable has a positive and significant effect on *Corporate Reputation*, so the second hypothesis is accepted.

The considerable positive impact of ESG Program Implementation on Corporate Reputation is consistent with a mounting body of evidence indicating that companies with comprehensive and effectively communicated ESG initiatives tend to possess enhanced trust and a more favorable public image. A comparison of PT X's detailed articulation of its ESG programs — encompassing carbon management with clear targets, biodiversity conservation efforts, community empowerment initiatives, and a commitment to transparency through GRI reporting — to those of other energy companies reveals a key differentiator: the comprehensiveness, measurable targets, and transparent reporting of these activities. For instance, while certain companies may prioritize a single environmental aspect, PT X employs a comprehensive strategy encompassing the environment, social, and governance pillars. This approach is further complemented by a dedication to adhering to internationally recognized reporting standards. This comprehensive and transparent approach is likely to contribute significantly to the establishment of stakeholder trust and the reinforcement of its corporate reputation.

A body of research has indicated a positive correlation between effective sustainability communication and robust ESG program implementation, ultimately impacting corporate reputation within the mining sector. Companies demonstrating robust Environmental, Social, and Governance (ESG) performance tend to enjoy a more favorable reputation, propelled by several pivotal factors. Firstly, the implementation of ESG practices serves to mitigate a company's operational and financial risks. Secondly, the implementation of effective ESG practices has been demonstrated to result in enhanced operational efficiency. Companies with a documented history of exceptional ESG performance encounter greater ease in obtaining financing from financial institutions.
Concurrently, the research results obtained through the data collection process, which were derived from in-depth interviews with informants, are as follows:

Keyword Frequency

The keyword frequency analysis provides insights into the most commonly discussed topics during the interviews. By identifying the most frequently mentioned words.

Figure 1. Keywords Frequency

The analysis facilitates the identification of salient themes that emerged from the discourse with senior management, employees, industry associations, and regulatory bodies. The following table presents a list of the keywords that were mentioned most frequently during the interviews.

These keywords indicate the areas of greatest concern and focus in the implementation of ESG programs at PT X. The data in the table shows that "Sustainability" was mentioned 50 times, emphasizing its central role in the discussions. The analysis indicates that "ESG initiatives" are frequently linked to the enhancement of corporate reputation. Despite its recognition as a significant aspect, the repeated mention of "Challenges" indicates substantial obstacles in implementing ESG. Key Environmental, Social, and Governance (ESG) implementation concerns for PT X include ensuring "Transparency" and actively engaging "Stakeholders." In order to fortify its ESG framework, PT X must prioritize enhancing transparency and stakeholder engagement. The text's emphasis on "accountability" and "implementation" further demonstrates that ensuring responsible practices and effective implementation are ongoing challenges that must be addressed to build trust, maintain compliance, and improve long-term sustainability.

Qualitative Data Coding Table

The qualitative data coding table is employed to categorize key themes derived from interview responses. The utilization of thematic coding in the organization of responses serves to underscore the salient issues, challenges, and perspectives that pertain to the implementation of ESG principles and the management of corporate reputation. The responses were gathered from a variety of stakeholders, including top management, regulatory bodies, and industry associations. The following structured table offers a concise overview of the salient insights. The qualitative data coding in table provides insights into the perspectives of various stakeholders regarding the ESG implementation at PT X. The responses thus obtained highlight the company's strategic direction, policies, and programs related to environmental, social, and governance aspects. The corporate secretary underscores the pivotal role of ESG in the company's vision of attaining global preeminence in the energy sector while maintaining a commitment to sustainability. The company prioritizes the reduction of carbon emissions, the enhancement of energy efficiency, and the adherence to good governance practices to ensure long-term business sustainability.

Competency Description and Definition

In order to successfully achieve its sustainability goals, PT X requires a specific set of skills and capabilities related to ESG. These competencies are critical in areas such as strategic decision-making, regulatory compliance, stakeholder engagement, and operational tasks. The subsequent table delineates the critical competencies that PT X must master to achieve success in its ESG initiatives, accompanied by descriptions and definitions for each competency.

Table 2. Competency Description and Definition

Competency	Description	Definition
Sustainability Leadership	The ability to integrate ESG principles into corporate strategy.	Leaders must have a clear vision and commitment to embedding sustainability in business operations.
Regulatory Compliance	Understanding and adhering to ESG-related regulations and standards.	Ensuring company policies align with national and international ESG requirements.
Stakeholder Engagement	Effective communication and collaboration with external and internal stakeholders.	Building trust through transparency, dialogue, and partnerships with relevant ESG actors.

Environmental Management	Knowledge of sustainable resource use, waste management, and emissions reduction.	Implementing policies to minimize environmental impact and promote ecological responsibility.
Social Responsibility	Commitment to ethical labor practices and community development.	Ensuring fair treatment of employees and contributing to the well-being of local communities.
Corporate Transparency	Open and honest disclosure of ESG-related initiatives and challenges.	Providing accurate and timely sustainability reports and fostering a culture of accountability.

The preceding table provides a clear and organized summary of the critical skills required for PT X to achieve its ESG objectives. Each of these competencies plays an important role in ensuring the effective execution of the company's sustainability objectives, ensuring that they are in line with regulatory requirements and stakeholder expectations. A dearth of robust leadership, adherence to regulatory mandates, and substantial stakeholder engagement can result in ESG initiatives that are deficient in both direction and impact.

The cultivation of these competencies within corporate entities has the potential to enhance their capacity to address ESG-related challenges and leverage sustainability as a means to gain competitive advantage. Organizations that prioritize investment in ESG competencies and understanding not only enhance their public image but also fortify their long-term business stability.

Hierarchy Chart

The following organizational chart delineates the structural framework employed by PT X for the implementation of ESG initiatives. The chart delineates the key individuals and groups responsible for ESG governance, their respective duties, and reporting relationships at different levels of management. Comprehension of this structure is imperative for the establishment of clear accountability, facilitation of effective decision-making, and assurance of smooth coordination in the implementation of ESG strategies.

The attached organizational chart offers a visual representation of the governance framework for PT X's ESG implementation. The Board of Directors, in its highest echelon, bears the responsibility of establishing the overarching strategic direction for all ESG initiatives. The CEO plays a pivotal role in integrating ESG principles into the company's fundamental strategy and supervises the execution of sustainability initiatives. The Vice President of Sustainability occupies a pivotal role in the oversight of ESG-related initiatives, reporting directly to the CEO and collaborating closely with the ESG Committee.

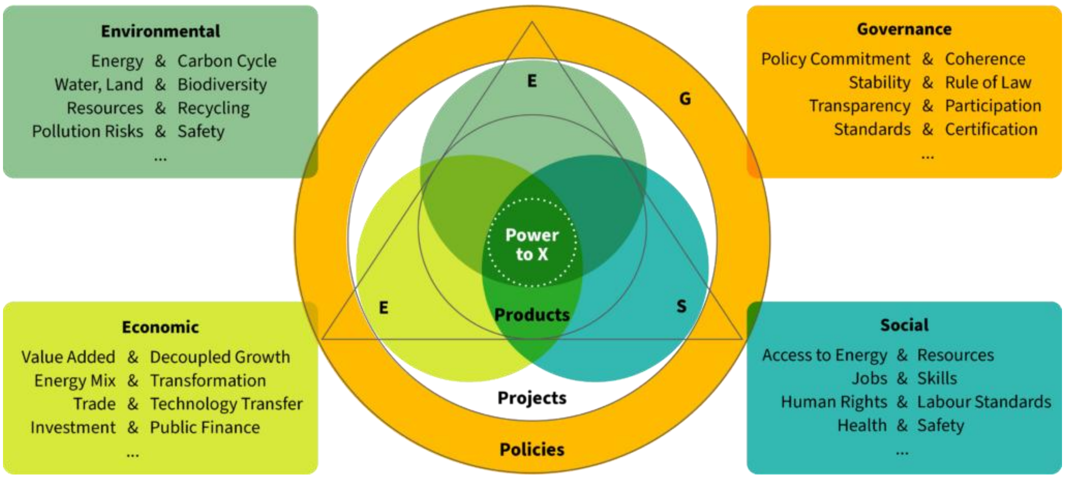

Figure 1. Hierarchy Chart of ESG Implementation at PT X

The ESG Committee is responsible for implementing specific sustainability programs, with a dedicated team focused on environmental management, social responsibility, and governance compliance. Furthermore, the CFO oversees the financial transparency of ESG reporting. Concurrently, the Chief Operating Officer (COO) is responsible for integrating Environmental, Social, and Governance (ESG) principles into the company's operations and extending this integration throughout its supply chain. This clearly delineated structure enables PT X to sustain unambiguous lines of accountability and efficacious communication within the ESG governance framework.

Implementation of the ESG (Environmental, Social, and Governance) Program) at PT X

Implementation of the ESG (Environmental, Social, and Governance) Program) at PT X through the Strategies and Policies

The implementation of the ESG (Environmental, Social, and Governance) program is the application of company standards in the pursuit of sustainable business practices. ESG is a framework that identifies a company's non-financial risks and opportunities (Nabilah & Ahmadi, 2024). The operations of a company have the potential to exert a detrimental effect on the natural world. Consequently, it is imperative that the safety of the community environment be a primary concern. It is imperative for companies to disclose their environmental and governance activities in Environmental, Social, and Governance (ESG) reports (Rohman & Nur Ainiyah, 2024). This disclosure is one of the parameters for assessing the value of the company.

Informant PT X highlighted that their company, through its stated vision and mission, has a profound integration of sustainability and environmental, social, and governance (ESG) principles into its core operations. The company's vision to become a "world-class energy company that cares about the environment" underscores this commitment. Moreover, the mission to "manage energy sources by developing corporate competence and human excellence to provide maximum added value for stakeholders and the environment" (Mission Statement, n.d.) includes environmental considerations. According to the informant, PT X holds a firm conviction that responsible and sustainable operations, which encompass environmental, social, and governance impacts, are imperative to actualizing their overarching vision.

Moreover, the primary objective in implementing ESG is the pursuit of sustainable environmental, social, and governance (ESG) objectives, wherein a responsible investment approach serves to enhance long-term business value (Febrianti et al., 2024). According to Informant PT X, the implementation of ESG programs in the company's strategies and policies is related to sustainability and ESG. The company places a high priority on core ESG aspects, with a focus on environmental sustainability. This focus is evident in the company's strategy to reduce carbon emissions, enhance energy efficiency, and manage natural resources responsibly. This commitment to environmental sustainability is further underscored by the implementation of the K3 framework. On a social level, they seek to exert a positive influence on local communities through the implementation of initiatives focused on empowerment, education, and health. In the context of governance, they are committed to principles of transparency, accountability, and integrity. Moreover, ESG is deeply integrated into their business and operational strategy, with clear, measurable targets, allocated resources, and the active involvement of all employees to build a sustainable company.

In addition, the resource person made an additional remark regarding the ESG program and the implementation of PT X as a responsible energy company. This implementation demonstrates the company's commitment to ESG through various programs. From an environmental perspective, the company has set a target of Net Zero Emission by the year 2060. This target is to be achieved through a multifaceted approach that includes energy efficiency measures, the utilization of renewable energy sources, the capture and utilization of carbon emissions, and the electrification of mining equipment. In addition to these efforts, the company is committed to biodiversity conservation through the rehabilitation and protection of habitats, as well as the implementation of responsible water management practices. PT X's social mission entails the empowerment of communities through training and education, the prioritization of occupational health and safety through comprehensive programs, and the support of education through scholarships and facilities. In the context of corporate governance, the company maintains stringent standards of integrity and ethics, as evidenced by its comprehensive code of conduct. It prioritizes transparency and accountability through regular reporting mechanisms and engages stakeholders in decision-making processes and the implementation of ESG (environmental, social, and governance) initiatives.

ESG strategy is a business strategy that integrates environmental, social, and governance factors into the decision-making process to achieve sustainable and ethical growth (Putra & Asfiah, 2024). This assessment will subsequently assist investors as one of the stakeholders in making decisions regarding the optimal investment of funds in a company, based on the information presented (Naziyatul Ulfa & Rahman, 2024). Consequently, it is imperative for companies to exercise responsibility when formulating plans and strategies to optimize performance. A company's ability to build stakeholder trust and satisfaction is contingent upon the existence of well-defined and mature planning and strategy. This assertion is corroborated by a source who expounded on governmental endeavors to mandate and oversee the integration of ESG principles within state-owned enterprises through regulatory frameworks, training programs, monitoring mechanisms, and a system of incentives and disincentives. This framework is designed to facilitate continuous enhancement in ESG practices. However, within the paradigm of implementing PT X's strategies, the informant identified the inherent complexity of diverse and interconnected ESG issues as a significant impediment, underscoring the necessity for a comprehensive and integrated approach. Moreover, the challenge of accurately measuring and evaluating ESG performance necessitates ongoing efforts to develop relevant metrics and indicators to gauge the impact of their ESG programs.

The implementation of the ESG program through strategies and policies is indicative of management's efforts to address stakeholder demands and enhance corporate performance. It has been demonstrated that companies that exhibit socially and environmentally responsible behavior, in conjunction with effective governance practices, are able to satisfy the interests of stakeholders. Consequently, this enhances corporate performance. Furthermore, it has been shown that companies that are more receptive to public pressure and supervision also demonstrate enhanced performance. Consequently, the company endeavors to implement information disclosure on business activities that will directly affect the company's performance. This is due to its role as a pivotal instrument for enhancing organizational performance by overseeing the fundamental business operations, particularly by cultivating positive relationships with stakeholders.

Implementation of the ESG Program at PT X

The implementation of ESG (environmental, social, and governance) programs in investment strategies has become an increasingly popular trend in recent years. In the contemporary investment landscape, investors are progressively allocating greater attention to the environmental, social, and governance impacts of corporations when making investment decisions. This is achieved through a variety of methods, including in-depth analysis of ESG factors, portfolio screening based on ESG criteria, shareholder activism, and the selection of impactful investments. The following companies have demonstrated successful implementation of Environmental, Social, and Governance (ESG) practices. The application of environmental, social, and governance (ESG) criteria in the investment process is a subject of increasing interest and scrutiny. A primary method for incorporating ESG principles in investment strategies entails conducting a thorough analysis of the environmental, social, and governance factors of a company to be invested in.

Informant PT X provided a detailed exposition of the company's comprehensive ESG program, which is structured around the pillars of environmental, social, and governance issues. In terms of environmental impact, PT X has demonstrated commitment to carbon management, with a net zero emission target set for 2060. This commitment involves the pursuit of energy efficiency, renewable energy, and carbon capture technologies, including the electrification of mining equipment. The organization's efforts are also concentrated on biodiversity conservation through land rehabilitation, tree planting, and habitat maintenance. In addition, the organization is committed to responsible water management practices, which include reducing, recycling, and implementing quality control measures.

PT X places a strong emphasis on community empowerment through training, education, and entrepreneurship programs. Informant PT X acknowledged the significant role of the Ministry of State-Owned Enterprises (SOEs) in encouraging the adoption of environmental, social, and governance (ESG) principles among SOEs like PT X. PT X emphasized that ESG is a vital necessity for business sustainability and positive environmental and social impact. While PT X has achieved notable milestones in its ESG implementation, it continues to grapple with challenges such as the intricacy of ESG issues and resource constraints. The organization is proactively addressing these challenges to enhance the efficacy of its programs.

The integration of ESG program implementation and the implementation of the company has been demonstrated to enhance investor and other stakeholder confidence, while concurrently providing added value to the company over time. Despite the challenges associated with implementing digital accounting, including costs, security concerns, and the necessity of acquiring new skills, the advantages obtained are significantly more substantial, particularly in the context of business sustainability. In alignment with its commitment to transparency and accountability, PT X adheres to internationally recognized ESG reporting standards, particularly the Global Reporting Initiative (GRI). The Global Reporting Initiative (GRI) is the most widely used standard in the world for sustainability reporting. Additionally, we make reference to other pertinent standards, including those established by the Sustainability Accounting Standards Board (SASB).

The Impact of ESG Program on the Reputation of PT X

Sustainability Communication to the Public regarding the Implementation of ESG that has been carried out by PT X

ESG implementation sustainability communication is defined as the effort to convey information regarding ESG to stakeholders. The role of communication in the implementation of ESG is of paramount importance. In the absence of effective communication, the impact of ESG initiatives may be diminished, resulting in failure to achieve their intended objectives. ESG communication encompasses not only the transmission of information to stakeholders but also the engagement of these stakeholders in the sustainability process. It is imperative for companies to meticulously craft and disseminate ESG messages, ensuring their accuracy and credibility.

Transparency encompasses the practice of reporting on a company's progress and challenges in an honest and open manner. Furthermore, companies must incorporate ESG concepts into their overall business strategy. Consequently, ESG is not merely a compliance obligation but also a catalyst for long-term growth and sustainability. The utilization of data in ESG communications is also of significance because it provides concrete evidence to substantiate company claims and enhance stakeholder trust.

Another challenge is the intricacy of the ESG topic itself. ESG encompasses a broad spectrum of issues, necessitating companies to address a diverse array of stakeholder perspectives and expectations, thereby rendering ESG communication intricate. Consequently, companies are advised to streamline ESG information to the greatest extent possible and to communicate messages with optimal clarity, ensuring that they are readily comprehensible to all stakeholders.

The results of the interviews conducted with employees of PT X indicate that the company is encountering difficulties in implementing sustainability communication. These challenges are associated with the company's efforts related to sustainability and ESG.

The implementation of ESG principles is encumbered by several challenges, including a paucity of uniform understanding among employees necessitating continuous socialization, the difficulty of modifying ingrained habits requiring commitment, and limited resources impeding comprehensive implementation. The intricacy and interconnection of ESG concerns within the mining sector, in conjunction with the substantial investment necessitated, particularly for smaller enterprises, serve to create additional impediments. The paucity of proficient ESG professionals necessitates an investment in HR training and development. Furthermore, the presence of unharmonized and overlapping regulations, in conjunction with Indonesia's diverse geographical characteristics, contributes to the complexity of ESG implementation. To address these issues, MIND ID disseminates information regarding its ESG progress and challenges through various channels, including sustainability reports, websites, social media, and conferences. The government has adopted a multifaceted approach to encourage the adoption of ESG practices. This includes the provision of incentives, such as the Subroto Award and the Satyalencana Wirakarya, recognizing exceptional performance in the field. Concurrently, the government has established sanctions for any violations of ESG standards, thereby ensuring adherence to these principles. Furthermore, the government has promoted participation in certification programs, such as ISO 14001 and OHSAS 18001, which attest to an organization's commitment to ESG principles. Additionally, the government has emphasized enhanced inter-agency coordination to ensure a comprehensive and coordinated approach to ESG implementation.

In the context of a crisis, effective communication management is a critical component of a company's strategic approach to mitigating risk. A favorable reputation is not only essential for cultivating positive relationships with stakeholders, such as investors, customers, and governments; it can also influence a company's financial performance and operating license. Demonstrating commitment to social and environmental responsibility is a strategic move on the part of these companies, as it allows them to attract a customer base that is more aware of sustainability issues. Furthermore, it can lead to an improvement in their reputation as a responsible company. Furthermore, a robust reputation management strategy can mitigate the reputational risks that may emerge from crises or controversies associated with the mining industry. By proactively and responsively engaging with relevant stakeholders, these companies can effectively manage public expectations and perceptions regarding their performance and impact.

Nevertheless, the company successfully surmounted these challenges through the implementation of effective communication management strategies and the cultivation of positive relationships with relevant stakeholders. In this manner, the challenges have been transformed into valuable lessons, which have contributed to the enhancement of their practices. The crisis challenges overcome by PT X demonstrate the company's adaptability and resilience in facing difficult and uncertain situations.

Impact on Company Reputation Based on the Perspective of PT X Management and Stakeholders

ESG is imperative for long-term business sustainability, enabling companies to minimize negative impacts, foster a positive work environment, and enhance stakeholder trust and reputation. For employees, ESG fosters a secure and agreeable work environment, facilitates professional growth, and enhances organizational pride. PT X has garnered recognition for its substantial environmental and social contributions, as evidenced by its implementation of diverse programs. This underscores the company's dedication to operating in a responsible and sustainable manner, notwithstanding the persistent challenges it faces. The company has determined that ESG has a positive impact on its reputation, resulting in increased public trust, greater investor attraction, and stronger stakeholder relations. These outcomes are measured using indicators such as public opinion, media coverage, and ratings. APBI also corroborates the substantial positive impact of commendable ESG commitment and performance on the reputation of mining companies in Indonesia, particularly PT X.

Transparency in waste management and carbon emissions is a critical component of a company's reputation, particularly in the eyes of investors and the global market. As environmental issues have gained increased awareness, sustainability reporting has emerged as a significant factor in investment decision-making. Furthermore, the implementation of waste management policies is contingent upon the presence of two additional factors. Firstly, the implementation of these policies must be accompanied by a high level of transparency in reporting and communication with stakeholders. Increasing transparency in the publication of sustainability reports and involving the public in monitoring can help ensure that the policies implemented have a positive impact on the environment and communities around the mine.

MIND ID, as the holding company, acknowledges the substantial positive impact of robust ESG commitment and performance by PT X and other state-owned mining companies on their public image and investor appeal. The implementation of effective ESG practices has been demonstrated to have a positive impact on public trust, attracting investors who prioritize sustainability and enhancing stakeholder relations. MIND ID hypothesizes that PT X's ESG performance exhibits a substantial correlation with its favorable public image, reflecting an escalating level of public and investor cognizance regarding the significance of ESG. The implementation of ESG strategies by its members has the potential to enhance MIND ID's reputation as a responsible and sustainable mining holding company. MIND ID actively encourages and facilitates ESG performance improvement across its members by setting standards, providing technical support, fostering knowledge sharing, and conducting regular evaluations. MIND ID prioritizes transparent communication about ESG progress and challenges through reports, websites, social media, and conferences. For PT X, MIND ID proposes a strategic approach, emphasizing the prioritization of material ESG issues, the proactive engagement of stakeholders, the allocation of resources to innovation, and the cultivation of a robust internal ESG culture. This strategy is designed to not only enhance PT X's reputation but also contribute to national sustainability.

Therefore, a correlation between Environmental, Social, and Governance (ESG) Performance and company is indicated. A substantial correlation is observed between PT X's ESG performance and the company's public image, as perceived by the public, investors, and other stakeholders. Companies that demonstrate commendable Environmental, Social, and Governance (ESG) performance are often perceived favorably by the public.

Consequently, companies are obligated to respond to crisis situations expeditiously and efficaciously to mitigate adverse impacts and preserve or reestablish their reputation. A company's crisis response encompasses three distinct phases: pre-crisis, crisis, and post-crisis. In the pre-crisis stage, companies must identify potential risks and prepare contingency plans. In the event of a crisis, it is incumbent upon companies to implement contingency plans and to communicate with stakeholders in a manner that is both open and transparent. In the post-crisis stage, companies must evaluate their crisis response and implement corrective actions.

Business Solutions

PT X is committed to enhancing the quality of transparency in implementing sustainability aspects. Concrete steps taken include the publication of sustainability reports on an annual basis, coinciding with the annual reports, even during periods when the publication of sustainability reports was mandatory as stipulated by the Financial Services Authority (OJK) through the Financial Services Authority Regulation (POJK) No.51POJK.03/2017 concerning the Implementation of Sustainable

Finance for Financial Services Institutions, Issuers, and Public Companies or POJK Finance/Sustainable Activities.

PT X is obligated to be transparent and open in its conveyance of information regarding the company's ESG performance. It is imperative to acknowledge errors and implement remedial measures promptly in the event of any issues arising. It is imperative to establish effective communication with the media and the public. Establishing positive relationships with journalists is crucial and providing accurate and relevant information in a proactive manner is essential. It is imperative to prioritize actions that align with the principles of Environmental, Social, and Governance (ESG) commitments, rather than merely paying lip service to the terms. ESG programs that are sustainable and have a positive impact will be more convincing to the public than mere rhetoric. PT X must demonstrate a high degree of responsiveness to issues that emerge in the media concerning ESG. It is imperative to provide a prompt and suitable response to mitigate any potential negative perceptions among the public. It is imperative that PT X prioritize enhancing transparency and accountability to ensure optimal operational effectiveness and ethical conduct.

The pursuit of sustainability in the domain of Environmental, Social, and Governance (ESG) performance reporting is propelled by the enhancement of communication with stakeholders. It is imperative that PT X enhance its communication with stakeholders concerning ESG matters. PT X allocates substantial resources to innovation with the objective of enhancing efficiency and mitigating adverse environmental impacts. It is imperative that PT X engage all employees in the implementation of ESG. PT X is committed to operating a sustainable business by implementing alignment between Environmental, Social, and Governance (ESG) aspects. In support of this objective, the Company has undertaken a series of initiatives aimed at enhancing its environmental sustainability. A series of concrete steps have been implemented to address the environmental impact of mining operations. These include the transition from fossil fuel-powered mining equipment to electric alternatives, the integration of an e-mining reporting system to facilitate real-time and online production monitoring, and the implementation of various carbon management programs within mining operational areas.

A comprehensive strategy to enhance ESG performance entails a focus on the most material ESG issues, engaging all stakeholders in ESG decision-making processes, and continuous investment in innovation to improve efficiency and minimize negative environmental impacts. It is imperative to cultivate a company-wide ESG culture, where every employee comprehends and is dedicated to ESG principles. A clearly delineated ESG roadmap furnishes strategic direction for companies seeking to formulate and execute sustainable initiatives encompassing the environmental, social, and governance dimensions.

The continuity of this initiative is a strategic pillar that supports sustainable development, achieving corporate goals, and building corporate resilience in facing future changes and challenges. In the context of sustainable development, the present Sustainability Report serves as a medium for PT X to present information related to its contribution to achieving the Sustainable Development Goals (SDGs). Consequently, the materiality link of this report with the SDGs is also conveyed, in accordance with the SDG Compass. The Guide for Business Action on the SDGs, a compendium meticulously curated by the Global Reporting Initiative (GRI), the United Nations Global Compact, and the World Business Council for Sustainable Development (WBCSD), serves as a comprehensive reference point for corporate sustainability initiatives.

CONCLUSION

The present study examines the positive correlation between sustainability communication, ESG program implementation, and corporate reputation at PT X, highlighting its significance in the mining industry. PT X has systematically integrated Environmental, Social, and Governance (ESG) initiatives into its business strategy, focusing on carbon emission reduction, responsible resource management, and governance transparency. Quantitative findings reveal a strong link between ESG performance and financial indicators such as investor confidence and corporate image, though challenges persist around employee engagement and regulatory alignment. While higher ESG scores correspond to improved stakeholder reputation—particularly among investors—employees and local communities report feeling less involved in ESG decision-making. The study confirms that effective ESG practices contribute to PT X's financial stability and competitiveness, enhancing stakeholder trust and reinforcing the importance of ESG for the company's public image. To further optimize reputational benefits, PT X should enhance ESG communication strategies, engage more proactively with diverse stakeholders including NGOs and regulators, and establish measurable ESG indicators to monitor progress. Future research could explore mechanisms for increasing employee and community participation in ESG initiatives and assess the long-term impact of refined communication strategies on corporate reputation within the mining sector.

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