

# The Role Of Csr Disclosure And Sustainability Reporting In Enhancing Stakeholder Satisfaction: A Systematic Literature Review Of The Coal Subsector

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## ABSTRACT

*This study uses the Systematic Literature Review (SLR) method to investigate the relationship between CSR and Sustainability Reporting disclosure and stakeholder satisfaction in coal mining sub-sector companies listed on the Indonesia Stock Exchange (IDX). 36 indexed from 2015 to 2024 were related to the topics of CSR, SR, and stakeholder satisfaction. The results show that transparency, compliance with global standards, and stakeholder engagement increase as a result effective CSR and SR disclosure. This enhances legitimacy and stakeholder satisfaction. Symbolic reporting, on the other hand, has little impact and even reduces public trust. The results confirm that high-quality non-financial disclosure is an important component of corporate communication and accountability strategies. The results confirm that good non-financial disclosure is an important component of corporate communication and accountability strategies. This study confirms that stakeholder theory and legitimacy are crucial for explaining how sustainability reporting contributes to corporate social relations and why the extractive industry needs better reporting.*

**Keywords:** Keyword: CSR Disclosure, Sustainability Reporting, Stakeholder Satisfaction, Coal Mining, Legitimacy.

## INTRODUCTION

Increased corporate transparency, ethics, and social impact have drawn public attention to sustainability and corporate social responsibility (CSR). Companies have been compelled to consider social and environmental factors in their operations, in addition to focusing on economic profits, due to global events such as forest fires, climate change, and environmental

crises in Indonesia. Companies, particularly those operating in natural resource sectors such as mining, are required to comply with laws such as Law No. 40 of 2007. However, these practices often do not align with clear sustainability reporting, leading to discrepancies between what occurs on the ground and what is published. Previous studies indicate that sustainability reporting and CSR have become integral components of corporate sustainability research. For instance, (Febriyanti, 2021) study found variations in CSR disclosure levels among mining companies listed on the Indonesia Stock Exchange (IDX). For instance, large companies in the energy and natural resources sectors have not issued personalized environmental sustainability reports and have not fully engaged stakeholders in identifying material issues. (Raquiba & Ishak, 2020). Certain companies, such as PT Bukit Asam Tbk, have high disclosure levels, while others have lower levels, as low as 10%. In other studies, such as that conducted by Usman et al. (2023), it is emphasized that ESG (Environmental, Social, Governance) disclosure is crucial for attracting the attention of stakeholders such as investors, suppliers, and the community. However, many companies in the mining industry still rely on symbolic disclosure without conducting a thorough review and have not adopted global standards such as the Global Reporting Initiative (GRI).

Often, this does not reflect actual sustainability practices, leading to risks such as social conflicts and environmental pollution (Alshowaiman, 2025). Additionally, there is a relationship between stakeholder engagement in sustainability reporting and increased corporate legitimacy (Tandiono et al., 2023 ;Nopriyanto, 2024), but this relationship has not been thoroughly studied in the context of stakeholder satisfaction as the primary outcome. Research on CSR disclosure and sustainability reporting has been conducted, but significant research gaps remain. Previous studies, such as those by Febriyanti (2021) and Usman et al. (2023), focused on variations in disclosure but did not compare the quality of reporting and CSR practices in the field. This is particularly true for Indonesia's high-risk mining sector. Furthermore, no research has explicitly evaluated how discrepancies between sustainability practices and reporting affect stakeholder satisfaction. Additionally, there is a gap in the literature indicating a lack of integrative analysis regarding the impact of reporting on long-term stakeholder legitimacy and support.

Legitimacy and stakeholder theory form the foundation of this study, as outlined by (Suchman, 1995). To achieve stakeholder satisfaction, companies must consider the interests of various parties (such as the government, communities, and employees) in their operations, including through CSR and sustainability reporting. Meanwhile, legitimacy theory emphasizes that companies can survive by aligning their practices with social standards, where transparent reporting helps build stakeholder trust.

The objective of this study is to examine how CSR disclosures, sustainability reports, and stakeholder satisfaction in BEI-listed mining companies are interrelated, and to identify discrepancies between field practices and reports. Additionally, this study provides practical recommendations for enhancing CSR accountability and integrating it into business strategies.

This study is expected to provide academic and practical insights into how transparent sustainability reporting can enhance sustainability and business legitimacy in Indonesia's mining industry.

## RESEARCH METHOD

Using a Systematic Literature Review (SLR) approach, this study compiles scientific findings on how Corporate Social Responsibility (CSR) and sustainability reporting contribute to increased stakeholder satisfaction in the coal mining subsector. The analysis was conducted in accordance with the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines to ensure that the results are valid, clear, and reproducible. Using a combination of relevant keywords, literature sources were obtained from databases such as ScienceDirect, SpringerLink, Elsevier, Google Scholar, and Garuda.

Inclusion criteria for this study included publications in English or Indonesian from 2015 to 2024, with a focus on CSR and *Sustainability Reporting* in coal mining, and the use of qualitative, quantitative, or mixed-methods approaches. The analysis excluded studies that did not meet relevance criteria, were not fully available, or were published before 2015. The selection process followed the PRISMA flowchart, which includes identification, screening, eligibility, and inclusion. The results indicate that 36 articles were eligible for systematic analysis. This analysis examines the consistency of research findings across various studies and develops theoretical insights into the effectiveness of sustainability reporting in the coal subsector. The findings yield a thematic mapping of the strategic dimensions of CSR and *Sustainability Reporting* in the extractive industry. These strategic dimensions influence organizational legitimacy, the quality of relationships between companies and stakeholders, and the objectives of sustainable practice development.

## RESULT AND DISCUSSION

### The Impact of CSR on Stakeholder Satisfaction

According to research, stakeholder satisfaction and trust levels increase when companies honestly and effectively disclose and implement CSR initiatives. According to (Tandiono et al., 2023) and (Charan & Freeman, 1980); Velamuri (2023), the more transparent and high-quality the information regarding CSR is, the better the relationship between the company and its stakeholders. In high-social-risk industries such as coal mining, disclosures focused on the needs of local communities have been found to improve public perception of the company. However, results from several studies indicate variations in the extent to which CSR is effectively implemented. According to (Stephanie, 2024), the success of CSR programs depends heavily on objectives that prioritize sustainability, not merely social obligations.

This directly impacts the company's financial performance and reputation. Conversely, (Walker & Sarkodie, 2019) found that symbolic CSR, such as community education programs, does not significantly increase public trust. According to Msosa's (2023) research, CSR focused on partnerships with communities can create long-term operational stability. Meanwhile,

Abuya (2023) emphasizes that a company's failure to meet the social expectations of the community can trigger resistance and undermine the company's legitimacy. Thus, the primary factor determining stakeholder satisfaction is not the level of social activity reporting, but rather CSR based on stakeholder engagement and having measurable social impact.

### **The Impact of Sustainability Reporting on Stakeholder Satisfaction**

Sustainability reporting demonstrates a company's commitment to social and environmental sustainability as a tool for transparency. It is evident that stakeholder satisfaction is significantly influenced by sustainability reporting. Reliable sustainability reports indicate that a company is committed to sustainable business practices and social-environmental accountability. A study by (Sahetapy, 2023) shows that consistent sustainability reporting increases stakeholder trust by demonstrating transparency and compliance with global standards. Indonesian studies have also found that pressure from the media and customers drives companies to produce better sustainability reports (Kono et al., 2023). When companies provide substantial reports, stakeholders feel more confident and satisfied. The quality of sustainability reporting is crucial for strengthening a company's relationship with stakeholders because symbolic sustainability reports tend to undermine credibility and fail to have a tangible impact on stakeholder satisfaction (Reid et al., 2022).

### **The Influence of CSR and Sustainability Reporting on Stakeholder Satisfaction**

Sustainability Reporting and CSR work together to create a positive perception among stakeholders. According to (Reid et al., 2022) and (Martínez-Peláez et al., 2023), social capital and organizational legitimacy are strengthened when both work together. These two factors are vital for business sustainability. While Sustainability Reporting serves as a formal medium affirming the accountability and sustainability of such activities, CSR is responsible for fulfilling actual social responsibilities through community activities. A study conducted by Zhang and Wang (2024) indicates that incorporating stakeholder engagement into Sustainability Reporting enhances corporate value and fosters trust. These findings align with the research by Saraswati et al. (2024), which emphasizes the importance of report materiality and stakeholder engagement in the Sustainability Reporting process. Additionally, Theron et al. (2024) highlight that consistent, data-driven CSR communication boosts the motivation of internal stakeholders. On the other hand, Arian et al. (2023) state that CSR communication tailored to industry characteristics can generate a competitive advantage. The strategic integration of SR and CSR enhances corporate reputation and demonstrates the success of long-term relationships with stakeholders. Therefore, stakeholder satisfaction in the coal subsector can be considered evidence of a company's success in managing transparency, accountability, and social participation.

### **CONCLUSION**

Substantive CSR disclosure and sustainability reporting play a key role in enhancing stakeholder satisfaction in Indonesia's coal mining subsector. Stakeholder engagement in

decision-making, community-needs-based programs, and the sustainability of social activities are some examples of substantive CSR that enhance trust and the company's social relationships (Tandiono et al., 2023). Research indicates that symbolic CSR has no significant impact and may even undermine legitimacy (Reid et al., 2022; Walker & Sarkodie, 2019). The findings of this study reinforce these findings. Similarly, research conducted by (Sahetapy, 2023) and (Kono et al., 2023) indicates that consistent sustainability reports based on global standards enhance public perception and stakeholder satisfaction. Furthermore, this study found that two key factors distinguish companies that successfully build social legitimacy from those that engage in only minimal reporting: stakeholder involvement in the report preparation process and alignment between actual CSR activities and their disclosure. When CSR and SR are strategically integrated, it has been proven to generate greater social capital, a better reputation, and more stable long-term relationships with governments, communities, and investors.

Practically, this study emphasizes that mining companies must adhere to global standards such as the Global Reporting Initiative (GRI), enhance reporting accountability, and ensure that stakeholders are involved in the process of identifying material issues. These efforts not only enhance stakeholder satisfaction but also strengthen the company's legitimacy and regulators' ability to make decisions regarding social and environmental transparency. Further research is recommended to investigate the role of moderating variables such as corporate governance, organizational culture, and the digitization of reporting. Additionally, it is suggested to conduct quantitative empirical research measuring how the quality of CSR and Sustainability Reporting directly impacts stakeholder satisfaction

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