



The impact of Good Corporate Governance (GCG) and Corporate Social Responsibility (CSR) on the stock returns of mining companies in Indonesia as a result of the global campaign for fossil fuel divestment.

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Abstract : Corporate have to look to another source of energy, from fossil fueled energy to green energy for a better future. This movement start at 2000 and begin to rise after Paris agreement at 2016. This study have the purpose to analyze the influence between good corporate governance and corporate social responsibility from net profit margin impactfull within stock return of mining company at the 49 mining company that listing in Indonesia stock exchange from 2011 until 2020. This research employs a panel data regression model, the study examines the impact of good corporate governance, corporate social responsibility, and profitability margin on stock return measurements, specifically, price-earning ratio and dividend yield. The results indicate there is no influence for price-earning ratio and dividend yield. The resulting equation is as follows:

$$\text{PER} = 5,650640 + 0,261937 \text{ GCG} - 0,227681 \text{ CSR} + 0,445555 \text{ PM}$$

$$\text{DY} = -2,505838 + 1,182855 \text{ GCG} + 1,701164 \text{ CSR} + 1,099402 \text{ PM}$$

Key words : good corporate governance, corporate social responsibility, probitability margin, stock return and panel data regression model.

INTRODUCTION

In the era of globalization, environmental issues have become objectives and responsibilities for companies. Companies are expected to shift from profit-oriented to environmentally and socially oriented. In recent years, there has been a global movement towards sustainability regarding environmental issues in a company's operations. Increased corporate growth has become one indicator of these environmental issues such as global warming, sustainability of natural resources, waste, and pollution in an industry, making stakeholders sensitive and prompting them to advocate for change towards better practices (IFADA et al., 2021).

Indonesia, as one of the world's producers of fossil fuels, faces significant challenges while simultaneously considering policies that will impact the country's financial performance, especially attracting investors to Indonesia. Research is conducted to examine the global campaign for fossil fuel divestment and whether it will directly affect Indonesia. With this campaign, Indonesia issued Presidential Regulation No. 46 in 2017 to regulate environmental economic instruments, allowing local to central governments to seek compensation if companies in fossil fuel industries cause environmental damage. The government also issued Presidential Regulation No. 98 of 2021 regarding the implementation of carbon economic values. With these regulations in place, it remains to be seen whether they will impact investment performance in fossil fuel companies or non-fossil fuel companies listed on the Indonesia Stock Exchange from 2011 to 2020.

Previous research by Halcoussis & Lowenberg (2019) aimed to examine the impact of global campaigns on the mining industry in Indonesia. This study added an independent variable, good corporate governance, focusing on mining companies in Indonesia subject to Indonesian government regulations and policies as part of fulfilling good corporate governance standards. The study assessed the effects of global campaigns on mining company performance through corporate social responsibility, as reflected in

sustainability reporting. The research sought to understand how global campaigns could influence the performance of mining companies in Indonesia, with a focus on good corporate governance and corporate social responsibility aspects. The impact of global campaigns in this study encompassed good corporate governance measured by managerial ownership and corporate social responsibility measured by the GRI index, with profitability margin as a control variable, on stock returns measured by price-earning ratio and dividend yield of Indonesian mining companies.

This study will examine the disclosures in the annual sustainability reports of mining companies to determine if they adhere to the principles of good corporate governance and fulfill corporate social responsibility obligations. Sustainability reporting is a commitment by organizations to present their performance from social, financial, and ecological perspectives. Corporate management, as part of business responsibility, aims to improve the quality of life by supporting monetary event turnovers and collaborating with employees, their families, local communities, and society (Khafid, 2012a). In 2014, approximately 42 companies reported their sustainability following guidelines set by the Global Reporting Initiative (GRI), according to the National Center for Sustainability Reporting (NCSR). However, the number of sustainability reports generated by companies in the mining sector is still relatively low. Many mining companies have yet to prepare sustainability reports, despite companies in the manufacturing, service, and banking sectors having started to do so. Achieving environmentally sustainable development requires various actions. Advancements in science and technology are expected not only to contribute to economic growth but also to help address sustainability-related risks and challenges associated with social, environmental, and economic relations. Increasing attention to maintenance reporting actions in the global business world is becoming a factor in surveying organizational social responsibilities. Global corporate leaders increasingly understand that providing more detailed report exposures beyond mere budget summaries can offer assistance to corporate methodologies. Similarly, it can also indicate their focus on event turnovers that can be sustainably managed (Khafid, 2012b).

NEED OF THE STUDY.

The mining business is one of the sectors responsible for a significant portion of greenhouse gas emissions and hazardous substances, which fundamentally affect the climate and the well-being of surrounding ecosystems. Additionally, there has been a decline in the demand for fossil fuels as awareness of their environmental impact increases. Unsustainable mining operations or those neglecting environmental concerns can impact a company's financial performance. For instance, costs incurred by a company to pay fines or remediate environmental damage can negatively affect its profits, which are linked to its resources.

Grand Theory

According to Penrose's theory in 1959, organizations are considered entities comprised of various resources and capabilities used to manage their assets. By adopting an asset-based theory approach, organizations need to embrace a stakeholder approach. Stakeholder theory posits that organizations aim not only for self-profit but also for the benefit of all involved parties, such as investors, lenders, buyers, suppliers, government, society, experts, and others. Organizational growth is heavily influenced by its internal resources, including employee expertise, managerial knowledge, brand, customer relationships, and other assets. The primary focus is on the impact of internal resources on the organization's ability to grow and thrive. Penrose emphasizes that human resources and the knowledge driven by individuals within the organization are the most crucial resources because they possess knowledge, skills, and experiences that competitors cannot imitate. Consequently, organizational growth occurs when these human resources and knowledge are effectively utilized. Penrose also acknowledges that external resources such as capital, technology, and the business environment influence a company's growth, but the focus is more on the internal resource's impact on long-term growth and success. In Penrose's view, the development and utilization of internal resources with unique and difficult-to-imitate characteristics are key to organizational success. She argues that companies can achieve growth by maximizing the utilization of their internal resources and developing a competitive advantage driven by their workforce.

Good Corporate Governance

Good Corporate Governance plays a pivotal role in maintaining company performance, particularly in social, economic, and environmental aspects. The sustainability of an organization in implementing corporate social responsibility as a primary instrument is part of its commitment to contribute and benefit society and the nation (Tjahjadi et al., 2021). In the view of Mahrani & Soewarno (2018), good corporate governance is mechanized into categories, namely external mechanisms with internal company mechanisms, including:

External Mechanisms

These are influenced by parties outside the company, such as investors, auditors, creditors, and legal accountability institutions.

Internal Mechanisms

These are influenced by parties within the company, such as institutional ownership, managerial ownership, independent board of commissioners, and audit committees (accounting.binus.ac.id, n.d.).

Management leadership plays a central role in implementing excellent corporate governance practices. This context indicates that this research utilizes managerial ownership as an indicator to evaluate the effectiveness of good corporate governance mechanisms. According to Kwiatek (2018), managerial ownership is part of a company's board of directors. The greater the ownership by the board of directors and the board of commissioners, the more responsibility is assumed by management in managing the company to reconcile the needs of shareholders and executives. Managerial ownership benefits oversight functions by providing incentives for managers to act in the shareholders' interests and maximize the company's value (DESTRIWANTI, 2021).

$$\text{Kepemilikan Manajerial} = \frac{\text{Jumlah Saham Manajemen}}{\text{Total Saham Beredar}} \times 100 \%$$

Corporate Social Responsibility

Keller (2009) indicates that brand image is the perception with preferences formed in the minds of customers towards a brand embedded in their memory. Nisar & Whitehead (2016) define brand image as the overall representation perceived by customers of a brand, encompassing brand identification or differentiation, brand personality, and benefits of brand selection. In a competitive business environment, brand image that influences customer perceptions can help companies differentiate themselves from competitors, providing a competitive advantage. This brand image reflects customer responses to observed or consumed product attributes. Mitra & Jenamani (2020) describe brand image as perceptions formed in the minds of customers, influenced by the strength and uniqueness of brand associations. In an economic context, brand image is the utility perceived by customers from brand consumption, reflecting evaluations of brand associations internalized in customers' minds (Olivia et al., 2021). Stakeholders' views indicate that companies implementing GCG principles and committing to Corporate Social Responsibility (CSR) tend to have a good reputation in society, which in turn affects the financial results of the organization (Rodriguez-Fernandez, 2016). CSR plays a significant role in business and is one of the essential elements for funders in determining their investments in the capital market towards organizations actively engaged in CSR activities. Concern for CSR implementation is reflected in the company's financial reports (El Ghouli et al., 2011). Companies currently disclose CSR through the Global Reporting Initiative (GRI) Standards, which are interrelated standards. These fundamentals consist of three sets: General GRI Principles applicable to all organizations, GRI Sector Standards applicable to related sectors, and GRI Topic Standards providing disclosures on specific topics. The implementation of GRI Standards helps organizations identify relevant material topics, thereby supporting sustainable development achievements (globalreporting.org, n.d.). The fourth generation of the Global Reporting Initiative (GRI) Standards or G4 consists of 89 performance measures divided into three categories: economic, environmental, and social (Heryanto & Juliarto, 2017a) with the formula as follows:

$$CSRI_j = \frac{\sum X_{ij}}{N_{ij}}$$

Profitability Margin

Optimal company profitability is expected to attract investor interest in investing in the company's stocks (Purwaningsih, 2019).

Net Profit Margin (NPM) is a measure of evaluating a company's ability to generate profit from each unit of sales. A high NPM ratio indicates the company's strength in achieving high profits (Purwaningsih & Widjanarko, 2022).

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Sales}}$$

Stock Return

Stock Return is the result or return obtained from investing resources in stocks over a period, estimated as the rate at which assets are contributed. The primary goal of financial supporters in effective money management is to increase stock returns, given the associated risk level of the project. Jogiyanto (2008) identifies two types of benefits, namely realized return and expected return. The financial work of an organization reflects the achievements attained by the organization in a given period and reflects the organization's monetary well-being. The better the level of financial performance of an organization, the normal stock valuation is expected to grow and will provide returns to investors (Ching et al., 2020).

Price Earning Ratio

Price Earning Ratio (PER) is an indicator that measures the relationship between a company's stock price and its earnings per share. This ratio reflects investors' assessment of the stock price relative to the earnings generated by the company. When PER increases, it indicates that investors anticipate future earnings growth. Conversely, a decrease in PER may indicate expectations of lower future earnings (Akbar & Herianingrum, 2015).

$$\text{Price Earning Ratio} = \frac{\text{Market Price per share of common stock}}{\text{Earning Per Share}}$$

Dividend Yield

Dividend Yield is a ratio comparing the dividends paid by a company to its stock price. This ratio provides an overview of the return rate obtained from dividends, considering the stock price. Some investors use Dividend Yield as a risk indicator and a tool for selecting investments, tending to choose stocks with a high Dividend Yield. This is because dividends are considered more predictable than capital gains (Marito & Sjarif, 2020).

$$\text{Dividend Yield} = \frac{\text{Dividend Per Share}}{\text{Market Price Per Share}}$$

RESEARCH METHODOLOGY

Based on the acquired data, the variables are quantitative in nature as a structural approach emphasizing hypothesis testing through statistical tools is required. The measurement of variables in this study includes Stock Return measured by price-earning ratio and dividend yield as dependent variables, GCG, CSR as independent variables with profitability margin as a control variable. The details are as follows;

3.1 Population and Sample

The population sampled for research consists of companies listed on the Indonesia Stock Exchange. The sampling method employed is purposive sampling, which involves selecting samples based on the researcher's judgment of the most suitable and representative samples. Sample classification includes organizations based on their implementation of good corporate governance, measured by managerial ownership, along with corporate social responsibility, measured by the GRI index, with profitability

margin as a control variable. Additionally, the company's strategy in measuring stock returns through price-earning ratio and dividend yield is also considered. The samples mainly come from companies listed on the Indonesia Stock Exchange. The sampling used is as follows:

1. Good corporate governance in companies through the classification of the mining sector on the Indonesia Stock Exchange measured by managerial ownership between 2011 and 2020.
2. Corporate social responsibility in companies through the classification of the mining sector on the Indonesia Stock Exchange measured by disclosure in the GRI index or referred to as G4 with 89 indexes between 2011 and 2020.
3. Profitability margin in companies through the classification of the mining sector on the Indonesia Stock Exchange between 2011 and 2020.
4. Companies generating profit and providing dividends measured by dividend yield ratio to observe whether they generate capital gain or loss based on the mining sector on the Indonesia Stock Exchange between 2011 and 2020.
5. Profitable companies measured by earnings price ratio to observe whether they generate capital gain or loss based on one sector on the Indonesia Stock Exchange between 2011 and 2020.

3.2 Data and Sources of Data

The method employed is purposive sampling of the population size of 49 companies. Mining companies listed on the Indonesia Stock Exchange (IDX) from 2011 to 2020 are selected according to the research objectives. Purposive sampling is utilized for a total of 2450 data points, based on annual reports and sustainability reports, with 15 companies included in the study from 2011 to 2020, resulting in 225 data points.

Data for this study are sourced from the Indonesia Stock Exchange (IDX) website and the websites of mining company issuers in the form of annual reports and sustainability reports. The analysis utilizes a panel data regression model, examining the financial reports of the companies under study. Data analysis involves descriptive statistics and panel data regression. Testing is conducted using Eviews 11 software. The panel regression equation used in this study to analyze stock returns comprises:

$$\text{Dividen Yield} = \alpha + \beta_1 \text{GCG} + \beta_2 \text{CSR} + \beta_3 \text{NPM}$$

$$\text{Earning Price Ratio} = \alpha + \beta_1 \text{GCG} + \beta_2 \text{CSR} + \beta_3 \text{NPM}$$

β_0 : Constant

β_1 -12 : Regression coefficient

e : Error

GCG : Good Corporate Governance

CSR : Corporate Social Responsibility

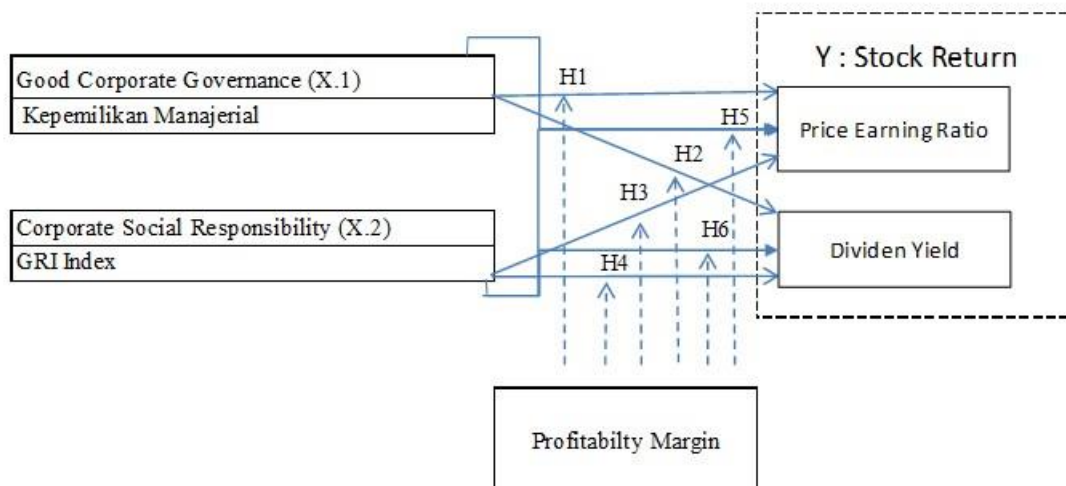
NPM : Net Profit Margin

DYR : *Dividen Yield Ratio*

PER : *Price Earning Ratio*

3.3 Theoretical framework

The impact of the global campaign on fossil fuel energy divestment on the price-earning ratio and dividend yield of mining companies in Indonesia is examined. The global campaign on fossil fuel energy divestment is evident from companies implementing good corporate governance accompanied by mining industry social programs through corporate social responsibility. This will be reflected in the profitability margin of mining companies in Indonesia.



Picture 3.1. Research Model

HYPOTHESIS FRAMEWORK

The impact of managerial ownership on stock return measured by the price-earnings ratio.

The world is advocating for divestment from fossil fuel usage within a decade, aiming to persuade investors to sell shares in fossil fuel companies contributing to global climate change. This action represents an ethical investment movement encompassing sustainable investment, corporate governance (GCG), and corporate social responsibility (CSR) (Halcoussis & Lowenberg, 2019). The divestment campaign process has repercussions and encourages societal change to embrace this movement, particularly in implementing good corporate governance and corporate social responsibility (Kaempfer et al., 1987). Mining companies must comply with regulations in Indonesia to reflect a position of Good Corporate Governance (IFADA et al., 2021). According to (Manzaneque et al., 2016; Septivani & Agoes, 2014), Shares held by management represented by the board of directors and board of commissioners are also known as managerial ownership. Shareholders in the company balance the common goals between the company's internal divisions and investors. Managerial ownership significantly impacts financial difficulties, with higher managerial ownership correlating to a lower likelihood of financial distress (DESTRIWANTI, 2021). The profitability margin of mining companies serves as a control variable to determine the company's stock return measured through the price-earnings ratio. A high price-earnings ratio indicates high growth for the company, while a low price-earnings ratio indicates low growth for the company (Margaretha, 2008). Therefore, the hypothesis is:

H1: Managerial ownership positively affects stock return measured by the price-earnings ratio.

The influence of managerial ownership on stock return measured by dividend yield.

Managerial ownership is expected to enable both management and shareholders to run the company optimally, especially in enhancing the company's profitability. It is also hoped that managerial ownership can provide certainty regarding dividend policies (Ni Putu Yunita Devi Ni Made Adi Erawati, 2014). Therefore, the hypothesis is:

H2: Managerial ownership positively affects Stock Return measured by dividend yield.

The influence of the GRI Index on stock return measured by the price-earnings ratio.

To present a favorable outlook, mining companies implement corporate social responsibility programs. These programs contribute positively to the company's image (Lin et al., 2019). Corporate Social Responsibility (CSR) is conveyed through the GRI Index, reflecting the level of social responsibility disclosure within the organization. Greater transparency leads to greater social obligations for the organization. The CSR index can be calculated based on the number of CSR indicators disclosed in the company's annual or sustainability reports. Corporate Social Responsibility (CSR) guides companies to have obligations to various stakeholders, such as buyers, employees, shareholders, communities, and the environment. CSR requires companies to be accountable for all their activities to these stakeholders, committing to act ethically, in accordance with current regulations, and providing financial benefits for a better quality of life for employees and society as a whole (Heryanto & Juliarto, 2017b). With proper implementation of the GRI Index in sustainability reports, companies can assess the fairness of their stock prices using the price-earnings ratio. The price-earnings ratio is used as a measure of the profit generated by the company in the future (Margaretha, 2008). Therefore, the research hypothesis is:

H3: The GRI Index positively affects Stock Return measured by the price-earnings ratio.

The influence of the GRI Index on stock return measured by dividend yield.

In recent years, Environmental, Social, Governance (ESG)-based investments have become a trend due to increasing societal awareness. ESG refers to corporate standards in investment practices that integrate and implement policies aligned with ecological, social, and governance principles (Qodary Hilwa Fithratul & Tambun Sihar, 2021). Currently, Environmental, Social, Governance (ESG) has become a basis included in sustainability reports disclosed through the GRI Index. Investors believe that there is a reciprocal relationship between investment portfolios and environmental and social aspects. Therefore, the hypothesis is:

H4: The GRI Index positively affects Stock Return measured by dividend yield.

The influence of managerial ownership and the GRI Index on stock return measured by the price-earnings ratio.

A study by (Pratiwi & I. Kt. Suryanawa, 2014) states that Good Corporate Governance (GCG) is the foundation of the economic system unit because it relates to public trust in the company. Well-implemented GCG provides security to shareholders, makes all parties comfortable with their investments, and enhances the company's valuation. Companies aim to gain profits and increase their valuation. Valuation sustainability must consider various economic aspects, benefits to society, and ecological aspects through social responsibility management. Therefore, the hypothesis is:

H5: Managerial ownership and the GRI Index positively affect Stock Return measured by the price-earnings ratio.

The influence of managerial ownership and the GRI Index on stock return measured by dividend yield.

ESG (Environmental, Social, Governance) is an investment practice standard encompassing three main concepts: ecological, societal benefits, and organizational management. By implementing ESG in its operations, an organization can attract investor interest because they believe that ESG-based investments have a broad impact on Indonesia. Therefore, the hypothesis is:

H6: Managerial ownership and the GRI Index positively affect Stock Return measured by dividend yield.

3.4 Statistical tools and econometric models

This section elaborates the proper statistical/econometric/financial models which are being used to forward the study from data towards inferences. The detail of methodology is given as follows.

3.4.1 Descriptive Statistics

This study employs descriptive statistical analysis to analyze research variables, such as mean, standard deviation, maximum, and minimum. Additionally, panel data regression analysis is utilized to assess the impact of good corporate governance and corporate social responsibility on price-earnings ratio and dividend yield.

3.4.2 Regression Data Panel

This study employs panel data regression analysis technique using the EViews 12 software. There are several methods available for panel data regression analysis, such as the common effect model, fixed effect model, and random effect model.

3.4.2.1 Chow Test

In this study, the Chow test is utilized to determine whether the Common Effect model (H0) or Fixed Effect model (H1) is more suitable to use. The significance level employed in this study is 5% ($\alpha = 0.05$). The criteria for decision-making are as follows:

- If the F-statistic value $<$ F-table value, then H_a is rejected and H_0 is accepted, indicating that the suitable model to use is pooled least squares.
- If the F-statistic value $>$ F-table value, then H_a is accepted and H_0 is rejected, indicating that the suitable model to use is fixed effect.

Alternatively:

- Probability (p-value) Cross-section $F \leq 0.05 =$ reject H_0
- Probability (p-value) Cross-section $F > 0.05 =$ accept H_0

3.4.2.2 Hausman Test

The Hausman Test is employed to choose between the fixed effect or random effect model. To make a decision, several criteria must be met:

- Probability (p-value) Cross-section random $\leq 0.05 =$ fixed effect
- Probability (p-value) Cross-section random $> 0.05 =$ random effect

3.4.3 Classical Assumption Test

Before conducting regression analysis with moderation variables, the first step is to test for normality, heteroskedasticity, autocorrelation, and multicollinearity in the data. Below are the results of these tests.

3.4.3.1 Normality Test

Normality test is a statistical procedure used to determine whether a dataset or a sample comes from a population that follows a normal distribution. It assesses whether the values in the dataset are approximately normally distributed or not. In essence, it checks if the data points are symmetrically distributed around the mean, forming a bell-shaped curve. Where $R_{i=}$ the average monthly excess returns of the stock i , $R_{APT=}$ expected excess returns estimated by APT, $R_{CAPM=}$ expected excess returns estimated by CAPM and α measure the effectiveness of the models. The APT is the accurate model to forecast the returns of the stocks as compare to CAPM if α is close to 1.

3.4.3.2 Heteroskedasticity Test

There are several assumptions present in a regression model. The assumptions considered are that residual values have a mean of zero, residual variance is constant, and there is no relationship between residuals from different observations, resulting in a blue estimator. If these assumptions are not met, difficulties may arise in predicting the model created. Therefore, it is necessary to check the model to see if there is any heteroskedasticity error occurring. In this study.

3.4.3.3 Autocorrelation Test

Literally, autocorrelation is a phenomenon where there is a relationship between one observation and another at different times. Autocorrelation in the context of Ordinary Least Squares (OLS) is the correlation between one residual and another. The lack of relationship between one residual and another is one of the important assumptions of the OLS method. Therefore, testing is needed on the model to determine whether there is heteroskedasticity problem. In this study, the Breusch-Godfrey Serial Correlation LM Test is used to test for the presence of heteroskedasticity.

3.4.3.4 Multicollinearity Test

In this study. Multicollinearity issues are tested by examining the VIF test values.

3.4.4 Regression Equation Test

A regression equation is a mathematical formula that describes the relationship between two or more variables in a statistical analysis. It represents the expected value of one variable (dependent variable) based on the values of other variables (independent variables). In simple linear regression, the equation takes the form $Y = a + bX$, where Y is the dependent variable, X is the independent variable, 'a' is the intercept (the value of Y when X is 0), and 'b' is the slope (the change in Y for a one-unit change in X). In multiple regression, the equation includes multiple independent variables, and each independent variable has its own slope coefficient.

3.4.4.1 Simultaneous Hypothesis Testing

Simultaneous testing is conducted to examine whether independent variables collectively have a significant impact on the dependent variable. In the decision-making process, if the prob. value (F statistic) < 0.05 (5% significance level), then H₀ is rejected, indicating that the independent variables collectively have a significant influence on the dependent variable. However, if the prob. value (F statistic) > 0.05 (5% significance level), then H₀ is accepted, indicating that the independent variables do not collectively affect the dependent variable.

3.4.4.2 Partial Hypothesis Testing

Partial testing is carried out to determine whether the regression coefficients individually towards the dependent variable are significant or not. The decision-making criterion for partial testing is if the t-value \geq t-table or prob. (p-value) < 0.05 (5% significance level), then H₀ is rejected, indicating that the independent variable has a significant partial effect on the dependent variable. However, if the t-value < t-table or prob. (p-value) > 0.05 (5% significance level), then H₀ is accepted, indicating that the independent variable does not have a significant partial effect on the dependent variable.

3.4.4.3 Coefficient of Determination (R²) Testing

The purpose of this test is to understand the extent to which independent variables can collectively explain the dependent variable. This test also plays an important role in evaluating the accuracy and validity of the relationship between variables in the model used. The R² value ranges from zero to one. When it is closer to one, the relationship between independent and dependent variables is closer. Conversely, if R² approaches zero, then the relationship between independent and dependent variables is further apart. Below are the results of the R² value calculations.

IV. RESULTS AND DISCUSSION

RESULTS

4.1 Results of Descriptive Statics of Study Variables

Table 4.1: Descriptive Statics

	CSR	GCG	PER	DY	PM
Mean	0.278222	2.767889	-70.01333	0.067889	8.697111
Median	0.260000	0.140000	7.900000	0.030000	9.210000
Maximum	0.790000	40.95000	184.2000	0.890000	37.39000
Minimum	0.010000	0.001000	-3867.000	0.005000	-17.29000
Std. Dev.	0.201204	9.454450	580.1102	0.133116	10.06821
Observations	45	45	45	45	45

Table 4.1 presents a statistical summary including the mean, median, maximum, minimum, and standard deviation of each research data. The mean of the price-earning ratio data is -70.01, with a median of 7.90. The maximum value of the price-earning ratio reaches 184.20, with a minimum value of -3867.00. The standard deviation indicates the level of data dispersion (variance) from the mean, which is 580.11 for the price-earning ratio.

For dividend yield, the mean is 0.07, with a median of 0.03. The maximum dividend yield value is 0.89, and the minimum is 0.005. The standard deviation shows the level of data dispersion (variance) from the mean, which is 0.13 for dividend yield.

Good corporate governance has a mean value of 2.77, with a median of 0.14. The maximum value for good corporate governance is 40.95, and the minimum is 0.001. The standard deviation indicates the level of data dispersion (variance) from the mean, which is 9.45 for good corporate governance.

Corporate social responsibility has a mean value of 0.28, with a median of 0.26. The maximum value for corporate social responsibility is 0.79, and the minimum is 0.01. The standard deviation shows the level of data dispersion (variance) from the mean, which is 0.20 for corporate social responsibility.

Profitability margin has a mean value of 8.70, with a median of 9.21. The maximum profitability margin value is 37.39, and the minimum is -17.29. The standard deviation indicates the level of data dispersion (variance) from the mean, which is 10.07 for profitability margin.

4.2 Results of Regression Data Panel

Model 1

Tabel.4.2.Common Effect

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.133857	0.831353	7.378163	0.0000
GCG	0.687065	0.254046	2.704489	0.0099
CSR	-0.801451	1.044862	-0.767041	0.4475
PM	0.404150	0.162677	2.484366	0.0172

Tabel.4.3.Fixed Effect

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.331314	0.796221	6.695770	0.0000
GCG	-0.480861	0.486484	-0.988443	0.3317
CSR	-0.431099	1.085071	-0.397301	0.6943
PM	0.512378	0.203919	2.512649	0.0183

Tabel.4.4.Random Effect

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.650640	0.771169	7.327374	0.0000
GCG	0.261937	0.310664	0.843152	0.4040
CSR	-0.227681	0.931936	-0.244309	0.8082
PM	0.445555	0.166484	2.676273	0.0107

Model 2**Tabel.4.5.Common Effect**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.554102	0.408416	-6.253670	0.0000
GCG	1.044396	0.300588	3.474514	0.0012
CSR	1.327970	2.251021	0.589941	0.5585
PM	0.694528	1.462290	0.474959	0.6373

Tabel.4.6.Fixed Effect

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.631696	0.466728	-5.638607	0.0000
GCG	1.751287	0.614958	2.847818	0.0083
CSR	2.183400	2.320551	0.940898	0.3551
PM	1.439879	1.672281	0.861027	0.3968

Tabel.4.7.Random Effect

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.505838	0.423373	-5.918748	0.0000
GCG	1.182855	0.350302	3.376667	0.0016
CSR	1.701164	2.124935	0.800572	0.4280
PM	1.099402	1.448004	0.759254	0.4520

4.2.1 Chow Test**Tabel.4.8.Model 1**

Redundant Fixed Effects Tests

Pool: POOL

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	6.211776	(14,27)	0.0000
Cross-section Chi-square	64.802400	14	0.0000

The results from Table 4.8 indicate that the Prob. (p-value) of the Cross section F is 0.0000. Since the Probability (p-value) of Cross-section F < 0.05, H₀ is rejected, thus the applied method is Fixed Effect. As the decision is to use Fixed Effect, the Hausman test is then conducted.

Tabel.4.9.Model 2

Redundant Fixed Effects Tests

Pool: POOL

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.113739	(14,27)	0.0462
Cross-section Chi-square	33.301663	14	0.0026

The results from Table 4.9 show that the Prob. (p-value) of the Cross section F is 0.0462. Since the Probability (p-value) of Cross-section F < 0.05 , H_0 is rejected, thus the applied method is Fixed Effect. As the decision is to use Fixed Effect, the Hausman test is then conducted.

4.2.2 Hausman Test

Tabel.4.10.Model 1

Correlated Random Effects - Hausman Test

Pool: POOL

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.193539	3	0.2413

The results from Table 4.10 show that the probability value (p-value) of the Cross-section random is 0.2413. Based on this data, the decision is made that the random effect model is superior to the fixed effect model.

Tabel 4.11.Model 2

Correlated Random Effects - Hausman Test

Pool: POOL

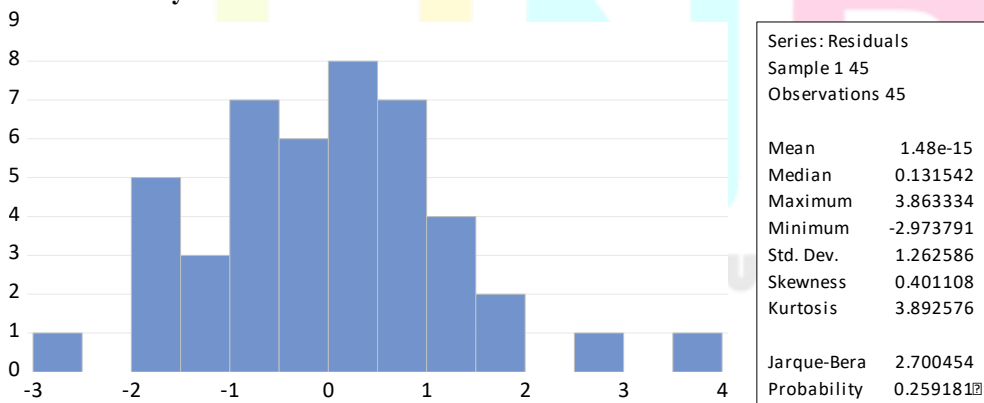
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.615683	3	0.6558

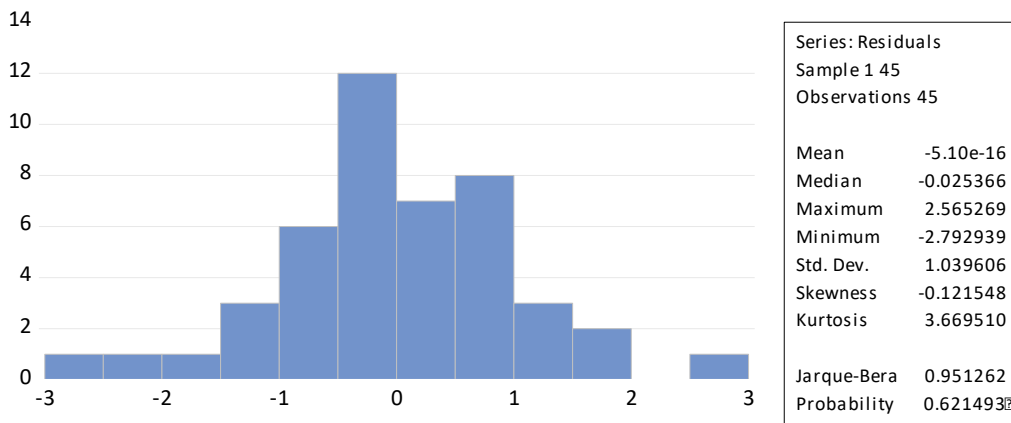
The results from Table 4.11 show that the probability value (p-value) of the Cross-section random is 0.6558. Based on this data, it has been decided that the random effect model is superior to the fixed effect model.

4.3 Classical Assumption Test

4.3.1 Normality Test

**Picture 4.1 Regression Normality Test Model 1**

Based on the normality test results, it is found that the Jarque-Bera Normality test statistic is 2.700454 with a probability of 0.259181. Various explanations indicate that the empirical model used has residuals or disturbances that are normally distributed, as the probability value with $\alpha = 5\%$ is $0.259 > 0.05$.



Picture 4.2 Regression Normality Test Model 2

Based on the normality test results, it is found that the Jarque-Bera Normality test statistic is 0.951262 with a probability of 0.621493. Various explanations indicate that the empirical model used has residuals or disturbances that are normally distributed, as the probability value with $\alpha = 5\%$ is $0.621 > 0.05$.

4.3.2 Heteroskedasticity Test

Tabel 4.12.Model 1

Heteroskedasticity Test: Breusch-Pagan-Godfrey
Null hypothesis: Homoskedasticity

F-statistic	2.989781	Prob. F(3,41)	0.0669
Obs*R-squared	7.254351	Prob. Chi-Square(3)	0.0691
Scaled explained SS	7.429915	Prob. Chi-Square(3)	0.0241

The probability of Obs*R-squared is 0.0669, which is greater than 0.05 or $0.0669 > 0.05$, indicating that there is no heteroskedasticity issue in the regression model.

Tabel 4.13.Model 2

Heteroskedasticity Test: Breusch-Pagan-Godfrey
Null hypothesis: Homoskedasticity

F-statistic	2.527496	Prob. F(3,41)	0.0706
Obs*R-squared	7.023353	Prob. Chi-Square(3)	0.0712
Scaled explained SS	7.781956	Prob. Chi-Square(3)	0.0507

The probability of Obs*R-squared is 0.0706, which is greater than 0.05 or $0.0706 > 0.05$, indicating that there is no heteroskedasticity issue in the regression model.

4.3.3 Autocorrelation Test

Tabel 4.14.Model 1

Breusch-Godfrey Serial Correlation LM Test:
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	1.82667	Prob. F(2,39)	0.2105
Obs*R-squared	3.96934	Prob. Chi-Square(2)	0.1754

The probability of Obs*R-squared is 0.2105, which is higher than 0.05 or $0.2105 > 0.05$, indicating that there is no autocorrelation problem in the model.

Tabel 4.15.Model 2

Breusch-Godfrey Serial Correlation LM Test:
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	1.512408	Prob. F(2,39)	0.2330
Obs*R-squared	3.238961	Prob. Chi-Square(2)	0.1980

The probability of Obs*R-squared is 0.2330, which is higher than 0.05 or $0.2330 > 0.05$, indicating that there is no autocorrelation problem in the model.

4.3.4 Multicollinearity Test

Tabel 4.16.Model 1

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.691148	18.17994	NA
GCG	0.064539	2.628297	1.461480
CSR	1.091736	7.234199	1.435078
PM	0.026464	8.004539	1.448286

In the table, it is evident that all variables have VIF values below 10. The conclusion drawn is that there is no multicollinearity issue in the model.

Tabel 4.17.Model 2

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.166804	6.471615	NA
GCG	0.090353	1.835948	1.264299
CSR	5.067097	3.004024	1.211474
PM	2.138293	3.739460	1.361907

In the table, it is evident that all variables have VIF values below 10. The conclusion drawn is that there is no multicollinearity issue in the model.

4.4 Regression Equation Test

Tabel 4.18.Model 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.650640	0.771169	7.327374	0.0000
GCG	0.261937	0.310664	0.843152	0.4040
CSR	-0.227681	0.931936	-0.244309	0.8082
PM	0.445555	0.166484	2.676273	0.0107

In Table 4.18, the estimation results for regression model 1 with the random effects approach are shown, thus forming the regression equation as follows:

$$\text{PER} = 5.650640 + 0.261937 \text{ GCG} - 0.227681 \text{ CSR} + 0.445555 \text{ PM}$$

The equation can be interpreted as follows:

α is 5.650640, meaning that if good corporate governance, corporate social responsibility, and profitability margin as control variables are zero, then the price earning ratio will be 5.650640 units.

The regression coefficient for the variable good corporate governance is 0.261937, meaning that if there is a one-unit increase in good corporate governance (assuming other variables remain constant), then the price earning ratio will also increase by 0.261937 units.

The regression coefficient for the variable corporate social responsibility is -0.227681, meaning that if there is a one-unit increase in corporate social responsibility (assuming other variables remain constant), then the price earning ratio will decrease by 0.227681 units.

Tabel 4.19.Model 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.505838	0.423373	-5.918748	0.0000
GCG	1.182855	0.350302	3.376667	0.0016
CSR	1.701164	2.124935	0.800572	0.4280
PM	1.099402	1.448004	0.759254	0.4520

In Table 4.19, the estimation results for regression model 2 with the random effects approach are shown, thus forming the regression equation as follows:

$$\text{DY} = -2.505838 + 1.182855 \text{ GCG} + 1.701164 \text{ CSR} + 1.099402 \text{ PM}$$

The equation can be interpreted as follows:

α is -2.505838, meaning that if good corporate governance, corporate social responsibility, and profitability margin as control variables are zero, then the dividend yield will be -2.505838 units.

The regression coefficient for the variable good corporate governance is 1.182855, meaning that if there is a one-unit increase in good corporate governance (assuming other variables remain constant), then the dividend yield will increase by 1.182855 units.

The regression coefficient for the variable corporate social responsibility is 1.701164, meaning that if there is a one-unit increase in corporate social responsibility (assuming other variables remain constant), then the dividend yield will increase by 1.701164 units.

4.4.1 Simultaneous Hypothesis Testing

Tabel 4.20.Model 1

Root MSE	0.759659	R-squared	0.217442
Mean dependent var	1.472796	Adjusted R-squared	0.160181
S.D. dependent var	0.868441	S.E. of regression	0.795853
Sum squared resid	25.96868	F-statistic	3.797421
Durbin-Watson stat	1.290516	Prob(F-statistic)	0.017163

Based on Table 4.20, it is obtained that the Prob(F-statistic) value is $0.017163 < 0.05$, thus H_0 is accepted, meaning that simultaneously good corporate governance and corporate social responsibility as well as profitability margin as control variables have a significant effect on price-earnings ratio.

Tabel 4.21.Model 2

Root MSE	0.860089	R-squared	0.251738
Mean dependent var	-1.508662	Adjusted R-squared	0.196987
S.D. dependent var	1.005533	S.E. of regression	0.901069
Sum squared resid	33.28891	F-statistic	4.597869
Durbin-Watson stat	1.361313	Prob(F-statistic)	0.007281

Based on Table 5.21, it is obtained that the Prob(F-statistic) value is $0.007281 < 0.05$, thus H_0 is accepted, meaning that simultaneously good corporate governance and corporate social responsibility as well as profitability margin as control variables have a significant effect on dividend yield.

4.4.2 Partial Hypothesis Testing

Tabel 4.22.Model 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.650640	0.771169	7.327374	0.0000
GCG	0.261937	0.310664	0.843152	0.4040
CSR	-0.227681	0.931936	-0.244309	0.8082
PM	0.445555	0.166484	2.676273	0.0107

Based on Table 4.22, it can be concluded that:

- The hypothesis of the Good Corporate Governance variable on Price-Earning Ratio
The p-value (sig.) of the good corporate governance variable is 0.4040. Since the p-value > 0.05 (significance level of 5%) or $0.4040 > 0.05$, H_0 is accepted, concluding that good corporate governance does not significantly affect the price-earnings ratio.
- The hypothesis of the Corporate Social Responsibility variable on Price-Earning Ratio
The p-value (sig.) of the corporate social responsibility variable is 0.8082. Since the p-value > 0.05 (significance level of 5%) or $0.8082 > 0.05$, H_0 is accepted, concluding that corporate social responsibility does not significantly affect the price-earnings ratio.

Tabel 4.23.Model 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.505838	0.423373	-5.918748	0.0000
GCG	1.182855	0.350302	3.376667	0.0016
CSR	1.701164	2.124935	0.800572	0.4280
PM	1.099402	1.448004	0.759254	0.4520

Based on Table 4.23, it can be concluded that:

- The hypothesis of the Good Corporate Governance variable on Dividend Yield
The p-value (sig.) of the good corporate governance variable is 0.0016. Since the p-value < 0.05 (significance level of 5%) or $0.0016 < 0.05$, H_0 is rejected, concluding that good corporate governance significantly affects the dividend yield.

2. The hypothesis of the Corporate Social Responsibility variable on Dividend Yield
The p-value (sig.) of the corporate social responsibility variable is 0.4280. Since the p-value > 0.05 (significance level of 5%) or 0.4280 > 0.05, H₀ is accepted, concluding that corporate social responsibility does not significantly affect the dividend yield.

4.4.3 Coefficient of Determination (R²) Testing

Tabel 4.24.Model 1

Root MSE	0.759659	R-squared	0.217442
Mean dependent var	1.472796	Adjusted R-squared	0.160181
S.D. dependent var	0.868441	S.E. of regression	0.795853
Sum squared resid	25.96868	F-statistic	3.797421
Durbin-Watson stat	1.290516	Prob(F-statistic)	0.017163

Based on Table 5.24, it can be seen that the coefficient of determination R² value is 0.217442 or 21.74%. The coefficient of determination (R²) essentially measures how well the model can explain the variation in independent variables (Ghozali, 2013). This indicates that good corporate governance, corporate social responsibility, and profitability margin as control variables can only explain the price-earnings ratio by 21.74%, while the remaining 78.26% is explained by other variables outside the study.

Tabel 4.25.Model 2

Root MSE	0.860089	R-squared	0.251738
Mean dependent var	-1.508662	Adjusted R-squared	0.196987
S.D. dependent var	1.005533	S.E. of regression	0.901069
Sum squared resid	33.28891	F-statistic	4.597869
Durbin-Watson stat	1.361313	Prob(F-statistic)	0.007281

Based on Table 5.25, it can be seen that the coefficient of determination R² value is 0.251738 or 25.17%. This indicates that good corporate governance, corporate social responsibility, and profitability margin as control variables can only explain the dividend yield by 25.17%, while the remaining 74.83% is explained by other variables outside the study.

DISCUSSION

From the calculations and analyses conducted in the previous section, the following conclusions can be drawn:

The Impact of Managerial Ownership on Stock Return Measured by Price Earning Ratio:

Partially, good corporate governance measured by managerial ownership, with profitability margin as a control variable, does not significantly influence stock return measured by price earning ratio. The regression equation indicates that the coefficient of regression for good corporate governance measured through managerial ownership is 0.261937. The hypothesis suggests that Managerial Ownership has a positive impact on the price earning ratio. However, partially, this hypothesis is not statistically significant because managerial ownership does not significantly influence the price earning ratio in partial analysis.

The resource-based theory used as a basis shows that resources within a company consist of various stakeholders. In this context, good corporate governance indicated through managerial ownership does not significantly affect stock return measured by price earning ratio. Data on good corporate governance indicated through managerial ownership had the researcher's expectation that mining companies are firms focusing on natural resources and directly benefiting shareholders. In practice, managerial ownership does not originate from shareholders. Thus, policy direction follows the interests of all stakeholders, so increased managerial ownership tends to be associated with increased price earning ratio. If managerial ownership is low, the price earning ratio also tends to be low or not significantly impactful.

The Impact of Managerial Ownership on Stock Return Measured by Dividend Yield:

Partially, good corporate governance measured by managerial ownership significantly influences stock return measured by dividend yield. The researcher assumed that the composition of commissioners and directors would be directly filled by shareholders. However, from the data obtained by the researcher, managerial ownership in the 49 surveyed companies has share ownership of 0% in 33 companies, share ownership of 1%-20% in 9 companies, share ownership of 21%-50% in 5 companies, and share ownership of more than 50% in 2 companies. From the regression equation, the regression coefficient for the variable of good corporate governance measured through managerial ownership is 1.182855. Managerial ownership has been processed, removing managerial ownership from companies by 0%. The regression coefficient for the variable of good corporate governance measured through managerial ownership is 1.182855, indicating that if good corporate governance increases by one unit (with other variables remaining constant), the dividend yield will increase by 1.182855 units. Thus, it can be concluded that increasing managerial ownership can increase the dividend yield, especially if management can improve financial performance and stock valuation.

The Impact of GRI Index on Stock Return Measured by Price Earning Ratio:

Partially, corporate social responsibility measured by the GRI index does not significantly influence stock return measured by price earning ratio. From the regression equation, the regression coefficient for the GRI index variable is -0.227681. Based on the resource-based theory, resources within an organization are not limited to physical resources but also involve various parties contributing to the company's success. In the context of sustainability, companies are required to present sustainability reports

using the GRI index as a measurement. Through this measurement, the goal is to evaluate whether companies implement policies relevant to current conditions, especially in the case of mining companies that must be managed sustainably towards the environment. It is essential for resource management by companies to prioritize environmental sustainability, considering its impact on the company's overall operations. With sustainable processes implemented by companies, especially in the mining industry, a positive impact on the price earning ratio is expected. However, based on the available results, the GRI index with profitability margin as a control variable does not positively influence the increase in the price earning ratio. This indicates that sustainability performance within the company does not necessarily increase the price earning ratio.

The Impact of GRI Index on Stock Return Measured by Dividend Yield:

Partially, corporate social responsibility measured by the GRI index does not significantly influence stock return measured by dividend yield. Data processing shows that corporate social responsibility practices reflected in the GRI index have many data points with a value of 0. The GRI index is evaluated based on sustainability reports, with only a few companies implementing sustainability reports. Out of 49 companies and 490 reports for the period from 2011 to 2020, only 14 companies provided sustainability reports, totaling 74 reports or 15%. Data processing removed the value of 0, leaving 15 companies out of 49 processed for the GRI index. From the regression equation, the regression coefficient for the GRI index variable is 1.701164.

The regression coefficient for the GRI index variable is 1.701164, indicating that if the GRI index increases by 1 unit (assuming other variables remain constant), the dividend yield can increase by 1.701164 units. In this regard, it can be concluded that the GRI Index, when properly implemented and experiencing an increase, has not yet positively influenced dividend yield performance.

The Impact of Managerial Ownership and GRI Index on Stock Return Measured by Price Earning Ratio:

Simultaneously, good corporate governance measured by managerial ownership and corporate social responsibility measured by the GRI index have a positive impact on stock return measured by price earning ratio. Through simultaneous testing, with a Probability (F-statistic) value of 0.017163, which is smaller than the significance level of 5% (0.05), H_0 is not accepted. This indicates that in a simultaneous position, independent variables consisting of managerial ownership and the GRI index have a significant impact on the price earning ratio (PER) simultaneously. However, despite having a significant impact, the R squared results provide an indication that the impact of managerial ownership and the GRI index is 21.74%, requiring other variables of 78.26% to explain the overall results.

The simultaneous effect of managerial ownership and the GRI Index on stock return measured by dividend yield.

Simultaneously, good corporate governance through managerial ownership and corporate social responsibility via the GRI index positively influences stock return through the dividend yield indicator. The simultaneous test result, with a Probability value (F-statistic) of 0.007281, significantly lower than the 5% significance level (0.05), rejects the null hypothesis (H_0). This indicates that the simultaneous position of variables, namely, the independent variables with indicators of managerial ownership and the GRI index, have a significant influence on dividend yield (DY). However, despite having a significant effect, the R-squared result suggests that the influence of managerial ownership and the GRI index is 25.17%, indicating that 74.83% of the variance requires other variables to explain the overall results.

CONCLUSION

LIMITATIONS

The researcher encountered limitations in this study, particularly in the data processing where numerous data points had a value of 0.

Data with a value of 0 were obtained from good corporate governance through managerial ownership in 33 companies. This reflects that the direction of company policy through managerial ownership cannot be significant because directors and commissioners only hold shares in the company below 5% or minority shares, impacting decision-making where the majority shareholders still control.

Data with a value of 0 were also obtained from corporate social responsibility data based on the GRI index. The GRI index is evaluated based on sustainability reports, with only a few companies implementing sustainability reports. Out of 49 companies and 490 reports spanning from 2011 to 2020, sustainability reports were only available from 14 companies, totaling 74 reports or 15%.

Although the sustainability report only amounted to 74 reports, the researcher still analyzed annual reports by examining and observing the implementation of data in annual reports that align with sustainability principles in the GRI index. However, the discussion focused on only 49 items over a 10-year period, mainly covering Operations involving local communities, impact assessments, and development programs, Direct economic value generated and distributed, Energy consumption within the organization, Workers frequently exposed to or at high risk of occupational diseases, Representation of workers in joint management Health and Safety committees, Formal workers, Significant indirect economic impacts, Training for workers on safety and health at work, Recruitment of new employees and employee turnover.

Given all these limitations, the data were processed by excluding 0 values for the variables of good corporate governance measured by managerial ownership, corporate social responsibility measured by the GRI index, with profitability margin as a control variable against stock return measured by price earning ratio and dividend yield. The total data before removing 0 values amounted to 2450 data points. After removing 0 values, only 15 companies with 225 processed data remained.

SUGGESTION FOR THE FURTHER RESEARCH

Based on the limitations of this study, the researcher suggests expanding future research by extending the observation period, thereby obtaining more optimal results. Additionally, it is recommended to add independent variables for good corporate governance other than managerial ownership, along with institutional ownership. Furthermore, corporate social responsibility measured by the GRI Index also has many 0 values. Adding observation years for 2021 to 2022, the researcher observed that the number of companies issuing sustainability reports increased from 14 to 27 during these two periods. The increased number of companies is expected to provide more optimal conclusions for this research.

MANAGERIAL IMPLICATION

The managerial implications of this research can serve as information for decision-makers in the companies sampled in this study. Especially in several aspects:

Whether mining companies with issues of divestment from fossil fuel energy can affect the financial performance of these companies. In Indonesia, according to the results of this research, it does not. Hence, investors in these companies can consider other industries for investment to utilize idle capital.

It also provides insights into the seriousness of mining companies in Indonesia in managing sustainability reports, giving a direction and purpose for the company's management according to global policy directions. Although the campaign did not affect the results of the research, these companies continue to strive for growth, as seen from the increase in companies issuing sustainability reports from 14 in 2010 to 27 in 2022. The commitment to sustainability needs further examination based on the content of these sustainability reports.

The government needs to regulate high managerial ownership to ensure that mining companies take sustainability seriously, especially concerning environmental issues. This should be a priority for majority shareholders who obtain concession rights in managing natural resources as the main source of income for mining companies.

The campaign for divestment from fossil fuel energy does not affect the financial performance of mining companies. The research results show that the financial conditions from 2011 to 2020 did not differ significantly. The profitability achieved by mining companies was not as high as assumed by the researcher at the beginning of the study. Hence, when making investment decisions, investors should consider industries outside mining, especially banking, based on operational performance measured by company profitability.

In conclusion, the researcher sees that the campaign for divestment from fossil fuel energy does not have a significant impact. However, societal pressure encourages companies to strive for development in managing sustainability for the future of a better world. And what investors, whether corporate or individual, need to consider when investing is through fundamentals, where according to the researcher, it is financial performance based on profitability, the company's seriousness in managing the company through annual and sustainability reports, and an industry that rewards stakeholders, thus allowing the Indonesian capital market to develop well through good corporate management and organic growth in investment supply and demand.

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