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The Influence of Company Characteristics and Foreign Ownership on Sustainability Report Disclosure in LQ45 Companies Listed on the Indonesia Stock Exchange

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Abstract

The study examined how company size, profitability, debt levels, age, and foreign ownership influence how companies report sustainability issues. The study sampled 32 corporations listed on the LQ45 index in the Indonesian capital market from 2020 to 2024, using a *purposive sampling technique* . The study's findings indicate that company size, debt ratio, and length of existence do not significantly impact sustainability reporting. However, profitability and foreign ownership are significantly influential. The study indicates that a company's profitability and participation from foreign investors can lead to increased corporate transparency through disclosure of sustainability-related information. This study supports all stakeholders in evaluating a company's commitment to sustainability practices based on published information.

Keywords: *Company Size; Profitability; Leverage; Company Age; Foreign Ownership; Sustainability Report.*

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INTRODUCTION

In recent years, sustainability issues have become a hot topic, both internationally and nationally. Rising public and environmental awareness has led companies to embrace sustainability reporting as a crucial aspect of their business. According to a survey conducted by KMPG in its 2022 *Survey of Sustainability Reporting* , approximately 96% of large companies across the globe have published sustainability reports as a commitment to increasing transparency and building public trust. Sustainability reports serve not only to convey information but also to strengthen stakeholder trust by presenting more transparent and accountable data . Furthermore, investors' growing attention to environmental, social, and corporate governance dimensions when selecting investments, coupled with increasingly stringent demands for good governance and stringent corporate governance requirements, is encouraging companies to focus not only on financial performance but also on the social and environmental impacts of their operations.

In this country, the commitment to sustainability has been established through Law No. 40 of 2007 concerning Limited Liability Companies, specifically regulating

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corporate responsibility towards society and the environment. This provision was later reinforced by Financial Services Authority Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance (Financial Services Authority, 2017) . The regulation states that financial services institutions, publicly traded companies, and issuers are required to prepare and submit sustainability reports regularly. However, in implementing this regulation, some companies still fail to comply. This is because sanctions for violations have not been implemented effectively. As a result, some companies only prepare sustainability reports as a formality, without paying attention to the quality and completeness of the data based on the *Global Reporting Initiative* guidelines . (GRI, 2023) .

The LQ45 is a group of companies recognized for their high stock liquidity, significant market capitalization, and strong financial performance. These companies are also required to disclose information about their situation in their annual reports (Dwi Safitri & Yanthi, 2024) . Although companies in this category are the issuers with the largest capital and liquidity on the Indonesia Stock Exchange, they are still inconsistent in providing sustainability reports.

Table 1. Percentage of Sustainability Report Disclosure on the IDX

Year	Total LQ45 Issuers	Publishing *Sustainability Reporting*	Not Publishing *Sustainability Reporting*	Percentage of Disclosure (%)
2020	45	32	13	71.11%
2021	45	40	5	88.89%
2022	45	42	3	93.33%
2023	45	43	2	95.56%
2024	45	45	0	100%

Source: Data processed by the author (2026)

As seen in Table 1, companies listed in the LQ45 index showed a level of sustainability report disclosure each year, from 2020 to 2024. In 2020, 32 of the 45 companies had released sustainability reports, representing approximately 71.11% of the total. However, 13 companies had not yet done so. In 2021, the number of entities preparing sustainability reports increased to 40, representing approximately 88.89% of the total. In 2022, 42 companies submitted sustainability reports, representing approximately 93.33% of the total . Then, in 2023, the number increased again to 43 companies, representing approximately 95.56% of the total. Finally, in 2024, all companies included in the LQ45 index had issued sustainability reports, bringing the disclosure level to 100%. This demonstrates the increasing commitment of these companies to sustainability reporting. In this way, they can meet the information needs of relevant parties. Some examples of issuers observed include PT Unilever Indonesia Tbk, as well as other large corporations such as PT Chandra Asri Petrochemical Tbk, which have consistently published their sustainability reports from 2020 to 2024. On the other hand, some companies only began reporting on sustainability in subsequent years, such as PT Amman Mineral Internasional Tbk, which began reporting in 2023, and PT Bank Jago Tbk, which only released its sustainability report in 2024.

Differences in the level of sustainability reporting disclosure across companies are influenced by the inherent characteristics of each entity, including business size, profit

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level, debt, and the company's operating period (Mujiani & Nurfitri , 2020) "Sustainability report is a voluntary report to present corporate responsibility on social, economy, and environment aspects. This report is a part of corporate disclosures to obtain stakeholder's legitimacy. Stakeholder and obtaining legitimacy from public as the implementation of good corporate governance. This study aims to find empirical evidence about the effect of liquidity, company activity, managerial ownership on the disclosure of the company's sustainability report LQ45 listed on the Stock Exchange 2011-2016. The number of companies sampled in this study as many as 9 companies. This study is based on a purposive sampling method. Testing the hypothesis in this study using multiple regression analysis using SPSS 21. The result showed that the liquidity, company activity significantly influence sustainability disclosure report. Meandwhile, managerial ownership does not significantly influence sustainability disclosure report (Mujiani & Nurfitri, 2020).Large-scale, highly profitable, and long-established companies typically have a better capacity to fully report on sustainability (Setiawan *et al.,* 2025) . In sustainability accounting studies, company characteristics are used as indicators to explain variations in the level of sustainability information disclosure. The most frequently used variables include company size, profitability, *leverage* , and company age, as these four aspects reflect internal conditions that can influence a company's ability to formulate policies and disclose information to stakeholders. In addition to the characteristics of the company itself, ownership structure also influences the extent of sustainability reporting disclosure, particularly in the context of foreign ownership. The presence of foreign investors is generally associated with increased demands for transparency and reporting quality, as they typically expect reporting standards to align with global practices. (Kholmi & Nizzam Zein Susadi, 2021) . Foreign ownership describes the portion of a company's share ownership held by foreign investors, whether individuals, institutions, legal entities, or governments of other countries. (Muhammad Faisal Arbain & Kusumawati, 2025) . Companies with foreign investors, especially multinational companies, generally face greater demands to adhere to effective governance practices in order to gain and maintain trust among international stakeholders, thus enabling the company to continue its operations in the long term.

A study by Setiawan *et al. (* 2025) on company characteristics indicates that these characteristics impact the level of sustainability report disclosure. Meanwhile, a study by Dwi Safitri & Yanthi (2024) explains that company characteristics, as measured by industry type, do not affect sustainability report disclosure. However, this study did not comprehensively include foreign ownership variables and did not specifically focus on companies listed in the LQ45 index.

Findings on the impact of foreign ownership on sustainability reporting yield mixed results. A study by Kholmi & Nizzam Zein Susadi, 2021, found that foreign ownership influences the extent of sustainability reporting disclosure. Conversely, a study by (Zakiah, 2023) indicates that foreign ownership has no impact on sustainability reporting disclosure. In addition, (Yohana & Suhendah, 2023) state that several factors influence a company's performance, particularly profitability, debt levels, and size, which influence how companies disclose their sustainability reports on the Indonesia Stock Exchange. However, a study (Diliana *et al.,* 2023) found that company size does not influence the amount of information they share in their sustainability reports. Current research findings are inconsistent, resulting in varying

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empirical findings. Therefore, additional research is needed to obtain comprehensive empirical evidence regarding the components that influence sustainability reports.

Based on the differences in previous study results, researchers were motivated to examine the characteristics of companies and their foreign ownership in the context of sustainability reporting in entities listed on the LQ45 list on the Indonesia Stock Exchange (IDX) from 2020 to 2024. LQ45 companies were selected because they are the issuers with the largest capital and liquidity on the Indonesia Stock Exchange, as well as possessing high market value and liquidity. This study is expected to contribute to the advancement of research in sustainability accounting and serve as a reference for regulators and stakeholders to improve the effectiveness of sustainability reporting in Indonesia.

RQ1: How do company characteristics affect sustainability report disclosure?

RQ2: How does foreign ownership of a company affect the submission of sustainability reports?

LITERATURE REVIEW

Stakeholder Theory

According to the Stakeholder Concept, a company should not only prioritize the interests of investors, but also consider all stakeholders involved in its activities, such as creditors, customers, employees, communities, and the government. Companies that prioritize the interests of these stakeholders will generally improve transparency and accountability by publishing non-financial information, one example of which is through the preparation of sustainability reports.

Sustainability reports act as strategic communication tools that connect companies with various stakeholders, with the goal of building and maintaining public trust. Companies that actively engage with stakeholders are generally more likely to disclose information about social and environmental aspects more clearly and openly. (GRI, 2023) . Therefore, stakeholder theory is crucial in explaining the motivation for companies to report on their sustainability responsibilities in order to maintain harmonious relationships with stakeholders.

Company Characteristics

A company's characteristics are one of the internal elements that can influence the amount of information disclosed in a sustainability report. According to (Dwi Safitri & Yanthi, 2024) , a company's characteristics reflect its economic capacity and risk level, thus influencing various strategic decisions, including policies regarding the disclosure of non-financial information. This opinion is supported by research findings (Diliana *et al.,* 2023) , which outline that companies with certain characteristics, such as large size, high profitability, and more complex ownership structures, typically face greater pressure from stakeholders to expand sustainability disclosure. In research on sustainability accounting, company characteristics are typically proxied by several factors, such as company size, profitability, debt level, and length of existence. These four indicators were chosen because they are theoretically related to a company's ability, capacity, and motivation to submit a sustainability report (Kholmi & Nizzam

Zein Susadi, 2021) . Based on the theory studied and previous research, company characteristics in this study were measured using the following indicators:

Company Size

Company size reflects the scale of a business entity's operations, which can be assessed based on total assets, total sales, number of employees, or total capital under management. Companies operating on a larger scale tend to face more intense political demands and social pressure. This situation encourages entities to produce more comprehensive sustainability reports to gain and maintain public and stakeholder trust (Jannah *et al.,* 2021) . The formula for calculating sustainability is:

$$\textbf{Size} = \ln(\textbf{Total Assets})$$

Profitability

Profitability is how effectively a company generates profits over a given period, as measured by the amount of assets they own and the amount of capital they have available. Companies that generate high profits typically have better financial performance. This allows them to support social activities and help the environment, as evidenced by sustainability reports (Wagiswari & Badera, 2021) . The measurement formula is:

$$\textbf{ROA} = \textbf{Net Income / Total Assets}$$

Leverage

Leverage is the proportion of borrowed capital in a company's funding mix. As *leverage* increases, the financial challenges faced by an entity also increase, prompting management to reduce disclosure of additional information, including sustainability information, due to pressure from creditors and increased financial risk. (Sari *et al.,* 2023) . The *leverage* measurement formula is formulated as follows:

$$\textbf{Leverage} = \textbf{Total Liabilities / Total Equity}$$

Company Age

Company age reflects how long a business has been operating since its founding or since its initial listing on the stock market. Long-standing businesses typically possess extensive knowledge and better management and reporting methods. This allows companies to provide sustainability information in a more consistent and structured manner (Yuliandhari & Citta, 2023) . The formula for calculating it is:

$$\textbf{Firm Age} = \textbf{Research Year- Year of Establishment/IPO}$$

Foreign Ownership

Foreign ownership is the proportion of a company's shares held by individuals, institutions, or companies from other countries. This ownership structure indicates the extent of foreign investors' role in the company's management and strategic decision-making. In research on corporate governance, foreign ownership is often associated with improved oversight, transparency, and the implementation of reporting standards consistent with international norms, due to pressure from external investors on the company's management team (Putra *et al.,* 2023) .

Foreign investors typically come from institutions that implement stricter corporate governance and information disclosure standards, so foreign ownership can put pressure on management to release clear and high-quality information, including

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sustainability reporting (Wulandari & Trinawati, 2021) . This is in line with stakeholder theory, which states that entities must respond to the demands of individuals or groups dependent on the company, such as foreign investors, by increasing clarity and accountability in information disclosure.

In the context of sustainability reporting, foreign ownership serves as an external element that encourages businesses to use honest and accountable reporting methods. Foreign investors typically request sustainability information that aligns with globally recognized standards, such as the Global Reporting Initiative (GRI), as a guideline for assessing a company's environmental, social, and governance performance before making investment decisions (Putra *et al.,* 2023) . The formula for calculating this is:

$$\text{Foreign Ownership} = \frac{\text{Number of Shares Held by Foreign Investors}}{\text{Total Outstanding Shares}} \times 100\%$$

Sustainability Report Disclosure

Sustainability reporting disclosure is the process of providing stakeholders with information about a company's economic, social, and environmental performance. According to *the Global Reporting Initiative (GRI), sustainability reporting is an important way for businesses to explain the impact of their operations on* sustainable development (GRI, 2023) .

The concept of sustainability reporting uses a *triple bottom line approach* , which emphasizes that a company's success is determined not only by its financial results but also by how the company contributes to social and environmental aspects. Therefore, sustainability reporting is a crucial instrument for evaluating a company's responsibility and commitment to long-term sustainability. According to *Stakeholder Theory* , it must provide essential information to meet the information needs of all stakeholders. The measurement formula is:

$$\textbf{SRDI} = \frac{\sum \textbf{Number of items disclosed}}{\sum \textbf{Total expected items}}$$

The Influence of Company Size on Sustainability Report Disclosure

An entity's size reflects the size of the organization based on its total assets, total revenue, and total equity. Larger companies generally face increasing pressure to meet their social and environmental obligations. According to *Stakeholder Theory* , large entities typically have an impact on society at large, and they seek to protect their image by sharing sustainability information (GRI, 2023) .

At the same time, large companies have sufficient funds and staff to prepare sustainability reports that meet the requirements of *the Global Reporting Initiative* (GRI) standards. This means that large companies may not regularly report their sustainability reports, especially if there are no strict regulations on the matter or if this type of reporting is simply mandatory for them.

H1: Company size has an effect towards sustainability report disclosure.

The Influence of Profitability on Sustainability Report Disclosure

Profitability reflects the extent to which a company is able to generate profits from its operational activities. According to the Theory Stakeholders, businesses with high financial performance usually tend to disclose more sustainability information to build a more positive reputation among stakeholders and increase investor confidence .

Success in achieving high profits also indicates that an entity can carry out its social responsibilities without compromising the company's financial health and stability

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(Indriyani & Yuliandhari, 2020) . Research results (Yohana & Suhendah, 2023) support this opinion by indicating that profitability influences sustainability report disclosure, as profitable businesses tend to strive to maintain their social reputation by transparently disclosing their environmental and social performance.

H2: Profitability has an impact on sustainability report disclosure.

The Effect *of Leverage* on Sustainability Report Disclosure

Leverage describes the extent to which debt funds are absorbed within a company's funding structure. Based on *Stakeholder Theory* , higher leverage indicates a company's dependence on external parties, particularly creditors who have a vested interest in the company's performance. Under high *leverage* , companies tend to be cautious in disclosing non-financial information, such as sustainability reports, due to concerns about negatively impacting stakeholders. This is driven by the entity's efforts to maintain its reputation for financial stability (Mandagie et al., 2022) .

Companies with high debt levels face pressure from various stakeholders. While lenders prioritize a company's ability to meet financial obligations, providing sustainability information is often not a top priority for companies during times of financial hardship.

H3: *Leverage* influences sustainability report disclosure.

The Influence of Company Age on Sustainability Report Disclosure

A company's age reflects how long it has been operating. According to *Stakeholder Theory* , corporations that have been operating for a long time generally have increasingly broad and complex relationships with various parties involved. This condition encourages entities to meet the information demands of all stakeholders by presenting sustainability reports (Indriyani & Yuliandhari, 2020) . Research (Faransahada & Wulandari, 2024) and (Yuliandhari & Citta, 2023) indicates that as a company's operating period progresses, the proportion of sustainability information disclosed increases.

H4 : Company age influences sustainability report disclosure.

The Influence of Foreign Ownership on Sustainability Report Disclosure

Foreign ownership serves as a form of external oversight that forces stakeholders to be more transparent and accountable. According to *Stakeholder Theory* , foreign investors come from countries that have adopted sound sustainability reporting standards, thus further encouraging companies to implement reporting practices aligned with these global standards.

However, previous research has found mixed results. (Diliana *et al.,* 2023) found that foreign ownership did not significantly impact sustainability reporting. This discrepancy suggests that further research is needed, particularly in the context of businesses linked to the LQ45 index.

H5: Foreign ownership has an impact on sustainability report disclosure.

Framework

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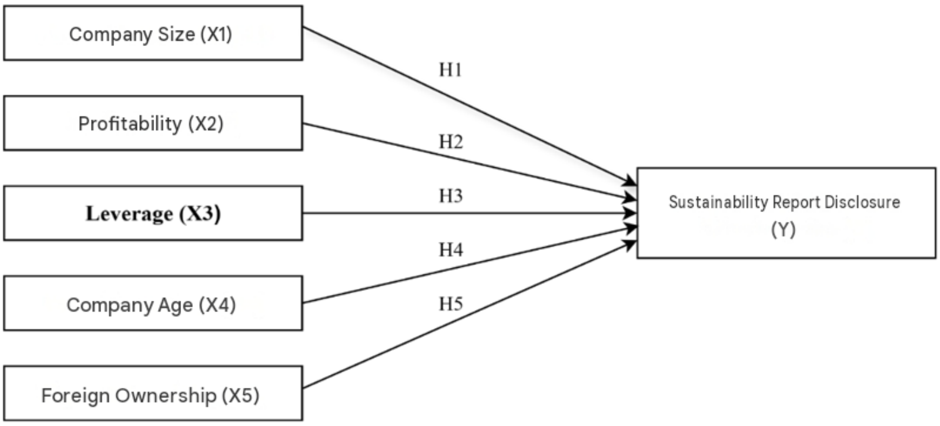

Figure 1. Framework of Thought

METHODOLOGY

The study employed a quantitative approach, utilizing secondary data derived from annual reports and sustainability reports listed on the Indonesia Stock Exchange (IDX) from 2020 to 2024. This data has been released and can be viewed on the official website www.idx.co.id. The sample selection used was *purposive sampling. To analyze the data in this study, a multiple linear regression method was used, utilizing Statistical Product and Service Solutions (SPSS)* software . The data processing process took into account the availability of comprehensive annual reports and sustainability reports. The sample requirements were as follows:

Table 2. Sample Determination Criteria

No	Sample Criteria	Number of Samples
1.	Business entities that are listed on the LQ45 and listed on the Indonesia Stock Exchange (IDX)	45
2.	Business entities listed on the LQ45 index (BEI) but inconsistent from 2020-2024	(13)
3.	Business entities that publish annual reports as well as comprehensive sustainability reports throughout the study period	32
	5 Years of Research	**32 × 5**
	Total number of research sample companies	**160**

Source: Data processed by the author

RESULTS AND DISCUSSION

The study focused on entities listed on the LQ45 issuers from 2020 to 2024. All entities included in the index during this period were considered research subjects. However, to obtain data that truly aligns with the research focus, researchers used several sampling criteria. These criteria ensured that only businesses meeting specific requirements, such as comprehensive data and relevant research variables, could be analyzed.

Descriptive Statistical Test

Table 3. Results of Descriptive Statistical Tests

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	N	Minimum	Maximum	Mean	Standard Deviation
SR Disclosure	160	6.59	34.07	19.1321	7.54220
Company Size	160	13.96	22.79	18.2647	2.28416
Profitability	160	-10.94	44.30	7.8511	9.94114
Leverage	160	.13	16.37	2.40229	2.98539
Company Age	160	2	42	21.97	8,978
Foreign Ownership	160	.00	95.90	32.4819	27.46183
Valid N (listwise)	160				

Source: SPSS data processing

As a test in Table 2, it shows that each variable has a total data (N) of 160. The lowest value of *sustainability report* (SR) disclosure is 6.59 and the highest is 34.07. The average SR disclosure reaches 19.1321, while the standard deviation of the SR Disclosure data is 7.54220. For the company size variable (SIZE) shows the lowest number of 13.96, the highest number is 22.79, with an average of 18.2647 and a standard deviation of 2.28416. In the profitability variable (ROA), the smallest value obtained is -10.94, the largest number is 44.30, the average is 7.8511, and the level of variation is 9.94114. The lowest value indicates a negative number of companies that suffered during the study period. Furthermore, the *leverage variable* (DER) recorded the lowest value of 0.13, the highest value of 16.37, with an average of 2.40229, and a standard deviation of 2.98539. The company age variable (AGE) had the lowest value of 2, the highest value of 42, with an average of 21.97 and a standard deviation of 8.978. This average indicates that the companies studied have been operating for quite a long time. The foreign ownership variable (KA) had the lowest value of 0.00, and the highest value of 95.90. The average for this variable was 32.4819, while the standard deviation reached 27.46183.

Classical Assumption Test

Normality Test

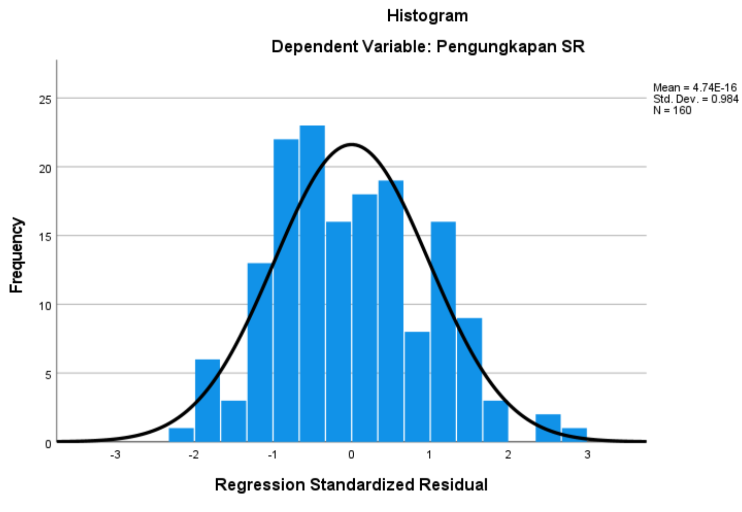

Figure 2. Histogram

The histogram shows that the data is distributed in a bell-shaped pattern, with no significant deviations to the left or right. The data distribution appears fairly balanced around the mean, indicating that the residuals are normally distributed.

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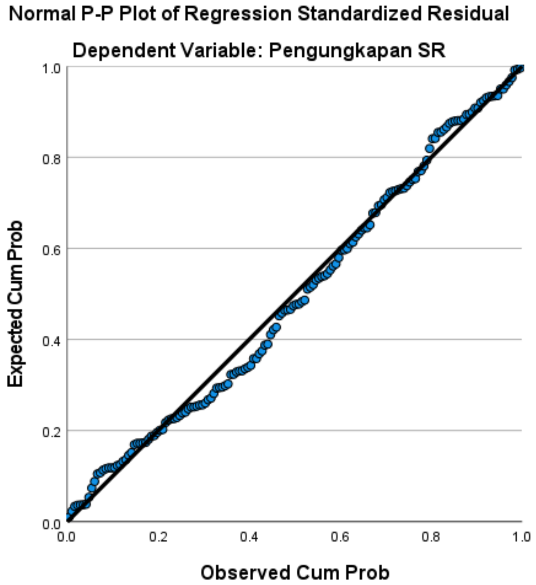

Figure 3. *Normal Probability Plot* Diagram

The image shows that the data points appear to be close to a straight line, meaning that the data used has met the requirements or has been normally distributed.

Table 4. Normality Test

		Unstandardized Residual
N		160
Normal Parameters[a, b]	Mean	.0000000
	Standard Deviation	6.65836368
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.046
Test Statistics		.066
Asymp. Sig. (2-tailed) [c]		.089

Source: SPSS data processing

As shown in Table 4 with the Kolmogorov-Smirnov method One sample shows a significance value of 0.089 > 0.05, indicating that the data is normally distributed.

Multicollinearity Test

Table 5. Multicollinearity Test

Model		Collinearity Statistics Tolerance	VIF
1	(Constant)		
	Company Size	.709	1,411
	Profitability	.827	1,209
	Leverage	.729	1,371
	Company Age	.767	1,303
	Foreign Ownership	.787	1,270

Source: SPSS data processing

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The test results of the five variables show a tolerance exceeding 0.10 and a VIF of less than 10, which means there is no multicollinearity between the independent variables.

Heteroscedasticity Test

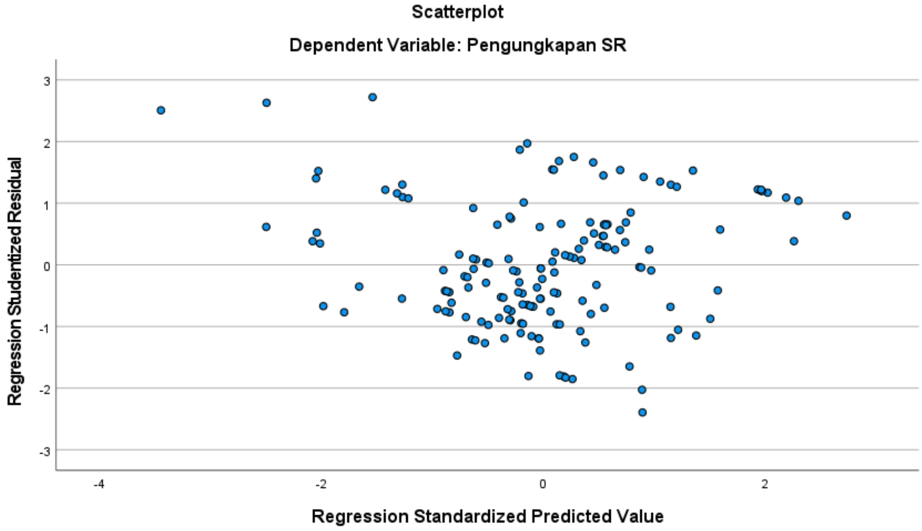

Figure 4. Scatterplot

Looking at Figure 4, the points in the diagram are randomly distributed and show no particular pattern. Furthermore, the points are distributed on both sides of the 0 value on the Y axis, indicating that the regression model is free from heteroscedasticity.

Autocorrelation Test Results

Table 6. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.505[a]	.255	.231	5.78704	1,901

Source: SPSS data processing

The analysis results show that Durbin-Watson reached 1.901. Referring to the Durbin-Watson statistical table with alpha 5%, n (independent variable) = 5, k (number of research data) = 160, the values of dU = 1.806, 4-dU = 2.193, and dL = 1.677 were obtained. The above shows the value of dU < dW < 4 - dU (1.806 < 1.901 < 2.193) which indicates that the research data does not have autocorrelation.

Linear Regression Analysis

Table 7. Multiple Regression Test Results

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	30,443	5,218		5,834	.000
	Company Size	-.538	.279	-.163	-1,927	.056
	Profitability	-.372	.059	-.490	-6,264	.000
	Leverage	-.003	.210	-.001	-.013	.990
	Company Age	-.016	.068	-.019	-.236	.814

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Foreign Ownership	.055	.022	.200	2,499	.014

Source: SPSS data processing

The constant of 30.443 indicates that if all factors such as entity scale, profit, debt ratio, company age, and foreign ownership are all zero, then the level of sustainability report exposure will reach 30.443.

The regression coefficient of company size is recorded at -0.538, indicating that every one-unit increase in company size will result in a 0.538 decrease in the level of sustainability reporting exposure, provided that other variables remain unchanged. A significance value of 0.056 > 0.05 indicates that entity size does not affect the way companies submit sustainability reports.

The regression coefficient for profitability is -0.372, indicating that each one-unit increase in profitability is associated with a 0.372 decrease in the level of sustainability reporting. The significance level is 0.00 < 0.05, indicating that profitability influences sustainability reporting disclosure.

The regression coefficient of *leverage* was recorded at -0.003, meaning that a one-unit increase in *leverage* would decrease sustainability report exposure by 0.003. However, a significance value of 0.990 > 0.05 indicates that *leverage* does not affect sustainability report exposure.

The regression coefficient for company age was recorded at -0.016, indicating that the older the company, the lower the coefficient value. Sustainability report disclosure reached 0.016. However, the significance level of 0.814 > 0.05 implies that company age does not affect sustainability report disclosure.

The regression coefficient for foreign ownership is 0.055, meaning that as foreign ownership increases, sustainability report disclosure also increases by 0.055. However, the significance level of 0.014 < 0.05 indicates that foreign ownership influences sustainability report disclosure.

Partial Test (t-Test)

Table 8. Partial Test

Model		t	Sig.
1	Constant	5,834	.000
	Company Size	-1,927	.056
	Profitability	-6,264	.000
	Leverage	-.013	.990
	Company Age	-.236	.814
	Foreign Ownership	2,499	.014

Source: SPSS data processing

The company size variable showed a significant figure of 0.056 > 0.05 with a calculated t-value of -1.927, this finding indicates that the scale of the entity does not affect the submission of sustainability reports. From the analysis results, the profitability variable recorded 0.000 < 0.05 with a calculated t-value of -6.264, it can be concluded that profitability influences sustainability reporting.

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leverage variable shows a significance level of 0.990 > 0.05 and a calculated t-value of -0.013, indicating that *leverage* has no effect on the presentation of sustainability reports. The company age variable obtains a significance level of 0.814 > 0.05 and a calculated t-value of -0.236, indicating that company age also does not affect the presentation of sustainability reports. The foreign ownership variable produces a significance level of 0.014 < 0.05 and a calculated t-value of 2.499. It can be concluded that foreign ownership influences the way companies prepare sustainability reports.

Simultaneous Significance Test (F Test)

Table 9. Simultaneous Significance Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1995.600	5	399,120	8,720	.000 [b]
	Residual	7049.075	154	45,773		
	Total	9044.676	159			

Source: SPSS data processing

The test conducted resulted in an F value of 8.720 with a significance level of 0.000. Considering the significance level of 0.000 < 0.05, it can be concluded that all independent variables have a simultaneous/overall effect on the dependent variable of sustainability report disclosure.

Determinant Coefficient Test (R2)

Table 10. Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.505 [a]	.255	.231	5.78704

Source: SPSS data processing

The evaluation results indicate that the Adjusted R Square reached 0.231, equivalent to 23.1%. This figure suggests that company characteristics and foreign ownership contribute 23.1% of the dependent variable, while the remaining 76.9% is influenced by other elements not included in the study model.

Company Characteristics in Sustainability Report Disclosure

The study demonstrated that company size does not influence sustainability reporting disclosure. This finding suggests that an entity's asset size, regardless of size, has no direct impact on the level of sustainability reporting. According to Stakeholder Theory, every company must provide information to stakeholders. Therefore, the level of sustainability reporting is determined not only by company size but also by the extent of the company's commitment to implementing sustainable practices.

Research has found that profitability influences sustainability reporting disclosures. The results of this study indicate that a business's ability to generate profits influences how it communicates sustainability information. This is in line with Stakeholder Theory. which emphasizes that entities are responsible not only to shareholders, but also to all parties involved, including investors, government, employees, society, and customers.

The results of the study prove that the level of debt Companies are not influenced by sustainability report disclosure. This finding indicates that neither high nor low corporate debt is a primary factor determining the extent of information presented in

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sustainability reports. Based on Stakeholder Theory, entities are still required to meet the information expectations of all stakeholders regardless of their funding source. Therefore, *leverage levels* do not always influence companies' decisions regarding providing sustainability information.

The study's findings indicate that company age does not significantly impact sustainability reporting. These findings indicate that the length of time a company has been in operation does not automatically guarantee that it will share a sustainability report. Long-established companies do not necessarily understand the importance of sustainability reporting better. Companies that have not been established for very long can also have a strong commitment to sustainability reporting, provided that management has a clear policy and there is external pressure. According to *Stakeholder Theory* , both newly established and established companies have the same obligation to meet the information demands of stakeholders.

Foreign Ownership in Sustainability Report Disclosure

Studies show that foreign ownership influences how companies communicate sustainability information. The findings indicate that as the percentage of shares held by foreign investors increases, companies are more motivated to provide sustainability reporting. This finding is consistent with Stakeholder Theory, which states that companies are obligated to meet the expectations of all stakeholders, including foreign investors. Foreign investors generally place greater importance on transparency, corporate governance, and environmental and social issues. Therefore, companies are encouraged to improve the quality of their sustainability reporting to meet foreign investors' expectations while maintaining trust and international reputation.

CONCLUSION

Based on the results of the study, the conclusion is that company size, debt ratio, and entity age are partially proven to have no effect on sustainability reporting. This result implies that not all company characteristics can influence how companies report sustainability. Profitability and foreign ownership are partially proven to influence sustainability report disclosure. This finding implies that entities with high profits have the capability and strong motivation to provide broader sustainability information. Furthermore, the presence of foreign investors also helps encourage companies to be more open and responsible by presenting clearer and more comprehensive sustainability reports. Conversely, a company's ability to achieve profits and the presence of share ownership by foreign investors can be factors that encourage increased transparency in sustainability reports. Furthermore, entity scale, profitability, use of debt, company age, and foreign ownership are proven to influence the submission of sustainability reports. This finding suggests that the combination of these factors can explain differences in the level of sustainability reporting disclosure among companies.

The findings of this study provide implications indicating that companies must improve the quality and transparency of their sustainability reports as a form of accountability to stakeholders. Companies should also pay attention to profitability and how they manage relationships with foreign investors, as these two factors have been shown to influence sustainability reporting disclosure. For governments and regulatory bodies, the findings of this study can serve as a reference in formulating and strengthening policies related to sustainability reporting, thus motivating

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companies to present sustainability information in greater detail and regularly. Researchers are advised to use a broader sample size, extend the research period, and develop variations in independent factors influencing sustainability reporting, such as corporate governance, institutional ownership, environmental performance, or board size. Future studies are expected to provide broader information and contribute to the development of knowledge on factors influencing sustainability report disclosure.

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