

The Role of Sustainability Reports, Earnings Quality, And Company Size In Determining Company Value

*Determinants of
Sustainability
Company Value*

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ABSTRACT

This study examines the effects of sustainability reporting, earnings quality, and firm size on firm value among companies consistently listed in the SRI-KEHATI Index during the 2020–2024 period. The observed decline in firm value, as proxied by Tobin's Q, alongside the deterioration of earnings quality among sustainable firms, raises concerns regarding the effectiveness of sustainability practices and financial performance in shaping market perceptions. This study aims to empirically analyze whether the extent of sustainability report disclosure, earnings quality measured by the ratio of operating cash flow to earnings, and firm size significantly influence firm value. Using a quantitative approach, this study employs balanced panel data consisting of 59 firm-year observations and applies multiple linear regression analysis with classical assumption testing using SPSS. The results indicate that sustainability reporting has a significant negative effect on firm value, suggesting that sustainability disclosures have not yet been perceived by investors as credible positive signals in the Indonesian capital market. Earnings quality also shows a significant negative effect on firm value, reflecting potential earnings management practices and investor skepticism toward reported earnings. In contrast, firm size has a significant positive effect on firm value, confirming that larger firms are perceived as more stable and capable of sustaining growth. Collectively, sustainability reporting, earnings quality, and firm size explain 30.3% of the variation in firm value. These findings suggest that sustainability reporting and earnings quality have not yet become primary determinants of firm value among sustainable firms in Indonesia, while firm size remains the most influential factor shaping investor perceptions.

Keywords: sustainability reporting; earnings quality; firm size; firm value; SRI-KEHATI

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh sustainability report, kualitas laba, dan ukuran perusahaan terhadap nilai perusahaan pada emiten yang secara konsisten terdaftar dalam Indeks SRI-KEHATI selama periode 2020–2024. Fenomena

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penurunan nilai perusahaan yang diproksikan dengan Tobin's Q, disertai dengan menurunnya kualitas laba pada perusahaan berkelanjutan, menimbulkan pertanyaan mengenai efektivitas praktik keberlanjutan dan kinerja keuangan dalam membentuk persepsi pasar. Penelitian ini menguji secara empiris apakah tingkat pengungkapan sustainability report, kualitas laba yang diukur menggunakan rasio arus kas operasi terhadap laba, serta ukuran perusahaan berpengaruh terhadap nilai perusahaan. Penelitian ini menggunakan pendekatan kuantitatif dengan data panel seimbang sebanyak 59 observasi perusahaan-tahun. Analisis data dilakukan menggunakan regresi linier berganda disertai dengan uji asumsi klasik menggunakan perangkat lunak SPSS. Hasil penelitian menunjukkan bahwa sustainability report berpengaruh negatif dan signifikan terhadap nilai perusahaan, yang mengindikasikan bahwa pengungkapan keberlanjutan belum dipersepsikan sebagai sinyal positif yang kredibel oleh investor di pasar modal Indonesia. Kualitas laba juga terbukti berpengaruh negatif dan signifikan terhadap nilai perusahaan, yang mencerminkan adanya potensi praktik manajemen laba serta skeptisisme investor terhadap informasi laba yang dilaporkan. Sebaliknya, ukuran perusahaan berpengaruh positif dan signifikan terhadap nilai perusahaan, yang menegaskan bahwa perusahaan dengan skala besar dipandang lebih stabil dan memiliki prospek pertumbuhan yang lebih baik. Secara simultan, sustainability report, kualitas laba, dan ukuran perusahaan mampu menjelaskan variasi nilai perusahaan sebesar 30,3%. Temuan ini menunjukkan bahwa sustainability report dan kualitas laba belum menjadi determinan utama nilai perusahaan pada perusahaan berkelanjutan di Indonesia, sementara ukuran perusahaan tetap menjadi faktor yang paling diperhatikan oleh investor.

Kata Kunci: sustainability report; kualitas laba; ukuran perusahaan; nilai perusahaan; SRI-KEHATI

INTRODUCTION

Company values is one of the important indicators that reflect market perception of performance and prospects something entity business in the future [1]. When the value company increased, this illustrates improvement investor confidence and success management in managing resources [2]. In companies included in the SRI-KEHATI Index, the phenomenon decline The average value of Tobin's Q during the period 2020–2024 shows an anomaly, considering that the index is actually show relatively strong performance when the JCI experienced weakening, even SRI-KEHATI rose 4.83% according to a CNBC Indonesia report (2023). This condition raises fundamental questions about connection between practice sustainability and market value of the company, especially for issuers who should own commitment tall to environmental, social, and governance (ESG) factors. Thus, the object of this research is relevant to study in more depth due to a discrepancy between performance index and individual market value of the company.

Previous research about determinant mark company Lots use method quantitative based on linear regression and panel data to test the influence of sustainability reports, quality profit and company size to mark companies. Some studies have found that sustainability reporting has an impact positive to mark company, as proven by Novita & Jasman (2022) and Adela & Jacobus (2023). However, other research results show influence negative or inconsistent, including studies by I Made & Ni Putu (2023), Virgoria (2020), and Riky (2025) which indicate that sustainability reporting can reduce mark company Because perceived as symbolic or greenwashing. Research related to the quality of Profit also shows inconsistent results, with some studies supporting the influence of the positive to mark company [3], [4], [5]. On the other hand, research by Dewi et al. (2021), Baihaqi & Murtanto (2023), and Marthania & Setiany (2022) shows influence negative or insignificant, which indicates the potential for practice management profit and low investor confidence in reliability reported [6], [7], [8]earnings.

The inconsistency of these findings indicates weaknesses in previous approaches, both from a methodological perspective and market context. Some previous research models do not take into account emerging market dynamics, where investors are often more oriented towards long-term financial performance short than indicator sustainability [9]. In addition, many studies only assess sustainability reporting from a quantitative perspective. disclosure, not quality substances that comply with GRI Standards, so that produce measurement bias [10]. Inconsistency also occurs in the company size variable, where some studies show influence positive [11], [12], while other studies have found influence negative or not significant [13], [14], [15] This research gap becomes even more apparent when noting that the company SRI-KEHATI constituents elected through strict selection based on performance sustainability, but still experiencing decline mark company and quality profit, so that raises questions about effectiveness ESG principles in practice. Thus, new research is needed that examines these variables simultaneously in the context sustainable companies in Indonesia.

Problems The main focus of this research includes three important aspects regarding determinant mark companies on issuers oriented sustainability. First, does the sustainability report really provide a signal? positive for investors, or precisely become signal negative that decreases mark company consequence perception cost tall and greenwashing. Second, what is the quality of decreasing profits is one of the factor suppressor mark company, considering profits are often influenced by practices management profit that creates information [16]asymmetry. Third, does company size remain a strengthening factors mark company in context companies that have reputation sustainability high. To answer to address these problems, this study proposes the use of a multidisciplinary approach. quantitative based on panel data on companies that consistently recorded in the SRI-KEHATI Index for a five- year period. This approach was chosen because panel data is capable catch variation intercompany and intertemporal more accurately compared to method cut latitude.

This research has several contributions significant to literature and practice. First, this study provides proof latest empirical research on the influence of sustainability reporting, quality profit, and company size in sustainable companies, which have shown inconsistent results. Second, this study provides a critical evaluation about the relevance of sustainability reporting as market signals in context POJK 51/2017 regulations and GRI Standards which require disclosure is increasingly comprehensive (GRI, 2020; OJK, 2017). Third, this study provides implications practical for companies in improving effectiveness report sustainability to be more capable create mark company. Fourth, this study provides recommendations for investors to assess sustainable companies in a more comprehensive manner, not only based on the level of disclosure sustainability but also quality profit and company size. This article is structured in several sections, starting with a review literature and hypothesis development, then research methods, followed by results and discussion, and ends with conclusions, limitations, and suggestions for future research.

LITERATURE REVIEW

Signal Theory

Signaling theory explains that companies give signals to the market through disclosure of information to reduce information asymmetry between managers and investors [17], [18]. In the context of this research, sustainability reports, quality profit and company size viewed as signals sent by the company to investors. Quality information high, either in the form of report sustainability and reliable profit, can be signal positive that increases investor perceptions regarding prospects company. However, on the other hand, signals that are considered not credible —such as sustainability reporting— are symbolic or earnings that do not reflect fundamental conditions—can cause signal negative. Therefore, the signal theory become base analytical It is important to understand how these three variables influence mark company.

Stakeholder Theory

Stakeholder theory states that companies are not only responsible answer to holder shares, but also to all stakeholders interests, including community, employees, and the environment [19], [20]. The existence of a sustainability report is a form of fulfillment stakeholders' rights to obtain information regarding environmental, social and economic impacts of the Company [21]. Therefore, the quality of disclosure sustainability considered capable enlarge legitimacy and stakeholder support, which ultimately has the potential increase mark company. This theory is relevant to sustainability report variables, company size, and value company.

Legitimacy Theory

Legitimacy theory emphasized that the company trying to gain support public by carrying out activities in accordance with community values and norms [22]. Sustainability reports play a role as important tool to demonstrate commitment company to environmental, social and governance issues, as well as reduce *legitimacy gap* when happen mismatch between behavior company and expectations public (Velte, 2023). In this context, the level and quality of sustainability reporting influence level the legitimacy that the company receives, which can then impact market perception and value company.

Agency Theory

Agency theory look at connection between the owner (principal) and the manager (agent) as connection contractual terms that are full of potential conflicts interest [10]. Information asymmetry encourages manager act opportunistic, for example through practice management profit or disclosure non- substantial sustainability (Wardani & Susilowati, 2020). In the view of this theory, the quality of profit and sustainability reporting reflect effort companies to reduce cost agency and increase transparency. Company size can also influence level supervision external, so that large companies tend to own stronger pressure to maintain reporting quality. Therefore, agency theory become important basis in connecting quality profit, company size, and value company.

Hypothesis Development

Sustainability Report and Company Values

A sustainability report is a company's performance report related to economic, social, and environmental aspects, compiled based on the GRI Standards (GRI, 2020) and aimed at increasing corporate transparency and accountability (Pujiningsih, 2020). Although sustainability reporting can theoretically increase legitimacy and investor trust, several studies have found the opposite. Made et al. (2023), Virgoria (2020), and Riky (2025) found that sustainability disclosure can negatively impact company value, especially when the market perceives the reporting as not providing direct economic benefits or is perceived as *greenwashing*. From a signaling theory perspective, a low-quality sustainability report is a negative signal because it raises doubts about a company's sustainability commitment. Furthermore, agency theory explains that the cost of preparing a sustainability report can be perceived as wasteful, reducing company efficiency. Based on these empirical findings and theory, the direction of the relationship between sustainability reporting and company value is predicted to be negative. **H1: Sustainability reports have a negative effect on company value.**

Earnings Quality and Company Value

Earnings quality is defined as the extent to which earnings reflect true economic performance and are supported by operating cash flows [23] . Although some studies find a positive effect of earnings quality on firm value (Richard Jannuar, 2021; Falah Aghnia et al., 2024; Dang et al., 2020), others show a negative or insignificant effect [6], [7], [8]. In the context of agency theory, earnings quality can decline due to earnings management practices, resulting in reported earnings not reflecting fundamental performance. This raises investor skepticism and increases the risk of unreliable information. Furthermore, signaling theory explains that earnings that appear too stable or too high can actually be seen as a negative signal because they raise suspicions of accounting manipulation. Therefore, the direction of the relationship between earnings quality and firm value is

predicted to be negative, especially in companies with high legitimacy pressures, such as sustainable companies. **H2: Earnings quality has a negative effect on firm value.**

Company Size and Company Value

Company size reflects the extent of a company's assets, capital, and operational capacity, and is an indicator of its reputation, stability, and ability to survive [24]. Many studies have found that larger companies are more valued by the market because they are perceived as having lower risk, broader access to funding, and better ability to maintain business continuity [11], [12]. From a signaling theory perspective, company size provides a positive signal regarding fundamental strength and long-term stability. Agency theory also suggests that larger companies face greater market scrutiny, thus encouraging them to maintain reporting quality and reduce opportunistic management behavior. Thus, company size tends to provide a positive signal that increases company value. **H3: Company size has a positive effect on company value.**

Sustainability Report, Earnings Quality, and Company Size on Company Value Simultaneously

Sustainability reports, earnings quality, and company size act as signals that shape investors' perceptions of company value. These three variables provide complementary information regarding a company's sustainability performance, financial statement integrity, and operational stability. Although each variable exhibits a partially different direction of influence, investors generally assess company quality through a combination of financial and non-financial information simultaneously. This suggests that market decisions are more influenced by the integrated information structure than by a single variable. Therefore, these three variables are conceptually expected to have a simultaneous influence on company value.

Based on theoretical arguments and previous empirical findings, it is concluded that sustainability reports, earnings quality, and company size collectively have the ability to explain variations in firm value. These three variables are considered to contribute to shaping investor perceptions through signaling, legitimacy, and agency oversight mechanisms. Market valuation of a company depends not only on the substance of the sustainability report or the integrity of earnings but also on the company's scale, which reflects its fundamental strength. Therefore, simultaneous testing is necessary to capture the collective influence of these variables on firm value. **H4: Sustainability Report, Earnings Quality, and Company Size simultaneously influence company value.**

Referring to the hypotheses that have been formulated, the research framework can be described as follows:

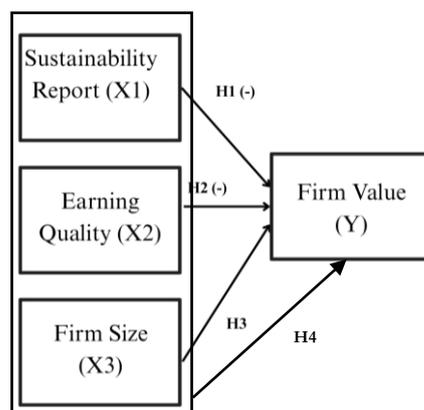


Figure 1. Framework of Thought

RESEARCH METHODS

This research uses approach quantitative based on secondary data to test the influence of sustainability reporting, quality profit and company size to mark companies on issuers that consistently listed in the SRI-KEHATI Index during the 2020–2024 period. The research stages are explained systematically starting from operationalization variables to

the statistical analysis methods used. The research method is designed so that replication can be carried out easily, and the research results can be tested objectively. through panel data regression approach.

Company Operations

Operationalization variables aim ensure that all research variables are measured consistently, measurably, and according to scientific standards. consists of from One variables dependent that is mark company (Tobin's Q), as well as three variables independent namely sustainability reporting (SRDI), quality profit (EQ), and company size (Firm Size).

Company Values

Company values proxied using Tobin's Q, namely ratio between company market value and value replacement its assets. Tobin's Q is seen as superior compared to other market ratios because capable combine fundamental characteristics and market [25], [26]perceptions.

$$Q = \frac{EMV + D}{EBV + D}$$

Information :

EMV = Market value of equity (Share price × Number of shares circulating)

EBV = Book value of equity

D = Total debt

Tobin's Q more comprehensive compared to PBV or PER because reflect combination fundamental aspects and market perceptions, as well as is valid indicators for opportunity growth [26].

Sustainability Reporting

Sustainability reporting is measured using the Sustainability Report Disclosure Index (SRDI) based on the GRI Standards (GRI, 2020) and GRI-G4. The aspects measured are economic, environmental, and social.

Equality SRDI Index :

$$SRDI = \frac{\sum n}{k}$$

Information :

n = Number of items disclosed (score 1 if disclosed)

k = Total items according to GRI

Measurement based The index provides an objective quantitative assessment of the level of disclosure sustainability according to international standards and POJK 51/2017 [10]regulations.

Earnings Quality

Quality profit is calculated using ratio operating cash flow to profit clean, following Dechow & Schrand (2004) and similar research [6], [27].

Equality Earnings Quality :

$$EQ = \frac{CFO}{EBIT}$$

Information :

CFO = Cash flow from activity operation

EBIT = Earnings before interest and taxes

The higher it is proportion cash flow, the higher quality profit because it is less influenced by accrual components. This ratio is simple, easy to interpret, and reflects quality of earnings information.

Company Size

Company size proxied use natural logarithm of total assets [24].

Equation :

$$FS = \ln(\text{Total Aset})$$

The use of logs makes the data more stable and reflective. scale economy company. Company size considered influence investor perception of risk and stability operational.

Analysis Method

According to Sugiyono (2023), data analysis is a series of data processing processes that have been collected become more information easy understood, organized, and able to used For answer problem study [29]. This process covers grouping, ranking, calculation, and presentation of data in form tables, graphs, or diagrams to show the relationship intervariable can seen with clear. Data analysis in study This use SPSS version 25 for processing and analyzing quantitative data.

Panel Data Compilation

The research dataset consists of from 14 companies \times 5 years = 70 observations, but after removing outliers, 59 observations remain. Panel data is *balanced* and allows analysis of variations between companies and between times. This study uses method *purposive sampling* in determining samples that are adjusted to certain criteria according to research objectives.

Table 1. Sampling Criteria

Research Sample Criteria	Total
Total companies listed on the SRI-KEHATI Index during 2020-2024	25
The company was not <i>listed</i> in the SRI-KEHATI Index for five consecutive years from 2020-2024	(11)
Sample Company	14
Observation period 2020 – 2024	5
Number of Observation Data (14 \times 5 years)	70
Outlier data	11
Data used for research	59

Statistical Analysis Descriptive

Used to describe Data distribution using mean, minimum, maximum, and standard deviation (Sugiyono, 2023). This analysis helps to understand initial characteristics before entering the regression. Through tool analysis this, researcher can recognize pattern, level diversity, and distribution of data, so that results obtained can interpreted in a way more precise and in-depth [30].

RESULTS

This section presents the research results comprehensively, including the devices used, dataset characteristics, initial analysis, and test results. statistics, as well as discussion deep to research findings. Presentation using tables, figures, and analytical descriptions to explain the relationship between the results and the research hypothesis.

Research Tools and Data Sources

This research uses device soft The main software used is Microsoft Excel for raw data processing, and SPSS version 25 for statistical analysis and panel data regression estimation. The research dataset is sourced from from financial reports, annual reports, and company sustainability reports that are consistently registered in the SRI-KEHATI Index during 2020–2024. All data is secondary and acquired through the Indonesian Stock Exchange website and the company's official website.

Uji T

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.790	2.529		-.312	.756
Sustainability Report	-4.421	1.037	-.486	-4.264	.000
Earning Quality	-.443	.134	-.376	-3.296	.002
Firm Size	.163	.075	.239	2.178	.034

The t-test is used For know the influence of each variable independent in a way partial to variables dependent, namely Firm Value (Y). The basis for making decision is If mark significance $<$ 0.05, then variables independent influential significant to variables

dependent. Sustainability Report (X_1) has t value of -4.264 with mark significance $0.000 < 0.05$. This is show that *Sustainability Report* influential negative and significant to *Firm Value*. Earning Quality (X_2) has t value of -3.296 with mark significance $0.002 < 0.05$. This result show that *Earning Quality* influential negative and significant to *Firm Value*. Firm Size (X_3) has t value of 2.178 with mark significance $0.034 < 0.05$, which means *Firm Size* influential positive and significant to *Firm Value*.

Uji F

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.978	3	8.993	9.410	.000 ^b
	Residual	52.562	55	.965		
	Total	79.540	58			

F test is performed For know whether variables independent used in the model, namely Sustainability Report (X_1), Earning Quality (X_2), and Firm Size (X_3), in simultaneous influential significant to Firm Value (Y). Based on The results of the ANOVA test in the table above, obtained calculated F value amounting to 9,410 with mark significance of 0.000. Because the value significance more small from 0.05, then can concluded that the regression model This significant in a way simultaneous. This means that, in general, together Sustainability Report, Earning Quality, and Firm Size have an influence significant on Firm Value in companies that become sample study.

Coefficient Test Determination

Model	R	R Square	Adjusted R Square
1	.582 ^a	.339	.303

In the table above Adjusted R Square value of 0.303 which shows sustainability report variables, quality profit, and size company can explain variables mark company by 30.3% and the remainder 69.7 % is explained by other variables outside study This.

DISCUSSION

This section is the core of scientific analysis, explaining the relationship of statistical results to theories and hypotheses.

Influential Sustainability Reports Negative on Company Value

Hypothesis H1 states that *sustainability reports have an effect negative to mark company*, as predicted based on signaling theory and agency theory which states that disclosure sustainability can be non- credible signals or perceived as burdensome activities company. The results of the study show that sustainability reports have coefficient negative significant at -4.421 with a value significance 0.000. This finding is consistent prove direction hypothesis, so H1 is accepted.6. Conclusion

This result show that the more tall level disclosure of sustainability reports, increasingly low mark company. This is strengthen argument that investors in emerging markets like Indonesia has not evaluate reporting sustainability as factors that provide benefit economy directly. From the perspective theory signals, less sustainability reports quality or No integrated with performance finance company can become signal negative because investors assess information the No relevant with potential return investment. In addition, the theory agency explain that cost implementation high ESG reporting can perceived as expenses that are not productive and less give mark add, so that investors respond negative. Findings empirical This in line with research by Made et al. (2023), Virgoria (2020), and Riky (2025) which shows that the sustainability report can lower mark company when the market is in doubt substance and benefits the economy [2]. **Conclusion:** H1 is accepted. Sustainability report is proven. influential negative significant to mark company.

Profit Quality Has an Impact Negative on Company Value

Hypothesis H2 states that *the quality of profit influential negative to mark company*, based on the argument that the apparent profit quality height can cause investor suspicion if it is not supported by strong operating cash flow or if reflect practice management profit.

The results of the study show coefficient negative significant at -0.443 with a level of significance 0.002 . Thus, the empirical results support the direction hypothesis, so H2 is accepted.

Findings This indicates that improvement quality profit precisely lower mark companies in the sample SRI-KEHATI company. In perspective theory agency, improvement quality unrealized profit followed by adequate transparency can considered as indication manipulation accrual or practice *income smoothing*. This cause investor skepticism due to apparent profit stable can reflect effort management For adapt number profit to meet market expectations. In addition, the theory signal state that too “ perfect ” profit can become signal negative Because hinting existence engineering finance. These results consistent with research by Dewi et al. (2021), Baihaqi & Murtanto (2023), and Marthania & Setiany (2022) which shows that quality profit No always give benefit for mark companies, especially in context companies that experience pressure legitimacy tall like company sustainable [6], [7], [8]. **Conclusion:** H2 is accepted. Quality profit proven influential negative significant to mark company.

Company Size Has a Positive Influence on Company Value

Hypothesis H3 states that *company size influential positive to mark companies*, based on signaling theory that assesses large companies are more stable, have stronger reputation, as well as considered have a lower risk of bankruptcy. The results of the study support this hypothesis with a coefficient positive significant at 0.163 and the value significance 0.034 . Thus, H3 is accepted.

This result strengthen view that company with size big tend more interesting for investors because considered have strong fundamentals and capacity more operational stable. From the perspective theory agency, company big be under market supervision, regulators, and stakeholders greater interests tight, so that potential action opportunistic and manipulative information become more low. Investors also tend to evaluate that company big own access to source more funding wide as well as more capable manage risk business. Findings This in line with various study previously such as Hidayat & Khotimah (2022) and Nguyen et al. (2021), which shows that size company is determinant important in increase mark company [11], [12]. **Conclusion:** H3 is accepted. Size company influential positive significant to mark company.

Sustainability Report, Earnings Quality, and Company Size Have an Influence towards the Company's Value as a whole simultaneous

Based on the results in the ANOVA table, it is known that the sustainability report, quality profit and company size is signals that are simultaneously considered by investors in assessing prospects company. Although the sustainability report and quality profit influential partially negative, while company size influential positive, simultaneous results illustrates that the market values combination of sustainability information, quality financial reports, as well as stability operational companies together, according to signaling theory.

From the perspective of stakeholder and legitimacy theory, these three variables reflect forms of accountability. company to stakeholders interests and efforts to gain support social. However, in the context of SRI-KEHATI company, sustainability report is not yet fully translated as improvement impactful legitimacy positive impact on market value. However, sustainability reports remain part of the information structure that influences investor perception when analyzed simultaneously. agency theory perspective, the influence simultaneous three variables show role transparency in reducing conflict agency. Quality perceived earnings are less stable or sustainability report that is assessed symbolic can trigger investor skepticism, but the large size of the company often strengthens market confidence through stronger oversight and accountability. Empirically, this finding is in line with previous research which confirms that the combination of aspect sustainability, financial information, and scale company together to form mark companies in the Indonesian capital market.

CONCLUSION

This study aims to test the influence of sustainability reports, quality profit and company size to mark companies on consistent issuers listed in the SRI-KEHATI Index during the 2020–2024 period. Based on the results of panel data regression analysis, it was found that sustainability reports had an effect negative and significant to mark companies. These findings indicate that although sustainability reporting is expected to increase legitimacy and market trust, investors in Indonesia are not yet fully look at the disclosure as a source of value relevant economics. Furthermore, the quality of profit is also proven influential negative significant to mark company. This indicates that the quality of High profits do not happen immediately increase perception positive investors, especially when there are allegations of practices management profit or when profit is not fully reflects the fundamental condition of the company.

On the other hand, the size of the company influential positive significant to mark companies, which means that large companies are more trusted by investors because considered own stability operational efficiency, a stronger reputation, and a lower risk of failure. Overall, the findings of this study confirm that the factors sustainability and quality profit has not become determinant main mark company, while company size remains a the strongest signal in forming market perception of sustainable company.

Suggestions

Based on findings research, there are some suggestions that can given to party companies, regulators, and researchers next. For companies, it is recommended For increase quality the substance of the sustainability report so that it does not only fulfil standard reporting, but also able to give more information relevant and valuable for investors. Companies also need ensure that reporting sustainability No only nature symbolic, but truly reflect integration ESG practices in business strategy and performance operational. In addition, the company need increase transparency on quality profit through more disclosure details related accrual, estimate management, as well as reconciliation cash flow in order to reduce investor skepticism towards report finance. For regulators such as the OJK and BEI, it is necessary strengthening supervision and standardization reporting sustainability For prevent practice *greenwashing* as well as increase quality ESG information in the Indonesian capital market.

For researchers Next, it is recommended add other variables such as profitability, leverage, structure ownership, or governance companies to obtain description more comprehensive about determinant mark company. Research can also expanded with use method *robust regression*, *fixed effect model*, or *structural equation modeling* to be able to catch deeper relationship complex between variables. In addition, the study advanced can compare SRI-KEHATI company with non-SRI-KEHATI companies for see whether dynamics influence variables study different in groups companies that do not own focus sustainability.

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