JAFA, 12(2), December 2025, 151-168 P-ISSN: 1979-6862
DOI: 10.21512/jafa.v12i2.13976 E-ISSN: 2746-6019

THE CEO OVERCONFIDENCE, INDUSTRY CHARACTERISTICS, AND FOREIGN OWNERSHIP: THEIR EFFECTS ON ESG DISCLOSURE

Shendy Gavriel Alexander[1], Tigor Tambunan[2]*
[1] International Business Accounting Study Program, Widya Mandala Surabaya Catholic University, Surabaya, Indonesia
[2] Master of Accounting Study Program, Widya Mandala Surabaya Catholic University, Surabaya, Indonesia
[1]shendygavriel34@gmail.com; [2]tigor_tambunan@ukwms.ac.id

ABSTRACT

Increasingly, business people believe that the CEO's attitudes and behavior directly or indirectly impact the company's sustainability. This phenomenon aligns with the increasing awareness of ESG management practices among stakeholders, particularly in large industries. Furthermore, the importance of sustainability in global conditions appears to underscore the role of foreign ownership in assessing company performance within the ESG framework. This quantitative study examines the influence of CEO overconfidence, industry characteristics, and foreign ownership on ESG disclosure using secondary data, consisting of 68 non-financial companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. The sample was determined using purposive sampling and analyzed using multiple linear regression tests in EViews software. The listed company's ESG score was obtained from Bloomberg. The results indicate that CEO overconfidence does not significantly affect ESG disclosure, suggesting that the complexity of these decisions is influenced by various internal and external factors beyond the CEO's influence. Foreign ownership significantly influences ESG disclosure, with higher levels of foreign ownership correlating with broader disclosure, driven by the adoption of best practices and standards from international markets, alignment with foreign shareholder expectations, and fostering strong relationships. This study suggests that companies should focus on industry characteristics and foreign ownership and not overly worry about the impact of their CEO's overconfidence on ESG disclosure. Management should tailor their ESG disclosure strategies to align with unique industry characteristics to enhance the company's reputation and foster stronger stakeholder relationships.

Keywords: CEO overconfidence; industry characteristics; foreign ownership; ESG disclosure

INTRODUCTION

Sustainability has become a significant concern, attracting widespread attention (Eccles and Klimenko, 2019; Elg and Ghauri, 2023). Sustainability is the ability to meet present needs without compromising the ability of future generations to meet their needs (Du Pisani, 2006; Heinberg, 2010; United Nations, 1987). In the business context, sustainability, which still retains a broad meaning, is transformed into the concept and dimension of Environmental, Social, and Governance (ESG), first presented in an initiative called "Who Cares Wins" by the United Nations Global Compact (Global Compact, 2004).

ESG disclosure enhances transparency and visibility in companies' social and environmental factors and governance, which involves the criteria investors use to assess a firm or corporation's implementation of Corporate Social Responsibility (CSR) (Li et al., 2018; Rau and Yu, 2023). In the environmental component, ESG practices encompass the reduction of greenhouse gas emissions and industrial waste, promotion of the sustainable use of natural resources, and protection of the environment. On the social side, ESG practices create an inclusive work environment and promote diversity, equality, and fairness among employees and consumers. ESG practices include information disclosure and accountability to stakeholders. Good governance practices help organizations make sustainable decisions and strengthen stakeholder trust (Grewal et al., 2019; De Masi et al., 2021; Mohammad and Wasiuzzaman, 2021; Xie et al., 2019). Investors expect ESG to serve as a comprehensive guide for companies to incorporate sustainability into their analyses and decision-making processes (Khemir et al., 2019; Yawika and Handayani, 2019). Investors employ various investment approaches in sustainable investing, including ESG integration, corporate engagement and shareholder action, norms-based screening, exclusivity screening, best-in-class screening, sustainability or thematic investing, impact investing, and community investing (Rau and Yu, 2023).

In recent years, ESG has gained momentum in Indonesia, as evidenced by the increase in the value of managed funds of ESG investing index funds, which became a favorite for investors who support companies that are concerned with ESG requirements, from IDR 38 billion in 2014 to IDR 2.3 trillion in 2021 (Ahdiat, 2022). This trend shows a growing demand for transparent information on ESG practices and company performance (Mohammad and Wasiuzzaman, 2021), as in the European Union (Grewal et al., 2019). In response, the Indonesian government has supported companies in implementing sustainable report disclosures by issuing Financial Services Authority Regulation No. 51/POJK.03/2017 regarding Implementing Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. In 2025, Diginex Limited (NASDAQ:DGNX), a sustainability technology provider, entered into an agreement with an Indonesian technology company to provide ESG reporting capabilities to more than 1,000 rural banks across Indonesia (Investing.com, 2025). Several independent international agencies, such as Thomson Reuters, Sustainalytics, MSCI, and Bloomberg, have stepped in to meet ESG disclosure requirements (Dieschbourg and Nussbaum, 2017). These agencies provide transparent ESG data for companies worldwide and assign ESG scores based on specific environmental, social and governance indicators. To date, no framework has adequately addressed ESG disclosure issues, including financial reporting concerns. While global consistency in ESG reporting is still needed, the GRI remains the most dominant standard used worldwide (KPMG International, 2022; Soysa et al., 2024).

The transparency of ESG information through disclosure has a positive impact, benefiting both stakeholders and companies (Grewal et al., 2019; Li et al., 2018). Research on 5,000 public companies from the Bloomberg database from 2013 to 2021 found that investing in achieving high ESG performance promises financial returns for companies in terms of value and profitability (Aydoğmuş et al., 2022; Xie et al., 2019). Upper-echelon theory suggests that a CEO's personality significantly impacts corporate strategy and performance (Al-Shammari et al., 2019). Logically, investment related to ESG performance can be expected to be an alternative business strategy for CEOs to gain financial returns. Research on companies in South Korea supports this assumption, suggesting that overconfident CEOs are more likely to be involved in ESG-related issues (Lee, 2021). A study in the US also showed that CEOs who tend to be narcissistic also tend to make ESG disclosures (Dabbebi et al., 2022). The opposite is true in Russia (Lazareva, 2022). In the Indonesian context, there are still not many studies that link CEO overconfidence to sustainability issues.

The 14.51% decline in the share price of Freeport Indonesia, a giant mining company, after the company's management publicly announced that they could not take action on new environmental policies issued by the Indonesian government is evidence that ESG has been an ongoing concern for stakeholders (Bloomberg, 2018; Gunawan, 2018). Attention to a company's ESG disclosure aligns with stakeholder theory, which states that companies try to maintain relationships with stakeholders by meeting their needs for the company's long-term benefit (Li et al., 2018; Yawika and Handayani, 2019). This supports studies showing that specific or sensitive industry characteristics (Garcia et al., 2017; Vivianita et al., 2022) and ownership structure (Al Amosh and Khatib, 2022; Rivandi, 2020) also affect ESG disclosures, but not in the consumer cyclical sector (Aulia et al., 2024).

Furthermore, significant foreign ownership in a company is believed to encourage the company to conduct transparent and comprehensive ESG disclosures. Foreign shareholders tend to have broader and long-term interests in companies, including environmental, social, and corporate governance aspects (Elg and Ghauri, 2023; Sandri et al., 2021). Foreign ownership can significantly enhance transparency and trust between companies and stakeholders (Al Amosh and Khatib, 2022; Lana et al., 2017). For management, including the CEO, serving the interests of foreign stakeholders can be a challenge that requires specific strategies (Lana et al., 2017). Interestingly, this is not the case in Russia (Garanina and Aray, 2021).

In summary, various studies indicate that CEO characteristics, industry characteristics, and foreign ownership influence each other. For example, foreign ownership influences CEO behavior (Chung and Kim, 2021); conversely, CEO behavior and characteristics also impact foreign ownership (Chakraborty and Mahakud, 2023; Chittoor et al., 2019). In one case, industry characteristics affect foreign ownership (Da Gama and Bui, 2024), while in other cases, foreign ownership affects industry characteristics (Han and Kim, 2023; Moore et al., 2024). Meanwhile, referring to the previous study, the three factors affect ESG disclosure individually. Therefore, it is logical that when considered as independent variables in this study, the three factors are expected to have a relatively equal influence on ESG disclosure. The simultaneous analysis of these factors is also strengthened by research suggesting that implementing an ESG strategy can impact a company's access to financial resources, a business capability highly valued by CEOs, investors, and various industries (Rau and Yu, 2023). The main objective of this study is to comprehensively examine non-financial companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. A more diverse sample was determined to draw research conclusions that hopefully apply across multiple industrial sectors. This timeframe reflects the growing importance and relevance of ESG in the Indonesian business sector. Financial companies were deliberately excluded from this study because of their fundamentally different operational characteristics, cost structures, leverage profiles, and ESG management system characteristics. Hopefully, the results of this study will reduce the debate about the dominance of each of these factors individually in ESG disclosure and provide a more comprehensive analytical framework.

Literature Review

Upper-echelon theory

Upper-echelon theory posits that top management's experiences, values, characteristics, and personalities significantly influence their understanding of the situation and conditions, ultimately affecting their decisions (Hambrick and Mason, 1984). The CEO is an integral part of the strategic management process, and his personal qualities and attributes influence financial and non-financial outcomes (Li et al., 2018; Rajabalizadeh, 2023; Shahab et al., 2019). From this perspective, a person's characteristics, such as personal values, dispositions, and past experiences, significantly influence decision-making, and they tend to adopt corporate strategies that suit their individual preferences rather than maximizing shareholder interests (Lee, 2021). ESG disclosures are a form of top-level organizational decision-making. Thus, upper-echelon theory is a highly relevant framework for this study (Del Gesso and Lodhi, 2025; Rahmatulloh et al., 2025).

CEO characteristics that can influence decision-making can be assessed in several ways, one of which is overconfidence. Overconfidence refers to a person's tendency to feel that they have more information or knowledge than they do. As a result, overconfident managers tend to misjudge and overestimate future profits. Given that the CEO is a core factor influencing the company's economic decision-making, management preference systems, and individual psychological characteristics are expected to impact the disclosure of specific corporate issues (Li et al., 2018; Rajabalizadeh, 2023). Several studies have found that overconfidence has a positive value for organizations, leading to greater persistence in problem solving (Bi et al., 2016; Burkhard et al., 2023).

Stakeholders Theory

In 1963, the term 'stakeholders' was first introduced in the management literature through an internal memorandum at the Stanford Research Institute (SRI). This concept further expands the idea that shareholders are the only group that management should consider (Dathe et al., 2022). Companies should not only focus on carrying out operational activities for the benefit of shareholders but also provide benefits and establish reciprocal relationships with stakeholders, who are groups or individuals that can affect or be affected by the achievement of organizational goals (Freeman et al., 2010; Soysa et al., 2024).

Stakeholder theory emphasizes the significance of the association between the board of directors and ESG disclosures. The board of directors can assist management in enhancing the company's image by providing tangible benefits to stakeholders through concrete actions and addressing environmental and social issues through ESG disclosures. From this perspective, ESG disclosure can provide an overview of a company's environmental, social, and sustainable governance performance, demonstrating its commitment to sustainable development and building stakeholder trust (Mohammad and Wasiuzzaman, 2021; Triyani and Setyahuni, 2020). Thus, the company will gain support from stakeholders and become sustainable.

ESG Disclosure

ESG refers to a framework that companies implement in their investment and business practices by integrating and implementing policies to align with environmental, social, and governance principles (Dathe et al., 2022; Sarnisa and Djasuli, 2022). Companies communicate ESG information through disclosures to their stakeholders. The need for ESG disclosure is a consideration for investors and stakeholders, as ESG is an indicator of a company's performance (Fatemi et al., 2018; Khemir et al., 2019; Mohammad and Wasiuzzaman, 2021). Sources that can be used to obtain information about ESG disclosures include annual reports, official websites, and professional rating agencies. However, the form and intensity of ESG reporting vary among companies because of the availability of various standards, with most companies using the Global Reporting Initiative (GRI) guidelines (Fatemi et al., 2018). Consequently, many investors prefer to use ESG scores from various professional rating agencies to evaluate company disclosures rather than conducting content analysis. ESG scores from these professional rating agencies are considered more comprehensive because they go beyond the information provided in company reports (Rau and Yu, 2023).

Bloomberg releases ESG scores as a significant reference point for investors. Bloomberg's approach to assessing ESG performance is distinctive because it employs a bottom-up, model-driven methodology. This method relies heavily on companies' information and publicly accessible sources, including sustainability reports, annual filings, proxy statements, corporate governance reports, supplementary releases, and official company websites (Bloomberg Professional Services, 2022; Eng et al., 2022). This systematic approach leads to a transparent, rule-based scoring system that emphasizes the importance of sustainability data and encourages enhanced transparency from diverse global businesses. Since 2009, Bloomberg has provided ESG disclosure data by collecting information from over 11,800 companies in 83 countries (Wong et al., 2021).

The effect of CEO overconfidence on ESG disclosure

Overconfidence describes an individual's tendency to believe they are better than others (Azouzi and Jarboui, 2013; Hirshleifer et al., 2012). This is based on the belief that they possess higher abilities, judgment, and motivation to achieve success, even though reality may not align with their perception. According to upper echelon theory, overconfidence is a CEO characteristic that influences decision-making (Del Gesso and Lodhi, 2025; Hambrick and Mason, 1984; Li et al., 2018; Rajabalizadeh, 2023). Overconfident CEOs often believe that they possess superior abilities, judgment, skills, and levels of success compared to their peers within the organization. Contrary to the conventional wisdom that CEO overconfidence is detrimental, a meta-analysis indicates that, on average, CEO overconfidence is beneficial to firm performance. Overconfidence is typically shaped by social interactions and repeated experiences of success (Burkhard et al., 2023). For example, if someone frequently experiences success, they are likely to believe they have higher hability than others (Hirshleifer et al., 2012).

CEOs who are heavily involved in decision-making can introduce biases into decision-making and corporate strategies (Azouzi and Jarboui, 2013). Strategic decisions that are less visible, such as those related to ESG disclosure, present significant igh opportunities for overconfident CEOs, who have a higher demand for attention and praise and a strong desire to enhance their positive self-image (Lee and Kim, 2021). ESG disclosure is an initiative that carries value and appears to promote social benefits. Moreover, investment activities related to ESG are sensitive to audiences, media attention, and praise, which are all external sources of attention. These factors create opportunities for overconfident CEOs to position themselves to attract critical investment.

CEO overconfidence is measured using five proxies (Schrand and Zechman, 2012). First, companies are grouped based on their year and industry. Then, the company's capital expenditure is compared to the industry median for the year. A CEO is considered overconfident if the company's capital expenditure exceeds the industry median. Second, a regression analysis is conducted to examine the relationship between total asset growth and sales growth using industry-year classifications. If the residual is greater than zero, the manager is considered to be overconfident. Third, overconfident CEOs tend to choose debt financing methods. Therefore, if the debt-to-equity ratio exceeds the industry median, it is considered to be overconfident. Fourth, overconfident CEOs tend to pay long-term interest and use convertible corporate bonds and preferred stocks. Therefore, a company with preferred stock and convertible corporate bonds is considered overconfident. Finally, overconfident managers tend to reduce dividend distributions. If a company does not distribute dividends, it is considered overconfident. A CEO is considered overconfident if three of the five factors are met.

CEO overconfidence is a condition in which a CEO has excessive confidence in their ability to make decisions and predict the company's future outcomes. CEOs with significant involvement in decision-making are more likely to adopt decisions that align with their preferences, leading to overconfidence. This is consistent with upper-echelon theory, which posits that personal values and past experiences significantly influence decision-making. Concerning decision-making, ESG disclosure is one of the company's strategic decisions included in voluntary information disclosure (Sumunar and Djakman, 2020). Therefore, we expect CEOs to play an essential role in ESG disclosures.

Through ESG disclosure, overconfident CEOs can gain attention, praise, and a strong desire to strengthen their self-image. A meta-analysis of 199 related studies (Burkhard et al., 2023), one in Korea (Lee, 2021), and one involving companies in Southeast Asia (Sumunar and Djakman, 2020), found that overconfident CEOs tend to be more active in ESG disclosure because they feel optimistic about managing their companies, maintaining their reputations, and believing that their companies perform well. In addition, CEOs tend to disclose positive ESG-related information in company reports, such as sustainability or annual reports, to give a positive impression to stakeholders. Thus, based on this explanation, the hypothesis of this study is as follows:

H1: CEO overconfidence positively affects ESG disclosure.

The effect of industry characteristics on ESG disclosure

Companies tend to operate in various industries with different characteristics. These characteristics can be described as industry sensitivity, the impact and influence a company has in its business field, business risks, and the impact of employees on the company environment (Garcia et al., 2017; Moore et al., 2024). Industry characteristics can be identified by their sensitivity to various aspects, such as environmental concerns, political risk, and corporate competence. High-profile industries tend to have a high level of environmental sensitivity, a high level of political risk, or a strong level of competence. Low-profile industries have lower consumer visibility, political risk, and competence (Karlina et al., 2019). Generally, high-profile industry professionals tend to attract more public attention. Any negligence or action taken by a company can have a severe impact on the environment or society (Grewal et al., 2019). A relatively recent study showed a tendency for companies in the US with the potential to produce high levels of pollution to disclose their ESG performance (Dasilas and Karanović, 2025). Meanwhile, a previous study in Indonesia observed that companies operating in industries with higher environmental risks tend to disclose more ESG-related information (Vivianita et al., 2022). However, it is worth noting that sometimes this disclosure is merely rhetorical, as in some recent cases in Brazil (Alves et al., 2025).

Companies categorized in high-profile industries are recognized for their distinctive characteristics, including a large workforce and involvement in production processes that generate waste and pollution. High-profile industries encompass various sectors, including oil and gas mining, paper, chemicals, automotive, tobacco and cigarettes, transportation, aviation, agribusiness, food and beverages, forestry, media and communications, healthcare, and tourism (Fitriani and Rosdiana, 2022). Conversely, companies in low-profile industries are characterized by a customer-centric approach (Adiatma and Suryanawa, 2018). These industries prioritize customer satisfaction and engagement in their operations. Low-profile industries include banking, trade and investment, real estate, textile products, personal and household products, construction, and medical equipment industries.

According to upper-echelon theory, a CEO's personal characteristics and experience influence their actions in managing business risks (Cid-Aranda and López-Iturriaga, 2023; Hambrick and Mason, 1984). Therefore, CEO of companies in high-profile industries are expected to consider and respond to the interests and needs of various stakeholders, maintaining their reputation in the eyes of society, as stakeholder trust is crucial to the sustainability of the company's business model. In this sense, the more a company operates in a high-profile industry, the higher the demand for transparent and comprehensive ESG disclosure, as it informs stakeholders about how the company addresses and manages ESG risks and contributes to sustainable development (Karlina et al., 2019; Roestanto et al., 2022). Thus, based on this explanation, the hypotheses of this study are as follows:

H2: Industry characteristics positively affect ESG disclosure.

The effect of foreign ownership on ESG disclosure

According to upper echelon theory, the characteristics of an organization reflect those of its CEO and vice versa (Hambrick and Mason, 1984). The ownership structure of a company is an indicator that reflects its identity. Additionally, a company's ownership structure contributes to institutional oversight and influences the company's motives for disclosing information (Al Amosh and Khatib, 2022; P. and KB, 2021). The ownership structure of a company refers to the shares held by institutions or individuals that grant them voting rights in corporate decisions. The manner in which these shareholders exercise their voting rights can significantly influence a company's operational decisions. In this study, ownership structure is proxied by foreign ownership.

The presence of foreign shareholders enables external oversight of good corporate governance, including adequate management supervision. Foreign ownership generally benefits a company by providing access to capital, technology, markets, and human resources, which can steer the company's policies towards specific agendas, such as sustainability or addressing social and environmental issues. Consequently, companies and stakeholders can gain higher levels of trust and transparency when foreign shareholders are present. Thus, companies with significant foreign ownership can be considered to have higher international standards in terms of environmental management, work quality, and corporate governance (Lana et al., 2017).

Foreign ownership refers to shareholdings owned by individuals, legal entities, and foreign governments. Foreign ownership in a company may bring the best practices and standards from overseas. Foreign owners who own shares in a company tend to have a long-term interest in the company's performance and reputation and are concerned about its impact on society and the environment. Based on stakeholder theory, companies are responsible to all parties interested in the company's operations. Therefore, foreign ownership can influence companies to be more proactive in making ESG disclosures as a form of accountability and transparency to stakeholders, including in a study on meeting ESG demands from foreign investors in Indian companies (P. and K.B., 2021). Foreign ownership also encourages companies in Jordan (Al Amosh and Khatib, 2022) and Indonesia (Fuadah et al., 2022) to make more transparent ESG disclosures. Thus, based on this explanation, the hypothesis of this study is as follows:
H3: Foreign ownership positively affects ESG disclosure.

Conceptual Model

The research model, summarized from theory, variable concepts, and hypothesis development, is described as follows:

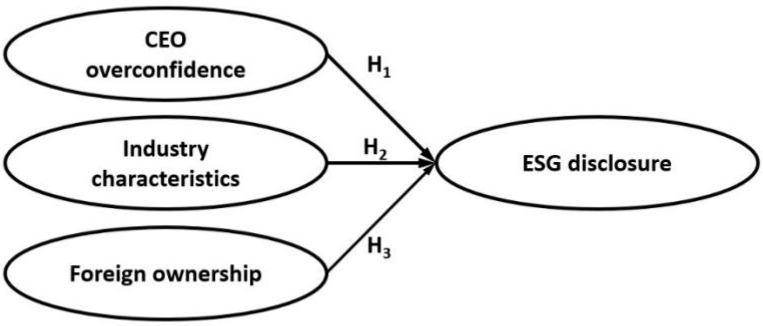

Figure 1. Conceptual Model

This study examines the influence of CEO overconfidence, industry characteristics, and foreign ownership on ESG disclosure as the dependent variable (Figure 1).

RESEARCH METHOD

Methods

This study employed a quantitative research framework, utilizing hypothesis testing to investigate the causal relationship between variables. The dependent variable is ESG disclosure, and the independent variables are CEO overconfidence, industry characteristics, and foreign ownership. This study draws on secondary data sources, including non-financial companies listed on the IDX from 2019 to 2022, as well as the Bloomberg Terminal database. The research methodology utilized purposive sampling as the sampling technique and employed multiple linear regression analysis as the analytical tool.

Variables

CEO Overconfidence (CEO)

Overconfident CEOs are defined as those who tend to overestimate their abilities, judgment, skills, and level of success compared with others in the organization (Hirshleifer et al., 2012). This study draws on research by Schrand and Zechman (2012) to measure CEO overconfidence. The composite proxy is constructed using five measures based on the extent to which companies engage in specific investment and funding activities that previous research has found to be associated with CEO overconfidence. The five components are industry-adjusted excess investment, industry-adjusted net value of acquisitions made by the firm, industry-adjusted debt-to-equity ratio, risk debt, and dividend yield. The CEO overconfidence variable is a dummy variable that is assigned a value of 1 (one) if at least 3 (three) of the 5 (five) component scores indicate that the company tends to have an overconfident CEO, and zero otherwise.

Industry characteristics (IND)

Industry characteristics can be identified by distinguishing between high- and low-profile industries (Hackston and Milne, 1996). The measurement of industry characteristics utilizes a dummy variable, where “1” represents companies in high-profile industries and “0” represents those in low-profile ones.

Foreign Ownership

Ownership structure refers to how institutions or individuals hold their shares, including their voting power in corporate decisions. The way these shareholders use their voting rights can significantly impact a company’s day-to-day decisions. This study focuses on the foreign ownership structure. Foreign ownership refers to shares owned by individuals, legal entities, or foreign governments in a company (Sandri et al., 2021). The foreign ownership variable is calculated by dividing the number of shares owned by foreign parties by the total number of shares issued by the company.

ESG disclosure (ESG)

ESG refers to a set of guidelines that companies implement in their investment and business practices, involving the integration and application of corporate policies to align with environmental, social, and governance (ESG) concepts (Sarnisa and Djasuli, 2022). Companies then communicate ESG through disclosures to their stakeholders. Investors and stakeholders consider the need for ESG disclosure because ESG serves as an indicator of a company’s performance. Information on ESG disclosure can be obtained through annual reports, official websites, and professional rating agencies.

Bloomberg’s ESG score is used to indicate companies’ ESG disclosures. Bloomberg’s ESG score is considered more comprehensive because it encompasses information from company reports and provides extensive ESG disclosure data worldwide (Eng et al., 2022; Grewal et al., 2019; Yu and Luu, 2021). The Bloomberg ESG score calculates 120 quantitative and qualitative measurements across environmental, social, and governance dimensions, adjusted by industry using a proprietary calculation formula. The ESG disclosure scores ranged from 0.1 to 100. A higher score indicates better ESG information disclosure, demonstrating that the company effectively manages environmental, social, and governance issues.

Population, Sample, and Sampling Technique

This study uses the population of non-financial sector companies listed on the IDX from 2019 to 2022. Sampling from the existing population will be conducted using a purposive sampling technique based on the following criteria: The criteria used for sample determination are as follows:

1. Non-financial companies listed on the IDX between 2019 and 2022.
2. Indonesian companies with consecutive ESG scores on the Bloomberg Terminal from 2019 to 2022.
3. Indonesian companies with complete data on the research variables.

DISCUSSION

The population comprises 720 non-financial companies registered on the IDX from 2019 to 2022. The research sample selection criteria include ESG scores from Bloomberg terminals, which provide paid secondary data and complete data related to the variables under study. Appendix 1 provides a list of companies that meet these criteria.

Table 1. Sample Data in Research

Description	Total
Population: non-financial companies that are listed in IDX from 2019 to 2022	720
Companies that did not meet the criteria, incl.: 1. Companies that do not have consecutive ESG scores on the Bloomberg terminal for 2019-2022. 2. Companies that do not have complete data regarding the variables used in this research.	 (644) (8)
Total non-financial companies that meet the criteria	68
Total research period (year)	4
Total of final observation of non-financial companies that is used in this research (n)	272
Number of observed data (n)	272

Source: processed data

This study uses a sample of 68 companies that meet the established criteria with an observation period of four years, resulting in a total sample size of 272 (Table 1). The data description provides an overview of the descriptive statistics for the study, which employs CEO overconfidence (CEO), industry characteristics (IND), and foreign ownership (FOR) as independent variables and ESG disclosure (ESG) as the dependent variable (Table 2).

Table 2. Descriptive Statistical Results

	N	Minimum	Maximum	Mean	Std. Dev	Modus
ESG	272	17.9458	73.8658	41.6033	11.2658	-
CEO	272	0	1	-	-	0 (74.17%)
IND	272	0	1	-	-	1 (56%)
FOR	272	0, 0025	0.9341	0.2968	0.2730	-

Source: Processed Data (2023)

Based on the descriptive statistics, we obtained the following:

ESG Disclosure (ESG)

The range of ESG disclosures by non-financial companies listed on the IDX from 2019 to 2022 was extensive (Table 2). This descriptive fact reveals that the perspectives of these companies on ESG disclosures vary significantly. The lowest ESG score was held by PT Pollux Properties Indonesia Tbk (POLL) in 2019, at 17,9459. This score indicates that the company has not disclosed much ESG-related information, which is of significant concern to stakeholders (Pollux Properties Indonesia, 2021). In contrast, PT Indo Tambangraya Megah Tbk (ITMG) achieved the highest ESG score in 2022 at 73.8658. This score suggests that the company demonstrates a strong level of ESG information disclosure, indicating effective management of environmental, social, and governance issues (Indo Tambangraya Megah, 2023).

CEO Overconfidence (CEO)

Of the 272 samples, approximately 71 instances reflect CEO overconfidence, while the remaining data points do not. This suggests that a lack of CEO overconfidence is more prevalent in companies, accounting for 74.17% of the cases (Table 2).

Industry Characteristic (IND)

Among the 68 companies studied, approximately 38 (56%) were classified as high-profile industries (Table 2). This observation suggests that many companies operate in high-profile industries, indicating their increased visibility among consumers, heightened exposure to political risks and active participation in competitive markets.

Foreign Ownership

The lowest level of foreign ownership was recorded for SMCB in 2021 at 0.25% (Solusi Bangun Indonesia, 2024). Conversely, Hexindo Adiperkasa Tbk PT (HEXA) achieved the highest level of foreign ownership in 2019 at 93.41% (Hexindo Adiperkasa, 2024).

Data Analysis Result

Classical Assumption Test

a. Normality tests

The normality test was conducted using the Jarque-Bera test, assisted by EViews 9 software.

Table 3. Result of the normality test

Description	Jarque-Bera Prob	Result
Unstandardized Residual	0.278490	Normally distributed

Source: Processed data

The Jarque-Bera Probability for the unstandardized residual value is 0.278490, which is greater than 0.05. The data were normally distributed (Table 3).

b. Multicollinearity Test

Each independent variable in this study exhibited tolerance values greater than or equal to 0.10 and VIF values less than or equal to 10.00.

Table 4. Result of multicollinearity test

Independent Variable	*Tolerance*	*Variance Inflation Factor* (VIF)	Result
CEO	0.966	1.030	No multicollinearity
IND	0.968	1.022	No multicollinearity
FOR	0.997	1.008	No multicollinearity

Source: Processed data

There is no multicollinearity between the CEO, IND, and FOR variables (Table 4).

c. Heteroscedasticity test

In this study, we applied the Harvey test to detect heteroscedasticity problems.

Table 5. Result of heteroscedasticity test

F-statistic	1.7903	Prob. F	0.1493
Obs*R-squared	5.3441	Prob. Chi-Square	0.1483
Scaled explained SS	4.3491	Prob. Chi-Square	0.2261

Source: Processed data

The calculated significance value of Obs*R-squared from the Harvey test is 0.1483, which is greater than the 0.05 threshold. Heteroscedasticity was not present in the dataset (Table 5).

d. Autocorrelation test

We employ the Durbin-Watson test to detect autocorrelation.

Table 6. Autocorrelation Test Result

k	DU.	DW.	4-DU	Result
3	1.781	2.164	2.178	No autocorrelation

Source: Processed data

The Durbin-Watson (DW) statistic exceeds the lower bound (DU) and is less than the upper bound (4-DU). Autocorrelation was not evident in the regression model examined in this study (Table 6).

Multiple Linear Regression Test

We conducted a t-test for hypothesis testing. The results are as follows:

Table 7. T-test result

Variable	Unstandardized Coefficients		T	Sig.	Results
	B	Std. Error			
(Constant)	35.5748	1.2954	27.4627	0.0000	
CEO	-1.4790	1.4566	-1.0153	0.3109	Insignificant (negative)
IND	7.8656	1.2835	6.1282	0.0000	A significant and positive influence.
FOR	6.8030	2.3223	2.9294	0.0037	A significant and positive influence.

Source: Processed data

Based on the t-test, the following multiple regression equation model was used:

$$ESG = 35.5748 - 1.4790CEO + 7.8656IND + 6.8030FOR + e$$

This equation means that

1. The constant term (α) equals 35.5748, indicating that if all independent variables have values of zero, then the ESG disclosure will have a value of 35.5748.
2. The regression coefficient (β1) for CEO Overconfidence (CEO) is -1.4790, indicating that if CEO overconfidence exists, ESG Disclosure (ESG) will decrease by 1.4790.
3. The regression coefficient (β2) for Industry Characteristics (IND) is 7.8656, indicating that a company operating in a high-profile industry will increase its ESG Disclosure (ESG) by 7.8656.
4. The regression coefficient (β3) for Foreign Ownership (FOR) is 6.8030, indicating that a one-unit increase in FOR results in a 6.8030-unit increase in ESG disclosure (ESG).

In addition, based on the t-test, some points can be drawn.

1. CEO overconfidence has a negative and non-significant effect on ESG Disclosure, as indicated by the significance value exceeding 0.05, specifically at 0.3109 (Table 7). Therefore, we reject H1.
2. Industry characteristics have a positive and significant effect on ESG disclosure, as indicated by the significance value of 0.0000, which is below 0.05 (Table 7). Therefore, H2 is accepted.
3. Foreign ownership has a positive and significant effect on ESG Disclosure, as indicated by a significance value below 0.05 (0.0037) (Table 7). The H3 is accepted.

Model Feasibility Test

a. F-test

The F-test aims to determine the extent to which independent variables can collectively influence the dependent variable. If the significance level is less than 0.05, it can be concluded that the regression model is considered feasible.

Table 8. F-test result

	F	**Significance**
Regression	16.7579	0.0000

Source: Processed data

The F-test result shows a significance of less than 0.05. Therefore, in this case, the regression model was deemed appropriate for the study (Table 8).

b. Coefficient of Determination Test (R^2)

The following are the results of the R-squared test.

Table 9. Coefficient of Determination Test (R2) Result

R	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
0,3973	0.1579	0.1485	10.3955

Source: Processed data (2023)

The adjusted R-squared value of 0.1485 indicates that all independent variables collectively account for a significant 14.85% influence on ESG Disclosure (Table 9). The remaining 85.15% of the variation was influenced by other variables not included in this study.

The effect of CEO overconfidence on ESG disclosure

The multiple linear regression analysis results reveal that CEO overconfidence regarding ESG disclosure is associated with a negative coefficient of -0.015 and a significance level of 0.3109. This significance value exceeds the standard threshold of 0.05, suggesting that CEO overconfidence has no significant influence on ESG disclosure. Assuming that self-confidence is part of emotional intelligence and overconfidence is a form of behavioral bias, the results of this study confirm previous research, which states that high emotional intelligence does not always lead to a CEO's behavioral bias (Azouzi and Jarboui, 2013), in this case, regarding ESG disclosure. The case of ITMG indicates a lack of CEO overconfidence, yet it possessed the highest ESG score of 73.86 in 2022 (Indo Tambangraya Megah, 2023). In contrast, POLL, which exhibited an overconfident CEO but obtained a lower score of 17.94 in 2019 (Pollux, 2019), confirmed this significance. Consequently, H1 was rejected. This outcome contradicts earlier studies suggesting a positive correlation between CEO overconfidence and ESG disclosure (Lee and Kim, 2021; Sumunar and Djakman, 2020). This could also be because CEOs feel that ESG disclosure is not a top priority (Bi et al., 2016; Wong et al., 2021).

The research findings deviate from upper-echelon theory, which posits that the attitudes and behavior of the CEO should wield significant influence over ESG disclosure decisions. This deviation highlights a crucial insight: ESG disclosure is a complex process that transcends the singular judgment of the CEO. It involves a diverse array of stakeholders within the company, ranging from the pivotal contributions of the Board of Directors to the collaborative deliberations of the Annual General Meeting.

Furthermore, various internal and external factors contribute to shaping this complex landscape. These diverse influences work together to mitigate the potential cognitive biases of CEO overconfidence. Consequently, this diminishes the significant impact of CEOs on ESG disclosure practices. An exemplary instance of this is the effective implementation of sound corporate governance. This strategic framework is carefully designed to ensure a balanced distribution of power among all participants in the corporate environment. One illustrative example of these elements is the thorough adoption of principles that promote good corporate governance. These principles establish an environment in which power is equitably distributed among all participants, with particular emphasis on shareholders, commissioners, and directors.

In conclusion, the research findings reveal that the influence of CEO overconfidence on ESG disclosure decisions is more nuanced than previously thought. While CEO attitudes and behaviors undoubtedly play a role, the collaborative nature of these decisions, the involvement of various stakeholders, and the influence of corporate governance all contribute to a more complex and balanced decision-making process in ESG disclosure.

The effect of industry characteristics on ESG disclosure

The multiple linear regression analysis results revealed that industry characteristics significantly influence the disclosure of ESG factors, with a significance level of less than 0.05. A company categorized as high-profile is more proactive in disclosing its ESG practices. Mining companies such as ITMG and MEDC exhibit ESG scores higher than the average, at 68.56 and 68.54, respectively. MEDC is one of the few Indonesian companies that have issued ESG reports aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework, which resembles the upcoming IFRS S1 and S2 standards. This result confirms previous research (Adiatma and Suryanawa, 2018; Karlina et al., 2019; Roestanto et al., 2022), which found that companies in high-profile industries tend to be more active in conducting ESG disclosures than those in low-profile industries, in response to public demands and to improve the company's image in society (Aydoğmuş et al., 2022; Grewal et al., 2019; Wong et al., 2021).

The disclosure of ESG practices is seen as a means to manage and mitigate the potential negative impacts arising from operational activities and as a form of transparency towards stakeholders. Stakeholder theory also plays a pivotal role in this context. Companies in high-profile industries with greater exposure and interaction with various parties, including the public, government, and environmental groups, tend to face greater pressure to be accountable for their ESG practices. Therefore, ESG disclosure is a crucial strategy for garnering support from diverse stakeholders.

These results are also aligned with Article 74, Paragraph 1 of Indonesia Law No. 40 of 2007, which emphasizes the obligation of companies operating in the natural resource sector to carry out Social and Environmental Responsibility. In conclusion, industry characteristics play a pivotal role in influencing ESG disclosure, with companies in high-profile industries often serving as key players.

The influence of foreign Ownership on ESG disclosure

The multiple linear regression analysis results reveal that foreign ownership in Indonesia has a significant influence on ESG disclosure, with a significance level of less than 0.05, which differs from previous cross-country research (Yu and Luu, 2021). Higher foreign ownership levels are associated with greater ESG disclosure. This finding corroborates previous research, which concluded that foreign ownership encourages companies to disclose more transparent ESG information (Al Amosh and Khatib, 2022; Elg and Ghauri, 2023; Fuadah et al., 2022). Companies such as ITMG and INCO, which exhibit higher levels of foreign ownership at 70.91% and 80.92%, respectively, also demonstrate higher ESG scores of 68.54 and 64.25, respectively.

Referring to stakeholder theory, foreign ownership in this study can be identified as a factor influencing a company's conduct towards stakeholders and its performance in terms of the ESG management system. Foreign ownership introduces best practices and standards from the international market. Substantial foreign ownership can compel companies to adopt transparent and comprehensive ESG disclosures. Consequently, companies with significant foreign ownership tend to prioritize disclosing ESG-related information to meet the expectations and demands of foreign shareholders and build and maintain strong relationships with them.

CONCLUSION

Following the multiple linear regression analysis, we conclude that the impact of CEO overconfidence on ESG disclosure is not statistically significant. This study highlights the complex nature of ESG disclosure decisions, which extend beyond the influence of CEOs and involve a diverse range of stakeholders. Internal and external factors, such as collaborative decision-making, stakeholder engagement, and robust corporate governance practices, mitigate the impact of CEO overconfidence on corporate investment.

This study demonstrates that industry characteristics significantly impact ESG disclosure, particularly for those with high profiles. These entities, which confront elevated political risks and showcase considerable expertise, demonstrate a proactive stance in disclosing ESG practices. The disclosure of ESG practices is a strategic approach to proactively managing potential adverse impacts, increasing transparency, and fulfilling stakeholder expectations.

The research findings confirm that foreign ownership significantly influences ESG disclosure. Elevated levels of foreign ownership correlate with more extensive ESG disclosures encompassing environmental, social, and governance aspects. Foreign ownership determines a company's conduct towards stakeholders and its ESG performance. Introducing foreign ownership's best practices and standards from international markets catalyzes companies to prioritize transparent and comprehensive ESG disclosures. This strategy aligns with the expectations of foreign shareholders and contributes to establishing and maintaining robust relationships with them.

Limitation

This study has limitations, particularly the limited sample size, as it is confined to companies with available data on Bloomberg. This potentially limits the generalizability of the findings. The use of other databases and longer timeframes is recommended for future research. Additionally, the measurement of industry characteristics in this study is somewhat limited because it employs dummy variables. While these variables provide a proper categorical representation, they may oversimplify the intricate nuances of the dynamics of the industry. A more comprehensive and nuanced approach to capturing industry characteristics could increase the robustness and depth of this analysis in future studies on similar topics

Implication

This study has several implications. Theoretically, this study contributes to the literature on ESG disclosure by expanding the understanding of the factors that influence these practices. For example, according to this study, researchers should focus on developing a more robust measurement framework for industry characteristics.

In practical terms, companies can utilize this research to identify best practices and assess their ESG-related business strategies by focusing on industry characteristics and foreign ownership. Companies should not be overly concerned about the impact of their CEO's overconfident character on ESG disclosure. Company management should emphasize understanding and responding to the industry dynamics in which they operate in. This involves a thorough analysis of industry-specific risks, opportunities, and stakeholder expectations related to ESG practices. Tailoring ESG disclosure strategies to align with unique industry characteristics can enhance a corporation's reputation and foster stronger stakeholder relationships.

REFERENCES

Adiatma, K.B. and Suryanawa, I.K. (2018), "Pengaruh Tipe Industri, Kepemilikan Saham Pemerintah, Profitabilitas Terhadap Sustainability Report", *E-Jurnal Akuntansi*, Universitas Udayana, p. 934, doi: 10.24843/eja.2018.v25.i02.p05.

Ahdiat, A. (2022), *Ini Tren Investasi ESG Di Indonesia Sampai 2021*.

Al-Shammari, M., Rasheed, A. and Al-Shammari, H.A. (2019), "CEO narcissism and corporate social responsibility: Does CEO narcissism affect CSR focus?", *Journal of Business Research*, Elsevier BV, Vol. 104, pp. 106–117, doi: 10.1016/j.jbusres.2019.07.005.

Alves, M.C.R., Conti, D.D.M., Carvalho, M.F.D., Coradini, D.C. and Silva Filho, C.F.D. (2025), "Corporate ESG Practices in High-Risk Sectors: The case of Vale S.A.", *Journal of Sustainable Institutional Management*, Vol. 12, p. e0176, doi: 10.37497/jsim.v12.id176.2025.

Al Amosh, H. and Khatib, S.F.A. (2022), "Ownership structure and environmental, social and governance performance disclosure: the moderating role of the board independence", *Journal of Business and Socio-Economic Development*, Vol. 2 No. 1, pp. 49–66, doi: 10.1108/JBSED-07-2021-0094.

Aulia, A., Sukmadilaga, C., Avianti, I. and Rosdini, D. (2024), "Do or Don't: Focus on Critical Issues of Environmental Social Governance Disclosure in Singapore, Malaysia, and Indonesia", edited by Melani, B.Z., Mohamad, M., Savalas, L.R.T., Ocampo, D. and Abdul Majid, M.Z.*SHS Web of Conferences*, Vol. 182, p. 04010, doi: 10.1051/shsconf/202418204010.

Aydoğmuş, M., Gülay, G. and Ergun, K. (2022), "Impact of ESG performance on firm value and profitability", *Borsa Istanbul Review*, doi: 10.1016/j.bir.2022.11.006.

Azouzi, M.A. and Jarboui, A. (2013), "CEO emotional intelligence and board of directors' efficiency", *Corporate Governance: The International Journal of Business in Society*, Vol. 13 No. 4, pp. 365–383, doi: 10.1108/CG-10-2011-0081.

Bi, Y., Dang, Q., Li, S., Guo, J. and Zhang, B. (2016), "The Effect of Overconfidence on Persistent Behavior: The Mediation Effect of 'I Think I Can Do It' Rather Than 'I'm Attracted To It'", *Psychological Reports*, Vol. 118 No. 1, pp. 138–153, doi: 10.1177/0033294115627524.

Bloomberg. (2018), "Freeport Plunges After Indonesia Toughens Environmental Rules", *Bloomberg.Com*, 24 April.

Bloomberg Professional Services. (2022), "Environmental and Social Scores", pp. 1–2.

Burkhard, B., Sirén, C., Van Essen, M., Grichnik, D. and Shepherd, D.A. (2023), "Nothing Ventured, Nothing Gained: A Meta-Analysis of CEO Overconfidence, Strategic Risk Taking, and Performance", *Journal of Management*, Vol. 49 No. 8, pp. 2629–2666, doi: 10.1177/01492063221110203.

Chakraborty, D. and Mahakud, J. (2023), "CEO attributes and foreign shareholdings: evidence from an emerging economy", *Journal of Financial Reporting and Accounting*, doi: 10.1108/JFRA-05-2022-0166.

Chittoor, R., Aulakh, P.S. and Ray, S. (2019), "Microfoundations of firm internationalization: The owner CEO effect", *Global Strategy Journal*, Vol. 9 No. 1, pp. 42–65, doi: 10.1002/gsj.1193.

Cid-Aranda, C. and López-Iturriaga, F. (2023), “C.E.O. characteristics and corporate risk-taking: evidence from emerging markets”, *Economic Research-Ekonomska Istraživanja*, Vol. 36 No. 2, p. 2175008, doi: 10.1080/1331677X.2023.2175008.

Da Gama, F. and Bui, K. (2024), “Hegemon or South-South partner? The ambiguity of Chinese foreign direct investment in Peru”, *Critical Perspectives on International Business*, Vol. 20 No. 4, pp. 443–463, doi: 10.1108/cpoib-10-2022-0112.

Dabbebi, A., Lassoued, N. and Khanchel, I. (2022), “Peering through the smokescreen: ESG disclosure and CEO personality”, *Managerial and Decision Economics*, Vol. 43 No. 7, pp. 3147–3164, doi: 10.1002/mde.3587.

Dasilas, A. and Karanović, G. (2025), “The role of ESG in high-pollution industries: implications for market and financial performance”, *The Journal of Risk Finance*, Vol. 26 No. 3, pp. 410–427, doi: 10.1108/JRF-08-2024-0249.

Dathe, T., Dathe, R., Dathe, I. and Helmold, M. (2022), *Corporate Social Responsibility (CSR), Sustainability and Environmental Social Governance (ESG) Approaches to Ethical Management*, Springer.

Del Gesso, C. and Lodhi, R.N. (2025), “Theories underlying environmental, social and governance (ESG) disclosure: a systematic review of accounting studies”, *Journal of Accounting Literature*, Vol. 47 No. 2, pp. 433–461, doi: 10.1108/JAL-08-2023-0143.

Dieschbourg, M.T. and Nussbaum, A.P. (2017), “No Place to Hide Thanks to Morningstar, Bloomberg, MSCI, and Multiple Global Data Providers”, *Investments & Wealth Monitor*, No. December, pp. 29–31.

Du Pisani, J.A. (2006), “Sustainable development – historical roots of the concept”, *Environmental Sciences*, Vol. 3 No. 2, pp. 83–96, doi: 10.1080/15693430600688831.

Eccles, R.G. and Klimenko, S. (2019), “The Investor Revolution”, *Harvard Business Review*, 1 May.

Elg, U. and Ghauri, P.N. (2023), “Towards a Global Sustainability Approach: Challenges and Opportunities for Multinationals”, in Ghauri, P.N., Elg, U. and Hånell, S.M. (Eds.), *International Business and Management*, Emerald Publishing Limited, pp. 11–31, doi: 10.1108/S1876-066X20230000037002.

Eng, L.L., Fikru, M. and Vichitsarawong, T. (2022), “Comparing the informativeness of sustainability disclosures versus ESG disclosure ratings”, *Sustainability Accounting, Management and Policy Journal*, Vol. 13 No. 2, pp. 494–518, doi: 10.1108/SAMPJ-03-2021-0095.

Fatemi, A., Glaum, M. and Kaiser, S. (2018), “ESG performance and firm value: The moderating role of disclosure”, *Global Finance Journal*, Elsevier Inc., Vol. 38, pp. 45–64, doi: 10.1016/j.gfj.2017.03.001.

Fitriani, S.V. and Rosdiana, Y. (2022), “Pengaruh Tipe Industri terhadap Pengungkapan Corporate Social Responsibility”, *Bandung Conference Series: Accountancy*, Vol. 2 No. 1, pp. 693–699.

Freeman, R.E., Harrison, J.S., Wicks, A.C., Parmar, B. and de Colle, S. (2010), *Stakeholder Theory: The State of the Art*, *Cambridge University Press*, doi: 10.1017/CBO9780511815768.

Fuadah, L.L., Mukhtaruddin, M., Andriana, I. and Arisman, A. (2022), “The Ownership Structure, and the Environmental, Social, and Governance (ESG) Disclosure, Firm Value and Firm Performance: The Audit Committee as Moderating Variable”, *Economies*, MDPI AG, Vol. 10 No. 12, p. 314, doi: 10.3390/economies10120314.

Garanina, T. and Aray, Y. (2021), “Enhancing CSR disclosure through foreign ownership, foreign board members, and cross-listing: Does it work in Russian context?”, *Emerging Markets Review*, Vol. 46, p. 100754, doi: 10.1016/j.ememar.2020.100754.

Garcia, A.S., Mendes-Da-Silva, W. and Orsato, R.J. (2017), “Sensitive industries produce better ESG performance: Evidence from emerging markets”, *Journal of Cleaner Production*, Vol. 150, pp. 135–147, doi: 10.1016/j.jclepro.2017.02.180.

Global Compact. (2004), “Who Cares Wins”, available at: https://www.unepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf (accessed 16 April 2024).

Grewal, J., Riedl, E.J. and Serafeim, G. (2019), “Market Reaction to Mandatory Nonfinancial Disclosure”, *Management Science*, Vol. 65 No. 7, pp. 3061–3084, doi: 10.1287/mnsc.2018.3099.

Gunawan, A. (2018), “Aturan Baru Limbah di RI Bikin Saham Freeport Anjlok Parah”, *CNBC Indonesia*, available at: https://www.cnbcindonesia.com/market/20180425131613-17-12420/aturan-baru-limbah-di-ri-bikin-saham-freeport-anjlok-parah (accessed 2 March 2023).

Hackston, D. and Milne, M.J. (1996), “Some determinants of social and environmental disclosures in New Zealand companies”, *Accounting, Auditing & Accountability Journal*, Emerald, Vol. 9 No. 1, pp. 77–108, doi: 10.1108/09513579610109987.

Hambrick, D.C. and Mason, P.A. (1984), “Upper Echelons: The Organization as a Reflection of Its Top Managers”, *The Academy of Management Review*, Vol. 9 No. 2, p. 193, doi: 10.2307/258434.

Han, S. and Kim, S. (2023), “Does outward foreign direct investment improve the performance of domestic firms? Case of Korea”, *Asian Economic Journal*, Vol. 37 No. 4, pp. 519–549, doi: 10.1111/asej.12315.

Heinberg, R. (2010), *The Post Carbon Reader Series: Foundation Concepts What Is Sustainability?*

Hexindo Adiperkasa. (2024), “PT Hexindo Adiperkasa Tbk”, *PT Hexindo Adiperkasa Tbk*, available at: https://www.hexindo-tbk.co.id/ (accessed 30 April 2024).

Hirshleifer, D., Low, A. and Teoh, S.H. (2012), “American Finance Association Are Overconfident CEOs Better Innovators ?”, *Journal of Finance*, Vol. 67 No. 4, pp. 1457–1498.

Indo Tambangraya Megah. (2023), “Indo Tambangraya Megah”, available at: https://itmg.co.id/ (accessed 30 April 2024).

Investing.com. (2025), “Diginex signs $1.7 million deal to provide ESG reporting for Indonesian banks By Investing.com”, 30 September 2025, available at: https://www.investing.com/news/company-news/diginex-signs-17-million-deal-to-provide-esg-reporting-for-indonesian-banks-93CH-4264521 (accessed 5 October 2025).

Karlina, W., Mulyati, S. and Putri, T.E. (2019), “The effect of company’s size, industrial type, profitability, and leverage to sustainability report disclosure”, *JASS (Journal of Accounting for Sustainable Society)*, Sekolah Tinggi Ilmu Ekonomi Sutaatmadja, p. 32, doi: 10.35310/jass.v1i01.68.

Khemir, S., Baccouche, C. and Ayadi, S.D. (2019), “The influence of ESG information on investment allocation decisions: An experimental study in an emerging country”, *Journal of Applied Accounting Research*, Vol. 20 No. 4, pp. 458–480, doi: 10.1108/JAAR-12-2017-0141.

KPMG International. (2022), *Big Shifts, Small Steps: Survey of Sustainability Reporting 2022*.

Lana, J., Marcon, R., Bandeira-de-Mello, R. and Xavier, W. (2017), “Financial dimension of internationalization: serving two masters”, *Corporate Governance: The International Journal of Business in Society*, Vol. 17 No. 2, pp. 305–320, doi: 10.1108/CG-05-2016-0110.

Lazareva, E. (2022), “Do CEO Behavior Biases and Personal Traits Influence ESG Performance? The Evidence from Emerging Capital Market of Russia”, *Journal of Corporate Finance Research / Корпоративные Финансы | ISSN: 2073-0438*, Vol. 16 No. 4, pp. 72–92, doi: 10.17323/j.jcfr.2073-0438.16.4.2022.72-92.

Lee, J. (2021), “CEO Overconfidence and Voluntary Disclosure of Greenhouse Gas Emissions: With a Focus on the Role of Corporate Governance”, *Sustainability*, Vol. 13 No. 11, p. 6054, doi: 10.3390/su13116054.

Lee, J. and Kim, E. (2021), “Would Overconfident CEOs Engage More in Environment, Social, and Governance Investments? With a Focus on Female Representation on Boards”, *Sustainability*, MDPI AG, Vol. 13 No. 6, p. 3373, doi: 10.3390/su13063373.

Li, Y., Gong, M., Zhang, X.-Y. and Koh, L. (2018), “The impact of environmental, social, and governance disclosure on firm value: The role of CEO power”, *The British Accounting Review*, Vol. 50 No. 1, pp. 60–75, doi: 10.1016/j.bar.2017.09.007.

De Masi, S., Słomka-Gołębiowska, A., Becagli, C. and Paci, A. (2021), “Toward sustainable corporate behavior: The effect of the critical mass of female directors on environmental, social, and governance disclosure”, *Business Strategy and the Environment*, Vol. 30 No. 4, pp. 1865–1878, doi: 10.1002/bse.2721.

Mohammad, W.M.W. and Wasiuzzaman, S. (2021), “Environmental, Social and Governance (ESG) disclosure, competitive advantage and performance of firms in Malaysia”, *Cleaner Environmental Systems*, Vol. 2, p. 100015, doi: 10.1016/j.cesys.2021.100015.

Moore, E., Brandl, K., Doh, J. and Meyer, C. (2024), "Natural-resources-seeking FDI and employment opportunities in developing countries: a temporal perspective", *International Journal of Development Issues*, Vol. 23 No. 2, pp. 304–324, doi: 10.1108/IJDI-03-2023-0084.

P., F. and K.B., N. (2021), "Determinants of CSR disclosure: an evidence from India", *Journal of Indian Business Research*, Vol. 13 No. 1, pp. 110–133, doi: 10.1108/JIBR-06-2018-0171.

Pollux. (2019), "Pollux-Property_Annual-Report-2019.pdf", available at: https://pollux.co.id/wp-content/uploads/2020/12/Pollux-Property_Annual-Report-2019.pdf (accessed 18 May 2024).

Pollux Properties Indonesia. (2021), "Pollux Properties Indonesia – Leading The Future Of Property In Indonesia", available at: https://pollux.co.id/ (accessed 30 April 2024).

Rahmatulloh, S.A., Anridho, N., Ningsih, S., Fitriani, N. and Lee, S.P. (2025), "CEO career variety and ESG disclosure: evidence from Indonesia", *Pacific Accounting Review*, doi: 10.1108/PAR-06-2024-0120.

Rajabalizadeh, J. (2023), "CEO overconfidence and financial reporting complexity: evidence from textual analysis", *Management Decision*, Vol. 61 No. 13, pp. 356–385, doi: 10.1108/MD-06-2023-1033.

Rau, P.R. and Yu, T. (2023), "A survey on ESG: investors, institutions and firms", *China Finance Review International*, doi: 10.1108/CFRI-12-2022-0260.

Rivandi, M. (2020), "Pengaruh Struktur Kepemilikan Terhadap Pengungkapan Corporate Social Responsibility Pada Perusahaan High Profile di BEI", *Akuntabilitas*, LP2M Universitas Islam Negeri (UIN) Syarif Hidayatullah Jakarta, Vol. 13 No. 2, pp. 205–220, doi: 10.15408/akt.v13i2.17336.

Roestanto, A., Vivianita, A. and Nurkomalasari, N. (2022), "Pengaruh ukuran perusahaan, umur perusahaan, jenis industri, dan struktur kepemilikan terhadap environmental, social, and governance (ESG) disclosure (Studi empiris perusahaan di Indonesia yang terdaftar di IDX 2017-2020)", *Jurnal Akuntansi STIE Muhammadiyah Palopo*, Universitas Muhammadiyah Palopo, Vol. 8 No. 1, p. 1, doi: 10.35906/jurakun.v8i1.958.

Sandri, B.A., Prihatni, R. and Armeliza, D. (2021), "Pengaruh Kepemilikan Asing, Kepemilikan Keluarga dan Tekanan Karyawan terhadap Pengungkapan Laporan Keberlanjutan", *Jurnal Akuntansi, Perpajakan Dan Auditing*, Vol. 2 No. 3, pp. 661–678.

Sarnisa, W.D. and Djasuli, M. (2022), "Praktik Pengungkapan Informasi Environmental , Social And Governance (ESG) Dalam Penerapan GCG", *Jurnal Ekonomika Dan Bisnis (JEBS)*, Vol. 2 No. 3, pp. 754–759.

Schrand, C.M. and Zechman, S.L.C. (2012), "Executive overconfidence and the slippery slope to financial misreporting", *Journal of Accounting and Economics*, Elsevier, Vol. 53 No. 1–2, pp. 311–329, doi: 10.1016/j.jacceco.2011.09.001.

Shahab, Y., Ntim, C.G., Chen, Y., Ullah, F., Li, H. and Ye, Z. (2019), "Chief executive officer attributes, sustainable performance, environmental performance, and environmental reporting: New insights from upper echelons perspective", *Business Strategy and the Environment*, Wiley, Vol. 29 No. 1, pp. 1–16, doi: 10.1002/bse.2345.

Solusi Bangun Indonesia. (2024), "Solusi Bangun Indonesia", *Solusi Bangun Indonesia*, available at: https://solusibangunindonesia.com/ (accessed 30 April 2024).

Soysa, R.N.K., Pallegedara, A., Kumara, A.S., Jayasena, D.M. and Samaranayake, M.K.S.M. (2024), "Construction of a sustainability reporting score index integrating sustainable development goals (SDGs). The case of Sri Lankan listed firms", *Journal of Asian Business and Economic Studies*, doi: 10.1108/JABES-05-2023-0149.

Sumunar, K. and Djakman, C. (2020), "CEO overconfidence, ESG disclosure, and firm risk", *Jurnal Akuntansi Dan Keuangan Indonesia*, Fakultas Ekonomi dan Bisnis Universitas Indonesia, Vol. 17 No. 1, doi: 10.21002/jaki.2020.01.

Triyani, A. and Setyahuni, S.W. (2020), "Pengaruh Karakteristik Ceo Terhadap Pengungkapan Informasi Environmental, Social, and Governance (Esg)", *Jurnal Ekonomi Dan Bisnis*, Vol. 21 No. 2, p. 72, doi: 10.30659/ekobis.21.2.72-83.

United Nations. (1987), "Report of the World Commission on Environment and Development: Our Common Future", available at: http://www.un-documents.net/our-common-future.pdf (accessed 16 April 2024).

Vivianita, A., Roestanto, A., -, J. and -, E. (2022), “Determinan Pengungkapan ESG (Environment Social Governance) dengan Profitabilitas Sebagai Variabel Moderasi”, *InFestasi*, University of Trunojoyo Madura, Vol. 18 No. 2, p. Inpress, doi: 10.21107/infestasi.v18i2.17181.

Wong, W.C., Batten, J.A., Ahmad, A.H., Mohamed-Arshad, S.B., Nordin, S. and Adzis, A.A. (2021), “Does ESG certification add firm value?”, *Finance Research Letters*, Elsevier Inc., Vol. 39 No. May 2020, p. 101593, doi: 10.1016/j.frl.2020.101593.

Xie, J., Nozawa, W., Yagi, M., Fujii, H. and Managi, S. (2019), “Do environmental, social, and governance activities improve corporate financial performance?”, *Business Strategy and the Environment*, Vol. 28 No. 2, pp. 286–300, doi: 10.1002/bse.2224.

Yawika, M.K. and Handayani, S. (2019), “The Effect of ESG Performance on Economic Performance in the High Profile Industry in Indonesia”, *JOURNAL OF INTERNATIONAL BUSINESS AND ECONOMICS*, American Research Institute for Policy Development, Vol. 7 No. 2, doi: 10.15640/jibe.v7n2a12.

Yu, E.P. and Luu, B.V. (2021), “International variations in ESG disclosure – Do cross-listed companies care more?”, *International Review of Financial Analysis*, Vol. 75, p. 101731, doi: 10.1016/j.irfa.2021.101731.