THE EFFECT OF EMPLOYEE ENGAGEMENT, SHAREHOLDER ENGAGEMENT, MEDIA ENGAGEMENT AND CREDITOR ENGAGEMENT ON QUALITY OF SUSTAINBILITY REPORTING IN INDONESIA

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ABSTRACT

This study aims to analyze the effect of employee engagement, shareholder engagement, media engagement, and creditor engagement on quality of sustainability reporting in Indonesia. The population on this study, companies in the energy, industrial, and consumer non-cyclicals sectors in Indonesia, which are listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022 period. Purposive sampling is a technique used in order to obtain a sample of 104 units of analysis. The method of collecting information used in this examination is the content analysis technique. According to (Erin, Adegboye, & Bamigboye, 2022), this research offer SRQ measures from scoring 1-4 how confidently sustainability reporting is verified by an external audit assurance. This research determines whether an audit committee is involved in reporting on sustainability. The result showed that employee engagement, media engagement had no effect on quality of sustainability reporting in Indonesia. Meanwhile, the result showed that shareholder's engagement and creditor's engagement had effect on quality of sustainability reporting in Indonesia. Based on the research, shareholders respond to the exposure of energized sustainability reporting from monetary markets to build shareholders' level of certainty by expanding the level of reports. Limitations of this research that only focuses on one measurement, namely how much stakeholder involvement variables are mentioned in the sustainability report. For future research expected to use more or other than stakeholders.

Keywords: Employee Engagement, Shareholder Engagement, Media Engagement, Creditor Enagement, Quality, Sustainability Reporting

INTRODUCTION

The main goal of an organization to build a business and continue to develop it is to maximize the profits to be obtained and be responsible for stakeholders and their groups. Companies that are oriented absolutely to profit slowly ignore the environment and social considerations which result in insecure business continuity in the future. This perspective arises because of the widening view of the business goals themselves. To date, businesses face challenges not only for profit, but also include sustainability by evolving to fulfill its responsibilities to social and environmental issues through sustainability disclosure. The existence of a sustainability report is very crucial. A sustainability report serves as a voluntary disclosure, representing a commitment to social and environmental responsibility. A sustainability report is essential to communicate various aspects of corporate responsibility towards society and the environment to stakeholders, including the community (Qomariah, 2021) (Sulistyawati, 2019).

However, over time the Financial Services Authority issued Financial Services Authority Regulation Number 51/POJK.03/2017 concerning the Application of Sustainable Finance for Financial Service

Institutions, Issuers, and Public Companies (Otoritas Jasa Keuangan, 2017). The issue of low considerations for company to report their sustainability regarding the quality of the report has been becoming questionable for most of the users of the information especially stakeholders. PT Multi Bintang affirms that 'this year, we have not concluded external assurance'. Accordingly, Corporate sustainability reports are considered unaudited. In addition, if we examine more deeply the content of the sustainability report, inconsistent statements on material topics can still be found. The above phenomenon explains that the use value of sustainability reports is quite attractive to researchers to conduct various studies because there are still inconsistencies in the results of previous research, so the author feels this topic is still relevant to be researched. Thus, the research gap in this study lacks references to scientific sources that focus on the quality of non-financial reporting in the form of sustainability reports by companies in developing countries, especially Indonesia. Here are some factors that can affect the quality of sustainability reports, namely: employees engagement, shareholders engagement, media engagement, and creditors engagement. Based on this problem, in Indonesia there are still many companies that have not prioritized all quality and material information in sustainability reports on the basis of the six GRI principles, namely accuracy, balance, clarity, comparability, timeliness, and reliability (GRI & SASB, 2021).This will certainly affect the judgments and decisions of stakeholders if the information provided is not relevant and accurate. Stakeholder theory is a theoretical foundation that examines the relationship between companies and related stakeholders. Based on legitimacy theory, sustainability reporting by companies to relevant stakeholders through various media will convince the public that the company is acting in accordance with society's values and expectations and gaining social legitimacy (Sriningsih and Wahyuningrum, 2022). This study aims to test the quality of Sustainability Reporting with the title "The Effect of Employee engagement, Shareholder engagement, Media engangement, and Creditor engagement on Quality of Sustainability Reporting in Indonesia."

Literature Review

Stakeholder theory is a theoretical foundation that examines the relationship between companies and related stakeholders. Based on (*Stakeholder Theory: The State of the Art - R. Edward Freeman, Jeffrey S. Harrison, Andrew C. Wicks, Bidhan L. Parmar, Simone de Colle - Google Buku*, n.d.), stakeholder theory reflects management's efforts in managing the company with the aim of meeting the expectations of all stakeholders. In a company, there are various stakeholders with different interests and expectations. Therefore, companies need to fulfill the rights of each stakeholder by communicating related to their performance and responsibilities, both in economic aspects, social aspects, to environmental aspects. One way to communicate this is through the disclosure of high-quality Sustainability Reports, so as to provide transparency to stakeholders (Desita Putri, Pratama, Muslih, & Kunci, 2019a).

The legitimacy theory framework describes how the community always supervises the company's activities in order to act in line with the appropriate and acceptable way to the surroundings, especially when the company carries out its operational activities that have an impact on the environment around them. Based on legitimacy theory, businesses continually seek to guarantee that they work within the local regulations and tendencies or arrangements in which they are located. This is done in an effort to make their operations appear legitimate to outsiders and related stakeholders (Dowling and Pfeffer in Ghozali and Chariri, 2007: 413) (Kumar, Kumari, Poonia, & Kumar, 2021).

Sustainable reporting is defined by Global Reporting Initiatives (GRI) as an organization's practice for reporting to the public its monetary, environmental, and/or social impacts. Sustainability reporting is essentially the legitimate estimation, exposure, and execution responsibility to achieve sustainability goals, which can be managed for both internal and external partners (Farisyi, Musadieq, Utami, &

Damayanti, 2022). The more transparency the company has in reporting its sustainability activities, the more quality the sustainability report published by the company. The excellence of quality of sustainability reports can be understood as the disclosure of information and adherence to fundamental reporting principles like *materiality*, *stakeholder inclusiveness*, *completeness*, *comparability*, *balance*, *accuracy*, and *reliability*) (Chang, Amran, Iranmanesh, & Foroughi, 2019).

Hypothesis Development

Employee Engagement Effects on Sustainability Report Quality

According to the perspective of stakeholder theory, the quality of sustainability reports in environmentally sensitive sectors is relevant to employees, where health and safety orientation is the most important issue in the SRQ of companies engaged in the production of intellectual property.(Fernandez-Feijoo et al., 2014). In accordance with the theory used, namely legitimacy theory which explains the existence of sustainability reports convincing the surrounding community that operational activities and employee performance can be trusted and accepted so that it will increase the recruitment of new employees which ultimately increases productivity in the company. Making an employee-oriented industry can implement legitimacy theory (Qomariah, 2021). Thus, the hypothesis can be expressed as follows:
H1: Employee engagement has effect on the quality of the Sustainability Reporting

Shareholders' Engagement Effects on the Quality of Sustainability Reports

In connection with legitimacy theory, companies will carry out activities that can create support from shareholders. Shareholders who provide funds or equity participation for a company. The greater the number of shareholders, the greater the demand for corporate responsibility on the basis that the shareholders have provided financial assistance to the company so that they have the right to know the use of the allocation of these funds (Desita Putri et al., 2019a). Therefore, the author states the following hypothesis:
H2: Shareholders engagement have an effect on the quality of Sustainability Report

Media Engagement Effects on the Quality of Sustainability Reports

The media aspect is seen as having the potential to increase the details of sustainability reports for businesses because they are considered to have the capacity to build credibility through communication with stakeholders and disclosure of information that benefits sustainability reporting (Lodhia, Kaur, & Stone, 2020). Based on legitimacy theory, firms disseminating sustainability information to relevant stakeholders through various media channels aim to persuade the public that their operations align with social values, meet expectations, and seek to attain social legitimacy (Sriningsih and Wahyuningrum, 2022). For that the hypothesis that we can formulate is:
H3: Media engagement has effect on the quality of Sustainability Report.

Creditor's Engagement Effects on the Quality of Sustainability Reports

According to stakeholder theory, creditors have power and may make formal claims through their loans. As a result, creditors are pressuring companies to be more transparent in disclosing more accurate and relevant information, including quality sustainability reports to ensure the company's condition (Sriningsih and Wahyuningrum, 2022a). Therefore, the author proceeds from the following hypothesis:
H4: Creditors engagement have effects on the quality of the Sustainability Report.

METHOD, DATA, AND ANALYSIS

The population of this study are companies in the energy, industrial, and consumer non-cyclicals sectors in Indonesia, which are listed on IDX (Indonesia Stock Exchange) from 2019 to 2022.The author's reason for choosing this sector is because it is seen from related phenomena and cases, where the energy, industrial, and consumer non-cyclicals sectors have indications of influencing CSR. Thus, the quality of the sustainability report is crucial for stakeholders to make decisions. The selection of samples for this study followed the purposive sampling method, which involves choosing data sources based on specific criteria or considerations (Sugiyono, 2019). The criteria for the sample used in this study are as follows:

Table 1. Sample Criteria

Sample criteria	Total
Amount of companies go public listed on Indonesia Stock Exchange in Energy, Industrials, and Consumer non-Cyclicals sectors	**203**
Companies in Energy sectors listed on IDX for period 2019-2022	66
Energy companies that do not report successively the sustainability report for the period 2019-2022	(54)
Energy companies that do not report successively the annual reports for the period 2019-2022	(12)
Energy companies that report successively report both AR and SR the annual reports for the period 2019-2022	12
Companies in Industrials sectors listed on IDX for period 2019-2022	50
Industrial companies that do not report successively the sustainability report for the period 2019-2022	(45)
Industrial companies that do not report successively the annual reports for the period 2019-2022	(7)
Industrial companies that report successively report both AR and SR the annual reports for the period 2019-2022	5
Companies in Consumer Non-Cyclicals sectors listed on IDX for period 2019-2022	87
Consumer Non-Cyclicals companies that do not report successively the sustainability report for the period 2019-2022	(78)
Consumer Non-Cyclicals companies that do not report successively the annual reports for the period 2019-2022	(9)
Consumer Non-Cyclicals companies that report successively report both AR and SR the annual reports for the period 2019-2022	9
Total appropriate company	26
Sample for research object for period 2019-2022	104

Reference: Indonesia Stock Exchange (IDX) from 2019-2022

In this study, secondary data is used. Secondary data in the form of annual reports and Sustainability Reports from the websites of companies listed on the Indonesia Stock Exchange (www.idx.co.id) website in the 2019-2022. The method of collecting information used in this examination is the content analysis technique. Content Analysis is research that is a detailed discussion of data compiled or printed in broad

communication media. Research with this technique conducted by counting the amount of keywords both in annual report and sustainability report which were mentioned with respect to stakeholder (employee, shareholders, media, and creditor) engagement and reporting.

To conduct the data analysis for this study, SPSS 25 (Statistical Program for Social Science Version 25) is statistical software was used.This study conducted testing with two kinds of variables, namely dependent (Y) and independent (X) variables. In this review, the quality of sustainability is connoted as a dependent variable. Independent variables are variables that are estimated to influence the dependent variable, both positively and negatively (Bougie & Sekaran, 2020). In this review, the independent variables used are employees engagement, shareholders engagement, media enagement, and creditors. Research uses quantitative content analysis methods that are descriptive. This is because its implementation includes information, examination, and understanding of the importance of the information obtained. Quantitative substance testing in this review was carried out by counting the words mentioned in relation to stakeholder groups. (Ardiana, 2019). According to (Erin et al., 2022), this research offer SRQ measures how confidently sustainability reporting is verified by an audit firm. This research determines whether an audit committee is involved in reporting on sustainability. To sum up, Scores ranging from 1 to 4 were used, and they were determined as follows:

Table 2. Quality Assessment of Sustainability Report

Score	Information	Result Categorized
1	Sustainability Report exist	Low
2	Sustainability report exists and the firm has a sustainability committee affiliated with the board of director	Average
3	Sustainability report exists and assurance is provided by the non-audit firm	Above Average
4	Sustainability report exists and assurance is provided by one of the Big 4 or other audit firms	Excellent

Reference: Modified from Erin (2022)

Table 3. Definition of Operationalization and Measurement of Variables

Variable	Definition	Indicator
Quality of Sustainability Report (Y)	Practice in estimating and revealing company activities as an obligation to all *stakeholders* in connection with the hierarchical implementation of the organization in achieving sustainability improvement goals (Global Reporting Initiative, 2021)	The quality measurement of *the Sustainability Report* used is *content analysis* based on GRI standards. Get score 1 if SR exist, get score 2 if SR exist and company has sustainability committee affiliated with BoD, get score 3 if SR exist and provided by non-audit firm assurance, and get score 4 if SR exist and external assurance are provided by auditing firms (Erin et al., 2022)
Employee Engagement (X1)	Employee involvement as intellectual capital and implementer of corporate strategy is a key and influential stakeholder for the company. Qualified employees have understood the importance of sustainability.	Total number of employee mentions in sustainability reporting

	Worker-driven virtue on quality influences sustainability report organizational support (Rudyanto & Siregar, 2018a).	
Shareholder Engagement (X2)	Shareholder Engagement is an ongoing relationship between shareholders and a company's board of directors, and is designed to address concerns about performance (Sun et al., 2011).	Total number of shareholders mentions on sustainability reporting
Media Engagement (X3)	Media serves as a platform where individuals share their thoughts, express preferences, and exert influence, both shaping and being shaped by others, thereby influencing behavior. Its impact extends beyond individual lives to encompass organizational performance (Basri & Siam, 2019).	Total number of media mentions in sustainability reporting
Creditors Engagement (X4)	Creditors are parties who provide long-term loans as well as stakeholders who influence the company's activities and level of disclosure (Sriningsih & Wahyuningrum, 2022).	Total number of creditors mentions in sustainability reporting

Reference: Previous research

RESULT AND DISCUSSION

Descriptive Statistics

Descriptive statistic tests are useful for showing an overview of the distribution of research variables presented in the table 4. Tests that explain the variables of employee engagement, shareholder engagement, media engagement, and creditor engagement have relatively good data distribution when viewed from standard deviation is smaller deviation from the mean value.

Table 4. Descriptive Statistics

Descriptive Statistics

	N	Range	Minimum	Maximum	Sum	Mean	Std. Deviation	Variance
Employee Engagement	104	4609	254	4863	89190	849,68	798,89	644600,519
Shareholder Engagement	104	11396	30	11426	132596	1.261,5	1.421,55	2041006,252
Media Engagement	104	172	0	172	4981	47,50	33,68	1145,912
Creditor Engagement	104	55	0	55	1264	12,24	11,34	129,963
Quality of SR	104	3	1	4	321	3,09	0,82	0,68198
Valid N (listwise)	104							

Reference: data processed in 2023

Overall Model Fit Test

Based on the table above, data processing in this study using SPSS 25 shows that the -2 log likelihood intercept value has decreased from 226,594 to 181,114 after including the four independent variables. In summary, the initial -2Log likelihood value (block number = 0) is higher than the final -2Log likelihood value (block number = 1), indicating a decrease. This suggests that the proposed model aligns well with the data, and the inclusion of independent variables enhances the regression model, supporting the acceptance of H0.

Table 5. Model Fitting Information

Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	226.594			
Final	181.114	45.480	12	.000

Reference: data processed in 2023

The Goodness of Fit Test

Using the chi-square value as an equivalent for the Pearson goodness-of-fit test, the viability of the regression model was evaluated. The Goodness of Fit Test yielded a chi-square value of 295.570 with a significance level of 0.513, according to the test results above that were derived from the regression analysis. The test findings indicate that H_0 is acceptable because the probability value (P-value) is $0.513 \geq 0.05$. This suggests that either there are no data differences between the estimated logistic regression model and the observations, or the resulting logistic regression is able to match the data effectively.

Table 6. Goodness-of-Fit

Goodness-of-Fit			
	Chi-Square	df	Sig.
Pearson	295.570	297	.513
Deviance	181.114	297	1.000

Reference: data processed in 2023

The Coefficient of Determination (Nagelkerke's R Square)

The goal of the coefficient of determination is to assess the extent to which changes in the dependent variable can be explained by the model (Ghozali Imam, 2018). This study's coefficient of determination, which is 0.400, indicates that the independent variable can explain the dependent variable 40% of the time. In the meantime, factors not covered in this study had an impact on an additional 60%.

Table 7. Pseudo R-Square

Pseudo R-Square	
Cox and Snell	.354
Nagelkerke	.400
McFadden	.201

Reference: data processed in 2023

Classification Matrix

The classification matrix shows the predictive power of the regression model in predicting the likelihood of receiving a company's Stakeholder Engagement opinion regarding how high the quality of a company's sustainability report is. In terms of the findings, 63.5% of the data indicated that the reports were of good quality, while the remaining data indicated that the reports were still of low quality.

Table 8. Classification Matrix

Classification					
Observed	Predicted				
	Score SRQ (1)	Score SRQ (2)	Score SRQ (3)	Score SRQ (4)	Percent Correct
Score SRQ (1)	2	0	5	0	28.6%
Score SRQ (2)	1	0	8	0	0.0%
Score SRQ (3)	0	0	47	9	83.9%
Score SRQ (4)	1	0	14	17	53.1%
Overall Percentage	3.8%	0.0%	71.2%	25.0%	63.5%

Reference: data processed in 2023

Regression Test

One technique for determining how much an independent variable influences a dependent variable is through regression analysis. Three multinomial logistic regression functions were obtained using score category 4 for sustainability reports' quality as a benchmark. These are as follows:

$$g_1x \quad = -1.632 - 0.001x1 + 0.002x2 + (-0.040x3) - (0.043x4) \qquad (1)$$

$$g_2(x) \quad = 0.394 - 0.000x1 + 0.001x2 + (-0.035x3) - (-0.139x4) \qquad (2)$$

$$g_3x \quad = 1.091 - 0.000x1 - 0.002x2 + 0.017x3 + 0.090x4 \qquad (3)$$

Table 9. Regression Test

Parameter Estimates									
Logit		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
								Lower Bound	Upper Bound
Score SRQ (1)	Intercept	-1.632	1.085	2.262	1	.133			
	Employee Engagement	0.001	.000	2.111	1	.146	1.001	1,000	1.001
	Shareholder Engagement	.002	.001	10.434	1	.001	1.002	1.001	1.003
	Media Engagement	-.040	.021	3.567	1	.059	.960	.921	1.002
	Creditor Engagement	-.043	.056	.599	1	.439	.958	.859	1.068
Score SRQ (2)	Intercept	.394	1.009	.153	1	.696			
	Employee Engagement	.000	.000	.045	1	.832	1.000	.999	1.001
	Shareholder Engagement	.001	.001	2.486	1	.115	1.001	1.000	1.003
	Media Engagement	-.035	.020	3.063	1	.080	.965	.928	1.004
	Creditor Engagement	-.139	.077	3.268	1	.071	.870	.748	1.012
Score SRQ (3)	Intercept	1.091	0.62	3.081	1	.079			
	Employee	.000	.000	0.596	1	.440	1.000	.999	1.001

Engagement								
Shareholder Engagement	.002	.000	10.967	1	.001	1.002	1.001	1.003
Media Engagement	.017	.010	2.614	1	.106	.983	.964	1.004
Creditor Engagement	.090	.030	9.049	1	.003	.914	.862	.969
a. The reference category is: Score SRQ (4).								

Reference: data processed in 2023

Regression Test

The following criteria will be used to compare tcount and the significance level $\alpha = 0.05$ in order to evaluate whether the hypothesis is accepted or rejected. . The outcomes of hypothesis testing through logistic regression analysis can be acquired in the following results:

a. The first hypothesis (H_1) is that employee engagement does not effect the quality of the Sustainability Reporting. The test results (t) showed the probability value is higher than the significance level (0.143 > 0.05). According to the test results, it can be stated that H_1 is not accepted.

b. The second hypothesis (H2) proposes that shareholder engagement effects the quality of Sustainability Reporting. The test results (t) shows that the probability value is below the significance level (0.000 < 0.05). Accordingly, based on the test outcomes, meaning that H2 is accepted.

c. The third hypothesis (H_3) is that media engagement has no positive effect on the quality of the Sustainability Reporting. The test results (t) show that the probability value is above the significance level (0.061 > 0.05). This result can be concluded that H_3 is not accepted.

d. The fourth hypothesis (H_4) is creditor engagement has effect on the quality of the Sustainability Reporting. The test results (t) stated that the probability value is below than the significance level (0.002 < 0.05). Accordingly, based on the test outcomes, it can be concluded that H_4 is accepted.

Table 10. Likelihood Ratio Tests

Likelihood Ratio Tests				
Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	191.055	9.941	3	.019
Employee Engagement	186.549	5.435	3	.143
Shareholder Engagement	200.584	19.470	3	.000
Media Engagement	188.481	7.367	3	.061
Creditor Engagement	195.914	14.800	3	.002

Reference: data processed in 2023

Omnibus Tests of Model Coefficients (Simultant F Test)

The purpose of the Omnibus Tests of Model Coefficients is to determine if the dependent variable—quality of susutainability reporting—can be influenced concurrently by all of the independent variables,

which include employee engagement, shareholder engagement, media engagement, and creditor engagement. By comparing the significance level of 5% or 0.05. Based on the test result, it is known that all independent factors simultaneously influence the quality of sustainability reports with a significance of 0.00 based on the test results below. Thus, it can be said that the quality of sustainability reporting is simultaneously influenced by employee engagement, shareholder engagement, media engagement, and creditor engagement.

Table 11. Model Fitting Information

Model Fitting Information				
Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	226.594			
Final	181.114	45.480	12	.000

Reference: data processed in 2023

Discussion

The Effect of Employee Engagement on the Quality of Sustainability Reports

Empirical research shows that employee engagement does not affect the quality of sustainability reports**.** Based on research conducted by (Desita Putri, Pratama, Muslih, & Kunci, 2019b) which argues that employee pressure does not improve the quality of sustainability reports. This event occurred because many employees were only concerned with rewards commensurate with their performance at the company without caring and demanding to publish the sustainability report of the company. This statement is not in accordance with research conducted by Fernandez, 2014, quality of sustainability report for environmentally-sensitive sectors which healthy and safety oriented are most relevant matters in SRQ of companies engaged in production of intellectual property is related to employee according to the perspective of stakeholder theory (Fernandez-Feijoo, Romero, & Ruiz, 2014).

The Effect of Shareholder's Engagement on the Quality of Sustainability Reports

This research shows that shareholder engagement have effect on the quality on susutainability reporting. This result is also in accordance with research by (Qisthi & Fitri, 2020), with findings showing that the contribution of investors as owners has a clear influence on sustainability reports. This shows that shareholders tend to exert pressure to know corporate sustainability information that is important for decision-making and as a form of oversight of the company's economic, social, and environmental actions.

The Effect of Media Engagement on the Quality of Sustainability Reports

This research shows that media engagement have no effect on the quality on susutainability reporting. Empirical evidence supported based on research conducted by (Qisthi & Fitri, 2020) which explains that the media has no influence on the quality disclosure of sustainability reports, due to the tendency of the media to publish major issues such as environmental damage done by companies but not correctly, causing a loss of public trust which triggers the fall of the company's image on suspicion of hoax news. This statement is different from research conducted by (Suharyani, 2019) stated that the existence of the media allows dissemination of company data directly to the public through a website, as well as allowing

stakeholders to know the history of past corporate actions and reporting to be considered when making decisions.

The Effect of Creditor's Engagement on the Quality of Sustainability Reports

This research shows that creditor engagement have effect on the quality on susutainability reporting. Creditors are declared as parties who provide financial loans as well as primary stakeholders who have influence on the company's activities and expect a high level of disclosure as well. Creditors will have a relatively high level of trust if a company provides information about social responsibility through advanced information included from an industry. This result is in line according to the positive influence of creditors engagement on the extent to which CSRD can show that creditor also consider social and environmental aspects as assessment criteria in providing funds to companies. Since creditors lend funds, they are categorized as partners who take part in motivating companies to conduct CSRD extensively (Ramadhini, Adhariani, & Djakman, 2020).

CONCLUSION

Conclusion of the Study

This research aimed to investigate the effect of stakeholders engagement including the employee engagement, shareholder engagement, media engagement, and creditor engagement on the quality of sustainability reporting in Indonesia based on emphirical studies on companies in energy, industrials, and consumer non-cyclicals sectors listed on IDX (Indonesia Stock Exchange) from 2019-2022. The authors analyze both annual reports and sustainability reports. This study used secondary data from the annual report and sustainability report available on the Indonesia Stock Exchange website (www.idx.co.id) from 2019 to 2022 were utilized. Purposive sampling was used to select a sample comprising 104 units of analysis. The findings indicate that both shareholders and creditors effect the quality of sustainability reporting. However, there is no significant effect observed for employees and media on the quality of sustainability reporting. The author found that the companies with sustainability report audited by external assurance are highly valued by shareholder as capital suppliers has a significant role for the corporation and creditor as parties who lend funds to the company loans.

Limitations

The author encounter limitations during the conduct of this study. This research is considered small as only few sectors (energy, industrials, and consumer non-cyclicals) included in the data. This research measure the quality of sustainability reports using a modification of Erin's (2022) research which only focuses on the assurance aspect. Even particular company publish the sustainability reports, but those companies are not justified to follow the GRI Standards or guidelines, which as results, we only focus on the assurance aspect to minimize the bias in sustainability reporting to measure the quality.This research also only focuses on one measurement, namely how many stakeholder engagement variables are mentioned in the sustainability report. Future research are expected to use more comprehensive sustainability report quality measurements such as research conducted by (Chang *et al.*, 2019b) which measures using 6 principles of sustainability report quality based on the Global Reporting Initiative.

Implications

This research's implications is both practically and theorytically. As for practitioners, this study can acknowledge and serve discussion material in terms of the importance of quality of Sustainability Reporting to a company in Indonesia so that it becomes a consideration for users of financial statements and in particular the sustainability report of the company. In theorytical, This research is expected to add

empirical evidence from previous studies and can be used as a reference in the economic scope, especially in the field of accounting in conducting further research related to and can be applied in the future.

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