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The Quality of Sustainability Reporting in Indonesia: Government, Employee, Competitor, and Customer Perspectives

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Abstract

Introduction/Main Objectives: *This research examines the influence of government engagement, employee engagement, competitor engagement, and customer engagement on the quality of sustainability reports for energy and basic materials companies listed on the IDX for the 2019-2022 period.* ***Background Problems:*** *Based on the rankings in ASSRAT from 2018-2020, public company participation in disclosing sustainability reports still needs to be higher, and from the ranking results, many companies declined from 2018 to 2022.* ***Novelty:*** *In previous studies, most research was conducted on the disclosure of sustainability reports, but this research focuses on the quality of sustainability reports in Indonesia.* ***Research Methods:*** *The population in this research is energy and basic materials companies listed on the Indonesia Stock Exchange for the 2019-2022 period. The sampling technique in this research used a purposive sampling technique, and a sample of 30 companies was obtained. The data analysis method used is logistic regression analysis.* ***Finding/Results:*** *The results of this research show that government engagement and customer engagement influence the quality of sustainability reports, while competitors' engagement and employee engagement have no influence on the quality of sustainability reports.* ***Conclusion:*** *Based on the test results, government engagement and customer engagement have an influence on the quality of sustainability reports. Therefore, the increasing government engagement and customer engagement that companies have will certainly improve company the quality of sustainability reports.*

Keywords: *Environment; Quality; Report; Stakeholder; Sustainability*
JEL Classification: G30; M41

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INTRODUCTION

The world's sustainability problems, including poverty, climate change, and the depletion of natural resources, are being brought on by rapid industrialization and urbanization (Chang et al., 2019). This has led to a growing interest in Corporate Social Responsibility (CSR),

which integrates human rights and ethical, mainstream, and social issues with business. One of the media for delivering information on Corporate Social Responsibility activities to users is the sustainability report (SR). SR is a phrase frequently used to characterize organizations' methods of disseminating information about sustainability-related problems (Laine et al., 2021).

Since 2006, Indonesia's SR has been overseen by the National Center for Sustainability Reporting (NCSR), an affiliated member of GRI as a regional sustainability reporting training partner in Indonesia, Malaysia and Thailand. Then, the name NCSR was recently changed to NCCR, which means that we will not be involved with sustainability reports only but more than that, covering all types of corporate reporting (NCCR, 2022)

Attention is paid to public companies when reporting sustainability reports, which have decreased in quality every year. In the last five years, ASSRAT has shown a decrease in company participation in obtaining platinum ratings.

Table 1. Company Platinum Rating on ASSRAT 2018-2022

Year	Platinum Ranked	Total Participant in ASSRAT
2018	7	56
2019	7	48
2020	5	44
2021	7	45
2022	10	50

Source: NCCR (2023)

Several elements can influence the quality of sustainability reporting, including government engagement, employee engagement, competitor engagement, and customer engagement. These are stakeholders in a company who have their interests in each involvement. So, the involvement of each stakeholder influences the quality of a company's sustainability report.

Government engagement is one of the organization's most persuasive partners, given that public authority comes down to organizations related to CSR practice by making regulations (Qisthi & Fitri, 2020). Governments have a role to oversee well-documented management practices, and governments that support social action could be encouraged to help apply pressure. Research conducted (Agus Ardiana, 2019; Wang, 2020) proved that government have a significant impact on sustainability reports.

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This is supported by stakeholder theory, which is the grand theory in this research. Stakeholder theory explains how company leadership responds to managing stakeholder expectations (Rizkika et al., 2019). So, the company will definitely respond to the expectations of its stakeholders, which is the involvement of each stakeholder. Then, it is supported by legitimacy theory, which states that companies must proactively publish company information to the public to attract public trust in the company. The information published should be of high quality.

The government is defined as one of the influential stakeholders of a business (Qisthi & Fitri, 2020). This is because governments issue regulations, and businesses may have to comply with them. Companies are required to make these disclosures as governments create regulations on reporting sustainability reports. Companies must disclose and produce contractually compliant, high-quality sustainability reports. Therein lies the role of the government as one of the stakeholders who can regulate companies (Qisthi & Fitri, 2020).

Research conducted (Agus Ardiana, 2019; Wang, 2020) proved that government have a significant impact on sustainability reports. The government has sustainability reporting regulations and recently enacted special programs related to employee productivity and quality development. These sustainability reporting regulations are known to help increase reporting transparency. It also proves to stakeholders that sustainability reporting is of good quality. Therefore, the authors hypothesize as follows :

H_1: Government engagement influences the quality of Sustainability Reporting

These days, potential clients and employees are concerned about the social responsibility of the businesses they consider doing business with. Employees with the necessary qualifications are aware of the value of CSR (Qisthi & Fitri, 2020). The most significant assets of a corporation are no longer quantitative and physical but somewhat immeasurable: their human and intellectual capital. The loss of qualified staff puts the company's operation in danger. In order to prevent this, the business must mandate that its staff adhere to and report on corporate social responsibility (Rizkika et al., 2019).

Employees are starting to take notice of a company's environmental performance due to increased environmental awareness. They understand that employing passive environmental tactics will result in poor environmental performance, which can result in penalties or damage to reputations and eventually jeopardize employee rights and interests. Employees are particularly concerned about the firm's attitudes regarding environmental measures since their rights and interests are intertwined with their prospects. As such, researchers have the following notions:

H_2: The Employee's engagement influences the quality of Sustainability Reporting

One way businesses can outperform their competitors in the business sector is through sustainability reporting (Iglesias & Andriana, 2017). Sustainability reporting is one of a company's competitive advantages in today's rapidly expanding market. In light of the rising elimination rate, businesses must work harder and more actively to maintain their position in the desired market segment. The publication of a sustainability report that addresses social and environmental issues in addition to internal business matters indirectly indicates the organization's commitment to creating a more sustainable environment.

Not only disclosure but also media quality must comply with existing standards. So it is more valuable than a report. This is one of the most aggressively competitive efforts in the business world. Therefore, the author makes the following hypothesis.

H_3: The competitor's engagement influences the quality of Sustainability Reporting

Companies with good customer relationships produce high-level and open sustainability reports. The reason is social pressure on companies always to act ethically and disseminate information about their social responsibility. Affiliates focus on improving their organizational image, which can influence approval levels and lead to more openness about social responsibility (Rudyanto & Siregar, 2018). Wiederhold and Martinez (2018) claim that societal and personal factors—like sustainability reports—significantly influence customers' decisions to buy sustainable and socially conscious products. Because they are becoming more conscious of their products' effects on the environment, customers are becoming increasingly concerned about environmental sustainability. According to Agyei et al. (2020), when customers believe a company is more dependable, they are more likely to display engagement behaviours. Additionally, studies have demonstrated that customer satisfaction positively correlates with a company's sustainability and influences customers' propensity to make repeat purchases (Fitranadi et al., 2021; Wang, 2020).

Companies with strong customer relationships are anticipated to generate sustainability reports of a higher calibre than those without such relationships. Therefore, the author makes the following hypothesis.

H_4: The customer's engagement influences the quality of Sustainability Reporting

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METHOD

Table 2. Research Sample

Sample Criteria	Energy	Basic Material	Total
Companies in energy and basic materials sector to be listed on the Indonesian Stock Exchange consecutively from 2019 to 2022	66	89	155
Incomplete data (companies such as not having a sustainability report or annual report in a particular year)	(52)	(73)	(125)
Appropriate company totals	14	16	30
Total Observation for the 2019-2022 research period	56	64	120

Source: data processed

According to the study, this population comprises Indonesian energy and essential materials companies listed on the Indonesian Stock Exchange (IDX) for 2019-2022. This study focuses on companies listed on the IDX from 2019 to 2022 in selected socially and environmentally sensitive sectors, such as energy and basic materials. Then, the researcher took samples from that population using the purposive sampling technique. Some draws in sampling: 1)Indonesia's energy and basic materials sectors were listed on the IDX from 2019 to 2022. 2)Industries producing ongoing/completed sustainability and annual reports for 2019-2022. 3) The energy and primary materials sector provides information on research variables. 4)Industries that use the Global Reporting Index (GRI) as a disclosure standard for sustainability reporting. According to the table above, as may be observed, the quantity of listed companies based on IDX in Indonesia in 2019-2022 according to the sampling criteria is 30 companies as a sample.

This study uses quantitative studies. Quantitative research data are measured on a numerical (numerical) scale. Quantitative uses numbers or metric scales to allow transformation through mathematical operations and complete statistical analysis (Sugiyono, 2018). The study uses secondary data from sustainability and analyst reports covering 2019-2022. Secondary data are research data sources that researchers receive indirectly through intermediaries (obtained and recorded by third parties). The study collected annual and sustainability reports from the websites of companies listed on the IDX website (www.idx.co.id) for the period 2019-2022.

This study employed the content analysis methodology as the data-gathering method. Content analysis is the study of closely examining data that has been printed or assembled from a variety of communication channels. Harold D. Lasswell, a pioneer in content analysis, pioneered the encoding process of symbols that systematically record images and messages and interpret them.

Table 3. Operational Definition and Measurement of Variables

Variable	Indicator	Data Type
Quality of sustainability report (Y)	Scores are 1 = sustainability report exists; 2 = If the company has a sustainability report and a sustainability committee connected to the board of directors; 3 = There is a sustainability report, and the non-audit company offers a guarantee; 4 = There is a sustainability report, and audit firms offer assurance. (Erin et al., 2022)	Ordinal
Government Engagement (X_1)	Government = total number of GOVERNMENT mentions in sustainability reporting (Agus Ardiana, 2019)	Discrete
Employees Engagement (X_2)	Employee = total number of Employees mentioned in sustainability reporting (Agus Ardiana, 2019)	Discrete
Competitors Engagement (X_3)	Competitors = total number of COMPETITORS mentions in sustainability reporting (Agus Ardiana, 2019)	Discrete
Customer Engagement (X_4)	Customers = total number of CUSTOMERS mentions in sustainability reporting (Agus Ardiana, 2019)	Discrete

Source: Previous Research

The author became interested in looking at SRQ from the perspective of other stakeholders. So, the author chose stakeholder engagement as an independent variable, and the stakeholders chosen were the government, employees, competitors, and customers.

To ascertain whether or not the suggested model fits the data, the entire model fit is examined to see if all independent variables impact the dependent variable. The Likelihood function guided the application of statistics. The probability that the proposed model will accurately represent the incoming data is known as likelihood L, or the likelihood that the proposed model describes the input data (Ghozali, 2018a). The following hypotheses are used to evaluate the fit method:

H_0: The proposed model matches the data exactly.

H_1: The proposed model does not account for the data.

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The regression model feasibility test is evaluated using Hosmer and Lemeshow's, with the chi-square value as a proxy. This model is intended to test the null hypothesis, which states that the model can be considered fit if there is no difference between the model and the empirical data (Ghozali, 2018a). According to Ghozali (2018), as for the results (1) the null hypothesis is rejected if the statistical result of Hosmer and Lemeshow's Goodness of Fit Test is equal to or less than 0.05, indicating a substantial difference between the model and its observation value, and (2) the null hypothesis can be accepted if the statistical value of Hosmer and Lemeshow's Goodness of Fit test is more significant than 0.05, indicating that the model is suitable for predicting its observation value (fits the observation data).

The Nagelkerke R Square value indicates the logistic regression coefficient of determination since it can be viewed similarly to the multiple-regression R-value. The Nagelkerke R Square modifies the Cox and Snell coefficient to guarantee that the value will fluctuate between 0 (zero) and 1 (one). A Nagelkerke R Square value near zero suggests that the variables cannot explain the dependent variable. In contrast, a Nagelkerke R Square value near one suggests that the independent variables have all the capacity to predict the dependent variable's variability (Ghozali, 2018a).

The classification matrix is used to explain the regression model's capacity to forecast the likelihood of the independent variables influencing the sustainability report's quality, specifically how well the regression model can categorize cases or how far it can forecast the likelihood that the dependent variable will occur in this study (Ghozali, 2018a). The correct and inaccurate estimated values are computed using a 2 x 2 categorization table. The dependent variable's two anticipated values, success (1) and non-success (0) are shown in columns, while their actual observed values, success (1) and non-success (0), are shown in rows.

Multinomial logistic regression provides a method for evaluating the nature and extent of the relationship between the independent and dependent variables. It is utilized when there are categories for the dependent variable (Y). Given that four utilized variables (Y) are involved in the study of the quality of sustainability reports, a multinomial logistic regression model was adopted.

The odds ratio is another way to examine the connection between a specific explanatory variable's value and the likelihood that a given category would appear in the dependent variable. The odds ratio measures the difference in exposure between the case group and the control group (Gujarati, 2004)

The odds ratio values produced for each category will be compared with those for the reference categories that have already been established because the variables utilized in this reutilized categorical variable employ dummies. The logit model used in this review's speculative testing methodology is as follows :

$$g_j(x) = In\frac{[\pi(x)]}{[1-\pi(x)]} = (\beta_0 + \beta_{1i}X_i + \cdots + \beta_{ki}X_k)$$

$\pi_j(x)$	:	odds of the response category J in each independent variable
$g_j(x)$	:	logit function of the response variable for category J in each independent variable
x_i	:	vector containing the value of each observation variable
β	:	each category model coefficient
j	:	index for category (score one (1), score two (2), score three (3), and score (4))
k	:	index for each independent variable
i	:	index for order or number of Observation

Then, for the regression model :

$$\pi_j(x) = \frac{exp^{g_j(x)}}{1 + exp^{g_1(x)} + exp^{g_2(x)} + \ldots + exp^{g_j(x)}}$$

To effectively determine whether alternative conjecture can be correctly ruled out versus faulty speculation, hypothesis testing is necessary (Bougie & Sekaran, 2020). In order to test the notion that government, Employees, competitors, and customers impact the calibre of sustainability reports, this research is being conducted.

Decision making regarding hypothesis testing H_1 – H_4, including:

1. H_1 is accepted if the regression coefficient b1 is positive with the number of t-statistics > t-table and significance below 0.05.
2. H_2 is accepted if the regression coefficient b2 is optimistic with the number of t-statistics > t-table and significance below 0.05.
3. H_3 is accepted if the regression coefficient b3 is optimistic with the number of t-statistics > t-table and significance below 0.05.
4. H_4 is accepted if the regression coefficient b4 is optimistic with the number of t-statistics > t-table and significance below 0.05.

RESULT AND DISCUSSION

The -2 log-likelihood function is the foundation for the statistical technique used to evaluate model adequacy. The probability that the suggested model accurately describes the inputs entered is the model's likelihood. The test compared the difference between the end -2 log-likelihood value for block number 1 and the starting -2 log-likelihood value for block number 0. A better result is suggested if the original -2 log likelihood value is greater than the final -2 log likelihood value. Stated differently, a decline in Log Likelihood suggests that the suggested regression model is of higher quality. (Ghozali, 2018b)

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Table 4. Overall Fit Model Results

Model Fitting Information				
Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	233.670			
Final	175.974	57.697	12	.000

Source: Processed Data 2023

The data processing in this study using SPSS 25 indicates that the -2 log-likelihood intercept value is 233.670, based on the above table. Upon entering the seven independent variables, the log probability value decreased to 175.974 from -2. Because the initial -2Log likelihood value (block number = 0) is greater than the end -2Log likelihood value (block number = 1), we can conclude that there has been a drop. In other words, adding independent variables to the model shows an improvement in the regression model or, to put it another way, the acceptance of H_0. This indicates that the suggested model matches the data.

The regression model's feasibility was assessed by comparing the chi-square value to the Pearson goodness-of-fit test. The Pearson goodness-of-fit test evaluates the null hypothesis, which states that the experimental data is acceptable or compatible with the model (i.e., no significant conflict between the model and the data indicates that the model has been adjusted) (Ghozali, 2018a).

Table 5. Goodness of Fit Result

Goodness-of-Fit			
	Chi-Square	df	Sig.
Pearson	201.304	315	1.000
Deviance	175.974	315	1.000

Source: Processed Data 2023

The Goodness of Fit Test yielded a chi-square value of 201.304 with a significance level of 1.000, 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 $1.000 \geq 0.05$, which is a significant value. This suggests no data differences exist between the estimated logistic regression model and the observations or the resulting logistic regression can effectively match the data

.

The coefficient of determination aims to determine the degree to which changes in the dependent variable can be explained by the model (Ghozali Imam, 2018). It measures the degree to which the independent variable contributes to explaining the dependent variable, which is represented by the Nagelkerke R Square value.

Table 6. Coefficient of Determination Result

Pseudo R-Square	
Cox and Snell	.408
Nagelkerke	.464
McFadden	.247

Source: Processed Data 2023

This study's coefficient of determination, 0.464, indicates that the independent variable can explain the dependent variable 46.4% of the time. In the meantime, factors not covered in this study impacted an additional 54.6%.

The classification matrix measures the ability of the regression model to classify cases together or the accuracy of predictions, It shows to what extent the regression model in this study can forecast the likelihood that the dependent variable will occur (Ghozali, 2018a). The dependent variable's two predicted values are displayed in the column, while its actual observed value is displayed in the row.

Table 7. Classification Matrix Result

Observed	**Classification** Predicted				
	Score SRQ (1)	Score SRQ (2)	Score SRQ (3)	Score SRQ (4)	Per cent Correct
Score SRQ (1)	0	0	7	0	0.0%
Score SRQ (2)	1	3	3	0	42.9%
Score SRQ (3)	0	2	44	10	78.6%
Score SRQ (4)	0	0	19	21	52.5%
Overall Percentage	0.9%	4.5%	66.4%	28.2%	61.8%

Source: Processed Data 2023

The classification matrix illustrates the regression model's predictive capacity to forecast a company's chance of obtaining Stakeholder Engagement feedback on the calibre of its sustainability report based on the test results presented above. Regarding the study's findings, 61.8% of the data indicated that the reports were of good quality, while the remaining data indicated that the reports were still of low quality.

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One technique for determining how much an independent variable influences a dependent variable is regression analysis. This study employed logistic regression analysis to examine the effect of government engagement, employee engagement, competitor engagement, and customer engagement on the quality of sustainability reporting in the energy and basic materials sector for the 2019–2022 period.

Table 8. Regression Test Result

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	2.419	1.348	3.219	1	.073			
	Government Engagement	-.012	.007	2.990	1	.084	.988	.975	1.002
	Employee Engagement	.000	.000	.371	1	.543	1.000	1.000	1.001
	Competitor Engagement	.298	.202	2.171	1	.141	1.347	.906	2.003
	Customer Engagement	-.026	.014	3.371	1	.066	.974	.947	1.002
Score SRQ (2)	Intercept	5.807	2.162	7.217	1	.007			
	Government Engagement	-.042	.020	4.693	1	.030	.959	.923	.996
	Employee Engagement	-.001	.000	1.289	1	.256	.999	.999	1.000
	Competitor Engagement	-.055	.351	.025	1	.875	.946	.475	1.884
	Customer Engagement	-.027	.021	1.624	1	.203	.973	.933	1.015
Score SRQ (3)	Intercept	1.983	.558	12.647	1	.000			
	Government Engagement	-.008	.002	13.863	1	.000	.992	.987	.996
	Employee Engagement	.000	.000	.516	1	.472	1.000	.999	1.000
	Competitor Engagement	.046	.049	.874	1	.350	1.047	.951	1.153
	Customer Engagement	.000	.001	.038	1	.846	1.000	.999	1.001

a. The reference category is Score SRQ (4).

Source: Processed Data 2023

Three multinomial logistic regression functions were obtained using score category 4 for sustainability reports' quality as a benchmark. These are as follows:

$$g_1(x) = 2.419 - 0.012x_1 + 0.000x_2 + 0.298x_3 - 0.026x_4$$

$$g_2(x) = 5.807 - 0.042x_1 + 0.001x_2 - 0.055x_3 - 0.027x_4$$

$$g_3(x) = 1.983 - 0.008x_1 - 0.000x_2 + 0.046x_3 + 0.000x_4$$

Table 10 also shows the odds ratio value for each category of predictor variables. This helps interpret the logistic regression model, in which the independent variable has a significant impact on the dependent variable, as demonstrated by the results of the parameter significance test.

The quality of sustainability reports is the study's dependent variable. Each independent variable—government engagement, employee engagement, competition engagement, and customer engagement—is tested using the Wald test to see if it can affect the dependent variable. To determine whether the hypothesis is accepted or rejected, the t-count and the significance level α = 0.05 will be compared using the following criteria:

1. If the p-value is higher than 0.05, the hypothesis (H_0) is accepted. This proves that the independent factors have no (partial) effect on the dependent variable.
2. If the p-value is less than 0.05, the hypothesis (H_0) is rejected. This illustrates each independent variable's (partial) influence on the dependent variable.

Table 9. Partial Test Result

Effect	**Likelihood Ratio Tests**			
	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	198.431	22.457	3	.000
Government Engagement	204.852	28.878	3	.000*
Employee Engagement	178.982	3.009	3	.390
Competitor Engagement	178.781	2.807	3	.422
Customer Engagement	184.083	8.109	3	.044*
*Represent statistical significance at 0.05				

Source: Processed Data 2023

The first hypothesis (H_1) is that government engagement impacts the quality of sustainability reports. The test results (t) show that the probability value is lower than the significance level (0 < 0.05). Based on the test results, it can be concluded that H_1, which states that government engagement impacts the quality of sustainability reports, is **accepted**. This means that government engagement impacts the quality of sustainability reports. It is suitable with the reports (Ardiana, 2019; Fais et al., 2020; Qisthi & Fitri, 2020) research about government has an impact on the quality of sustainability reports. Not only is this in accordance with previous research, but it is also based on stakeholder and legitimacy

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theories. Where stakeholder theory says that companies try to meet the expectations of their stakeholders. Here, the government's engagement is in making regulations regarding sustainable reporting. So, the government expects that companies follow the regulations made by the government.

The second hypothesis (H_2) is that employee engagement impacts the quality of sustainability reports. The test results (t) show that the probability value is lower than the significance level (0.390 > 0.05). Based on the test results, it can be concluded that H_2, which states that employee engagement impacts the quality of sustainability reports, is **rejected**. This can mean that employee engagement does not impact the quality of sustainability reports. It is in contrast with the reports (Ardiana, 2019) that research about Employees has an impact on the quality of sustainability reports. Moreover, the results of H_2 being rejected can be explained from the stakeholder theory perspective, where employee involvement should align with their expectations. Initially, the author felt that employees should have expectations of the company they work for, which should consider their rights by the principles contained in the ESG concept, so that they should have involvement in the quality of the sustainability report. However, the research results indicate the opposite, where employee involvement has no influence on the quality of the sustainability report, where not all employees believe that their rights are not only in terms of salary but should be included in the ESG Concept. Thus, in this study, employee involvement did not affect the quality of sustainability reports

The relationship between competitor engagement and the quality of sustainability reports is the subject of the third hypothesis (H_3). The probability value (0.422 > 0.05) is more than the significance level, according to the test results (t). The test results indicate that H_3, which claims that competitor engagement affects sustainability report quality, is **rejected**. This suggests that the quality of sustainability reports is unaffected by the engagement of competitors. According to the findings (Berthelot et al., 2012), the research on competitors has no bearing on the sustainability report's quality. In H_3, the legitimacy hypothesis explains why rivals will force businesses to fight to raise the calibre of their sustainability reports. According to the legitimacy theory, businesses work to project a more legitimate picture of themselves. The continual report is the source of legitimacy. Nevertheless, the study's findings demonstrate that competition has no positive effect on the quality of the sustainability report.

Customer engagement relationships affect the quality of sustainability reports, according to the fourth hypothesis (H_4). The probability value is more than the significance level (0.044 < 0.05), according to the test results (t). H_4, which claims that customer engagement affects the quality of sustainability reporting, is **accepted** based on the test findings. This means that customer engagement impacts the quality of sustainability reports. This is suitable to the explanation (Derdjo et al., 2022) that customers significantly influence sustainability reports. This is also in line with stakeholder and legitimacy theory. Customers expect companies to be committed to sustainability, so this expectation is the involvement of customers in improving the quality of sustainable reports. In terms of legitimacy, having

a view of the company's image from the customer's perspective motivates the company to improve the quality of its reports continuously.

CONCLUSION

Using energy and essential materials firms listed on the Indonesia Stock Exchange for the 2019–2022 period as a sample, this study looks at the impact of stakeholder engagement on the quality of sustainability reporting in Indonesia. Government, employees, competitors, and customers are among the stakeholders. According to the test result, it can be concluded that the first hypothesis is accepted, where government engagement has an influence on the quality of sustainability reports. The Indonesian government is the regulatory body overseeing business operations and the calibre of sustainability reports. The fourth hypothesis is also accepted, where customer engagement influences the quality of sustainability reports. Therefore, Indonesian customers see that the quality of sustainability reports needs to be considered when choosing a company.

Meanwhile, the second hypothesis is rejected, where employee engagement does not affect the quality of the sustainability report. Therefore, Indonesian employees rarely view quality sustainability and social responsibility reporting as beneficial to them and the business. Then, the third hypothesis is rejected, where competitor engagement has no effect on the quality of the sustainability report. It is true that if competitors disclose more environmental information to large companies, it will not affect the quality of a company's sustainability report. This research has several limitations, and improvements and development are needed to support further research. The limitations of this research are :

1. This research measures the quality of sustainability reports using a modification of Erin's (2022) research, which only focuses on the assurance aspect.
2. The period used is relatively small because it only uses 2019-2022. Then, this research also does not look at the impact of COVID-19 which has a big impact on company performance.
3. This research only focuses on one measurement, namely how many stakeholder engagement variables are mentioned in the sustainability report

AUTHORSHIP CONTRIBUTION STATEMENT

They are writing the entire paper, conceptualizing and collconceptualizing data, editing and layout, research design, methodology, supervision, and data collection. Every author has reviewed the completed manuscript.

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