ABSTRACT

The quality of a sustainability report reflects how effectively a company communicates information, whether in quantitative, qualitative, or combined forms. Although sustainability reporting has been encouraged through SEOJK No.16/SEOJK.04/2021, the quality of disclosure remains inconsistent across companies. Therefore, this study aims to examine several factors that are presumed to influence the quality of sustainability reports, namely board remuneration, external assurance, and employee pressure, particularly among companies listed in the IDX80 Index.

This study seeks to investigate the relationship between board remuneration, external assurance, employee pressure, and the quality of sustainability reports. Specifically, it aims to analyze the simultaneous and partial effects of board remuneration, external assurance, and employee pressure on sustainability report quality in IDX80 companies during the 2019–2023 period.

A quantitative research method was employed, with data collected through purposive sampling. The study comprises 155 observations from 31 companies. Panel data regression analysis was conducted using EViews 12 software.

The findings indicate that board remuneration, external assurance, and employee pressure jointly influence the quality of sustainability reports. Partially, both external assurance and employee pressure have a positive and significant effect, while board remuneration does not significantly affect report quality.

Based on the results, this study provides several recommendations. Future research is encouraged to explore additional independent variables, such as creditor pressure, profitability, or environmental pressure. Companies are advised to engage external assurance services and pay attention to employee-related matters, as these factors contribute positively to sustainability performance. For investors, it is recommended to consider companies that utilize external assurance and have a higher number of employees, as these companies tend to produce higher-quality sustainability reports.

Keywords: Board Remuneration; Employee Pressure; External Assurance; Sustainability Report Quality