

ABSTRACT

This study aims to analyze the effect of greenwashing and assurance on sustainability report quality, as well as to examine the moderating role of environmental risk. The study is motivated by the variation in sustainability report quality among energy sector companies in Indonesia despite mandatory reporting requirements, and by evidence of greenwashing practices that undermine the credibility of sustainability disclosures.

This study employs a quantitative approach using secondary data from sustainability reports and/or annual reports of energy sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2021-2024. The sample consists of 61 observations selected through purposive sampling. Data were analyzed using multiple linear regression and Moderated Regression Analysis (MRA) with SPSS software.

Of the four hypotheses proposed, one hypothesis is supported by the empirical evidence, namely the positive effect of assurance on sustainability report quality (H_2 supported). The remaining three hypotheses are not supported: this study finds no empirical evidence that greenwashing has a negative effect on sustainability report quality (H_1 not supported), nor that environmental risk moderates the effect of greenwashing (H_3 not supported) or assurance (H_4 not supported) on sustainability report quality.

Keywords: greenwashing, assurance, environmental risk, sustainability report quality, PROPER