



## The Quality of Sustainability Reporting in the Property and Real Estate Sector Listed on the Indonesian Stock Exchange From 2020 to 2024

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### ABSTRACT

This study aims to analyze the quality of sustainability reporting in the property and real estate sector listed on the Indonesia Stock Exchange (IDX) for the 2020–2024 period. Based on institutional theory, this study examines whether coercive, mimetic, and normative pressures influence the quality of ESG (Environmental, Social, Governance) disclosures by property companies. Using content analysis of the sustainability reports of eight IDX-listed property companies, this study measures the ESG disclosure index based on GRI (Global Reporting Initiative) standards, comprising a total of 114 indicators: 31 environmental indicators, 35 social indicators, and 48 governance indicators. Disclosure scores are classified into four quality categories based on IDX/Sustainalytics guidelines. The quality of ESG reporting in the real estate sector remains varied. The governance dimension shows the highest level of disclosure, followed by the environmental and social dimensions. Bumi Serpong Damai Tbk (BSDE) and Adhi Commuter Properti Tbk (ADCP) demonstrate the greatest improvement in quality.

## **INTRODUCTION**

The property and real estate sector is one of the industrial sectors with significant environmental and social impacts. Construction, land development, and building operations contribute to energy consumption, carbon emissions, water usage, and social impacts on surrounding communities. In the context of global sustainable development, including the Sustainable Development Goals (SDGs) and the Paris Climate Agreement, property companies are required to improve transparency through high-quality sustainability reporting.

In Indonesia, the Indonesia Stock Exchange (IDX) has taken strategic steps to promote ESG practices through a partnership with Morningstar Sustainalytics for the assessment of issuers' ESG risks. The IDX classifies issuers based on their ESG risk scores into five categories: negligible (0–10), low (10–20), medium (20–30), high (30–40), and severe (>40), where a lower score reflects better ESG performance. This policy underscores the urgency for listed companies, including those in the real estate sector, to improve the quality of their ESG disclosures.

Nevertheless, the literature on the quality of sustainability reporting in Indonesia's real estate sector remains limited. Most studies focus on the mining, banking, or manufacturing sectors. The real estate sector has unique characteristics: on one hand, it faces increasingly stringent environmental regulatory pressures; on the other hand, it is still in the early stages of adopting international sustainability reporting standards such as GRI.

This study addresses this gap by analyzing the quality of ESG disclosures from eight IDX-listed real estate companies over the 2020–2024 period. Using an institutional theory framework (DiMaggio and Powell, 1983), this study identifies patterns of coercive pressure from IDX regulations, mimetic pressure among peer companies, and normative pressure from industry associations that influence reporting quality. The research period covers the time before and after the intensification of ESG regulations by the OJK and the IDX, thereby providing an overview of the dynamics of reporting quality in the context of the transition toward sustainability.

## **LITERATURE REVIEW**

### **Institutional Theory and Sustainability Reporting**

This study adopts institutional theory as its analytical framework. Institutional theory posits that to gain legitimacy and ensure survival, firms incorporate institutionalized management practices through three isomorphic processes: coercive, mimetic, and normative (DiMaggio and Powell, 1983).

Coercive isomorphism refers to formal and informal pressures exerted by other organizations that serve as the entity's reference points. In the context of ESG reporting in Indonesia, coercive pressures stem from OJK regulations, IDX listing requirements, and government policies related to sustainable finance. Mimetic isomorphism arises as a standard response to uncertainty, where companies tend to imitate the practices of other firms perceived as more legitimate or successful. Normative isomorphism stems from professionalization, where GRI standards, sustainability reporting guidelines from industry associations, and pressure from the investment community drive the homogenization of reporting practices.

### ESG Disclosure and GRI Standards

The Global Reporting Initiative (GRI) is the most widely used international sustainability reporting framework. GRI standards cover three main dimensions: Environmental (E), Social (S), and Governance (G). In this study, the ESG disclosure index was constructed based on 114 GRI indicators comprising 31 Environmental indicators (covering materials, energy, water, biodiversity, emissions, and waste), 35 Social indicators (covering workforce, occupational health, training, human rights, and community), and 48 Governance indicators (covering organizational structure, employee activities, corporate governance, and policy strategies).

This approach is consistent with the research by Dong et al. (2021) and Marquis and Qian (2013) in the Chinese context, which indicates that disclosure quality is influenced by institutional factors. The ESG quality categories used in this study are adapted from the IDX/Sustainalytics rating system, in which disclosure indices are classified into four categories based on the percentage of disclosed items.

### Data Sources, Period, and Sample

This study uses secondary data sourced from annual reports and sustainability reports officially published on the IDX website and the respective companies' websites. The data covers the period 2020–2024. The research sample includes eight property and real estate sector companies listed on the IDX that have available ESG reporting data during the study period. Sample selection was based on the availability of sufficient sustainability report data to conduct content analysis.

**Table 1. Distribution of IDX Property Companies in the 2020–2024 Sample**

Company Name	Code	Property Type
Makmur Berkah Amanda Tbk.	MABA	Residential Property
Duta Pertiwi Tbk	DUTI	Commercial & Residential Properties
Pakuwon Jati Tbk	PWON	Mixed-Use Properties
PP Properti Tbk	PPRO	Residential & Commercial Property
Triniti Dinamik Tbk	TRIN	Commercial Property
Adhi Commuter Properti Tbk	ADCP	Transit-Oriented Development Properties
Perintis Triniti Properti Tbk	CBPE	Commercial Real Estate
Bumi Serpong Damai Tbk	BSDE	Integrated Property (Township)

### Variable Measurement

The quality of ESG reporting is measured using two complementary approaches. First, the GRI-based disclosure index (Disclosure Index Score/DIS), which calculates the proportion of GRI items disclosed by the company out of a total of 114 indicators. The DIS value is formulated as:

$$DIS_{it} = (\sum XY_{it} / N_i) \times 100\%$$

Where  $XY_{it}$  is the disclosure value of the  $Y$ th item by company  $i$  in year  $t$  (1 if disclosed, 0 if not), and  $N_i$  is the total number of items that can be disclosed (114 items). Second, ESG quality categories based on DIS scores adapted from the IDX/Sustainalytics rating system.

**Table 2. ESG Quality Category Classification**

Category	Index Score	Interpretation
Very Good	> 80%	The company discloses >80% of GRI indicators. ESG performance is highly transparent, reflecting a strong commitment to sustainability.
Good	60% - 80%	The company discloses 60–80% of GRI indicators. ESG performance is adequate, with consistent efforts in reporting.
Sufficient	40% - 60%	The company discloses 40–60% of GRI indicators. ESG performance still needs improvement, particularly in the environmental and social dimensions.
Low	< 40%	The company discloses <40% of GRI indicators. ESG performance is low and requires significant improvement across all dimensions.

### Control Variables and Model

As control variables, this study uses the E, S, and G dimensions separately to understand the composition of disclosure quality. The analytical model employs descriptive statistics, inter-period comparison analysis (t-tests and Mann-Whitney U tests), convergence analysis using Levene's test, and pooled OLS regression analysis. All analyses were conducted to examine patterns and trends in ESG disclosure quality during the 2020–2024 period.

## RESULTS AND DISCUSSION

### Descriptive Analysis

Table 3 presents descriptive statistics for the variables used in the analysis. The overall DIS score average is 61.46% with a standard deviation of 14.77%, a minimum of 35.04%, and a maximum of 83.76%. The Governance (G) dimension had the highest average at 80.5%, followed by the Environmental (E) dimension at 44.6%, and the Social (S) dimension at 41.9%. This pattern reflects that Indonesian property companies are relatively more mature in governance reporting compared to environmental and social reporting.

**Table 3. Descriptive Statistics of Research Variables**

Variable	Mean (%)	Std. Dev.	Min (%)	Max (%)
Total ESG Index	56.18	15.64	35.04	83.76
Environmental Dimension (E)	42.50	-	-	-
Social Dimension (S)	38.33	-	-	-
Governance Dimension (G)	79.73	-	-	-

### ESG Quality Score per Company

Table 4 presents the DIS score per company per year. The results show significant heterogeneity in the quality of ESG reporting among companies. Bumi Serpong Damai Tbk (BSDE) achieved the highest score in 2024 at 83.8%, falling into the Very Good category.

Adhi Commuter Properti Tbk (ADCP) showed the most dramatic improvement, rising from 35.0% in 2020 to 82.9% in 2023–2024. Conversely, several companies such as Trinito Dinamik Tbk (TRIN) and Perintis Trinito Properti Tbk (CBPE) showed stagnation in the Fair-Low category through 2023.

**Table 4. ESG Disclosure Index Scores by Company per Year (%)**

Company	2020	2021	2022	2023	2024	Average
Makmur Berkah Amanda Tbk.	69.2%	63.2%	51.3%	51.3%	47%	56.4%
Duta Pertiwi Tbk	51.3%	57.3%	64.1%	65.8%	70.1%	61.7%
Pakuwon Jati Tbk	36.8%	57.3%	75.2%	76.1%	72.6%	63.6%
PP Properti Tbk	48.7%	53.8%	43.6%	78.6%	65%	57.9%
Trinito Dinamik Tbk	36.8%	36.8%	36.8%	36.8%	47.9%	39.0%
Adhi Commuter Properti Tbk	35%	42.7%	57.3%	82.9%	82.9%	60.2%
Perintis Trinito Properti Tbk	36.8%	36.8%	36.8%	36.8%	51.3%	39.7%
Bumi Serpong Damai Tbk	55.6%	60.7%	76.1%	78.6%	83.8%	71.0%

#### Analysis of the E, S, and G Dimensions

Table 5 presents the average ESG scores by dimension for each company from 2020 to 2024. A consistent pattern is observed where the Governance (G) dimension dominates the disclosure quality of most companies, while the Environmental (E) and Social (S) dimensions still require significant improvement.

**Table 5. Average E, S, and G Dimension Scores per Company (2020–2024)**

Company	E (%)	S (%)	G (%)	Total (%)	Category
Makmur Berkah Amanda Tbk.	37.6%	23.9%	94.9%	56.4%	Fair
Duta Pertiwi Tbk	64.7%	57.8%	62.6%	61.7%	Good
Pakuwon Jati Tbk	63.5%	40.5%	81.3%	63.6%	Good
PP Properti Tbk	47.1%	46.1%	74.9%	57.9%	Fair
Trinito Dinamik Tbk	12.9%	19.4%	72.8%	39.0%	Low
Adhi Commuter Properti Tbk	36.5%	43.3%	90.2%	60.2%	Good
Perintis Trinito Properti Tbk	12.3%	18.9%	75.3%	39.7%	Low
Bumi Serpong Damai Tbk	65.3%	56.7%	86.0%	71.0%	Good

Table 5 shows that Makmur Berkah Amanda Tbk (MABA) has a very high G score (86.3%) but low E and S scores (37.6% and 28.3%). This indicates that the company focuses more on mandatory governance aspects (mandatory) aspects of governance rather than environmental and social aspects, which are still voluntary. Bumi Serpong Damai Tbk (BSDE) exhibits a more balanced pattern with scores of

E=65.3%, S=57.2%, and G=87.2%, reflecting a more comprehensive commitment to sustainability reporting.

Adhi Commuter Properti Tbk (ADCP) demonstrated the most significant transformation, particularly in the E and S dimensions, which increased from approximately 8% in 2020–2021 to 73.5% and 69.4% in 2023–2024. This dramatic increase was likely driven by pressure from the parent company (Adhi Karya/ ADHI), which had earlier adopted comprehensive ESG reporting standards.

### Trend and Convergence Analysis

Table 6 presents disclosure quality trends by dimension for each company.

Trend analysis reveals three main patterns identifiable within the Indonesian property sector.

Company	Dimension	2020	2021	2022	2023	2024	Trends
Makmur Berkah Amanda Tbk.	Environmental	58.8%	58.8%	23.5%	23.5%	23.5%	↓ Down
	Social	38.9%	38.9%	13.9%	13.9%	13.9%	↓ Down
	Governance	100%	85.1%	100%	100%	89.4%	↓ Down
Duta Pertiwi Tbk	Environmental	55.9%	58.8%	70.6%	64.7%	73.5%	↑ Up
	Social	38.9%	55.6%	55.6%	66.7%	72.2%	↑ Up
	Governance	57.4%	57.4%	66%	66%	66%	↑ Up
Pakuwon Jati Tbk	Environmental	23.5%	76.5%	70.6%	73.5%	73.5%	↑ Up
	Social	27.8%	44.4%	47.2%	47.2%	36.1%	↑ Up
	Governance	53.2%	53.2%	100%	100%	100%	↑ Up
PP Properti Tbk	Environmental	35.3%	47.1%	38.2%	73.5%	41.2%	↑ Up
	Social	50%	55.6%	27.8%	55.6%	41.7%	↓

							Down
	Governance	57.4%	57.4%	59.6%	100%	100%	↑ Up
Triniti Dinamik Tbk	Environmental	8.8%	8.8%	8.8%	8.8%	29.4%	↑ Up
	Social	19.4%	19.4%	19.4%	19.4%	19.4%	→ Stabl e
	Governance	70.2%	70.2%	70.2%	70.2%	83%	↑
							Up
Adhi Commuter Properti Tbk	Environmental	8.8%	5.9%	20.6%	73.5%	73.5%	↑ Up
	Social	19.4%	22.2%	36.1%	69.4%	69.4%	↑ Up
	Governance	66%	85.1%	100%	100%	100%	↑ Up
Triniti Properti Tbk	Environmental	8.8%	8.8%	8.8%	8.8%	26.5%	↑ Up
	Social	19.4%	19.4%	19.4%	19.4%	16.7%	↓ Down
	Governance	70.2%	70.2%	70.2%	70.2%	95.7%	↑ Up
Bumi Serpong Damai Tbk	Environmental	61.8%	58.8%	67.6%	64.7%	73.5%	↑ Up
	Social	36.1%	55.6%	55.6%	63.9%	72.2%	↑ Up
	Governance	66%	66%	97.9%	100%	100%	↑ Up

The first pattern is progressive improvement, as demonstrated by DUTI and BSDE, which consistently improved their scores across all dimensions. DUTI increased from 51.3% in 2020 to 70.1% in 2024 with steady growth, while BSDE

increased from 55.6% to 83.8%. Both companies successfully surpassed the thresholds for the Good and even Very Good categories by the end of the period.

The second pattern is a leap improvement, as evidenced by PWON and ADCP, which saw significant increases in certain years. PWON increased dramatically from 36.8% (2020) to 57.3% (2021) after adopting more comprehensive GRI standards, then rose again to 75.2% (2022) with the implementation of a 100% G score. ADCP experienced the most dramatic leap from 35.0% (2020) to 82.9% (2023), likely influenced by management changes and intensified institutional pressure.

The third pattern is stagnation-then-rise, as demonstrated by TRIN and CBPE, which maintained the same scores from 2020 to 2023 (36.8%) before seeing a moderate increase in 2024 (47.9% and 51.3%). This four-year stagnation indicates minimal institutional pressure felt by these companies, and they were only prompted to increase disclosure in 2024 as IDX regulations intensified.

Convergence analysis shows that the standard deviation of DIS scores decreased from 13.94 in 2020 to 13.54 in 2024, indicating moderate quality convergence. However, this convergence was driven more by improvements among lagging companies than by declines among already high-performing companies.

### **Interpretation Based on the IDX/Sustainalytics ESG Quality Categories**

Referring to the IDX ESG assessment framework developed in collaboration with Morningstar Sustainalytics, the disclosure scores in this study are interpreted within the context of a company's ESG performance. Sustainalytics employs a risk decomposition framework with two dimensions: exposure (the material ESG risks faced by the company) and management (the company's commitments and concrete actions in addressing ESG issues).

In the context of the real estate sector, a high ESG disclosure index reflects better ESG risk management capabilities. Companies with a Very Good score (>80%) such as BSDE and ADCP (in 2023–2024) can be interpreted as having ESG management capacity equivalent to the low-risk category on the Sustainalytics scale (risk score 10–20), indicating that the company is able to manage its ESG exposure effectively.

Conversely, companies with a Low score (<40%) such as ADCP in 2020 or TRIN during 2020–2023 reflect higher vulnerability to ESG risks. The lack of disclosure in the environmental dimension (an average of 8.8% for TRIN) indicates that the company does not yet have an adequate environmental management system, which on the Sustainalytics scale may correlate with the high-risk category (risk score 30–40).

An interesting phenomenon is the gap between high Governance (G) scores and low Environmental (E) and Social (S) scores among some companies. This indicates that the implementation of governance in Indonesia's real estate sector is more advanced than the integration of environmental and social issues into core business practices. This pattern is consistent with the early stages of sustainability reporting adoption in developing countries, where compliance-driven reporting dominates over value-driven reporting.

## CONCLUSION

This study analyzes the quality of sustainability (ESG) reporting of eight IDX-listed real estate companies for the 2020–2024 period using 117 GRI indicators. Several key findings can be summarized.

First, there was an overall positive improvement in the quality of ESG reporting during the study period, although the pace and pattern of improvement varied across companies. Bumi Serpong Damai Tbk (BSDE) and Adhi Commuter Properti Tbk (ADCP) demonstrated the best performance with scores above 80% by the end of the period, falling into the “Very Good” category.

Second, the Governance (G) dimension consistently showed the highest score among the three ESG dimensions, with an average of 80.5% compared to Environmental at 44.6% and Social at 41.9%. This significant gap reflects differences in the maturity of implementation, where governance aspects have been institutionalized earlier through capital market regulations, while environmental and social aspects are still in the development stage.

Third, there is a pattern of convergence in reporting quality within the property sector driven by institutional pressure, particularly coercive pressure from IDX regulations and normative pressure from GRI standards. However, convergence remains moderate, and some companies exhibit prolonged stagnation.

The practical implications of this study include several recommendations. For regulators, the Indonesia Stock Exchange (IDX) and the Financial Services Authority (OJK) need to strengthen incentives and regulations that promote improvements in the quality of Environmental and Social disclosures, not just Governance. For real estate companies, enhancing the capabilities of their ESG teams is necessary, particularly in measuring and reporting operational environmental and social impacts. For investors, the ESG disclosure quality score developed in this study can be used as one metric for sustainable investment screening.

Limitations of the study include a sample size limited to eight companies, which may not represent the entire IDX property sector. Future research could expand the sample and analysis period, as well as integrate financial performance variables to test the relationship between ESG reporting quality and firm value.

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