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The Dialectic of Sustainability Assurance and Greenwashing: The Illusion of Transparency?

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ABSTRACT

Purpose: This study aims to examine the relationship between sustainability assurance and greenwashing practices, as well as to identify the extent to which assurance can strengthen accountability or instead become a means of symbolic legitimization that creates an illusion of transparency in sustainability reports.

Research Method: This study employs a narrative review approach, compiling literature from various international and national journals relevant to the topics of sustainability reporting, assurance, and greenwashing. The selected literature is analyzed thematically through a process of categorization, interpretation, and synthesis to construct a comprehensive narrative.

Results and Discussion: The results of the study show that although sustainability assurance has the potential to increase the credibility of sustainability reports, this practice is also vulnerable to being exploited by companies as an image-building strategy that glosses over greenwashing practices. Superficial or formalistic assurance often does not reflect operational realities, thereby causing distrust among stakeholders.

Implications: This study emphasizes the need for assurance standards that are more rigorous, transparent, and adaptable to the local context. From a practical standpoint, the results of this study serve as a reflection for regulators, auditors, and companies to make assurance not just a symbol, but a real instrument in strengthening accountability.

Keywords: greenwashing; transparency; sustainability assurance.

Introduction

As awareness of environmental and social issues increases, the global trend of sustainability has become a significant focus among various stakeholders, including companies, investors, and the general public. According to the Global Investor Survey (2021) report, more than 90% of investors believe that sustainability is an essential factor in determining investment decisions (Gillet-Monjarret, 2015). This has been followed by the emergence of various international regulations and standards that encourage business entities to report their social, environmental, and economic impacts transparently. For example, the guidelines from the Global Reporting Initiative (GRI) and the principles of the United Nations Sustainable Development Goals (SDGs) play an essential role in the definition and implementation of sustainability reporting in many organizations (Farooq & Villiers, 2018; Tiggeman, 2020).

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The increasing demand for transparency has transformed sustainability reporting from a purely communicative function into an essential tool for articulating corporate accountability. Sustainability reports outline a company's contributions to sustainability and mitigate the social and reputational risks that may arise from the entity's business activities. Companies that can present accurate and relevant sustainability reports will have a competitive advantage in the market (Boiral *et al.,* 2019; Zorio-Grima *et al.,* 2012). This is due to the increasing public sentiment on the issue of corporate social responsibility. In response to the development of sustainability reporting, sustainability assurance has emerged as an essential mechanism to increase public trust and credibility in the reports submitted. Assurance provided by an independent third party is expected to provide clarity that the information presented is accurate and in accordance with internationally accepted standards (Boiral & Saizarbitoria, 2020). However, the effectiveness of sustainability assurance can vary, depending on various factors ranging from the quality and competence of the assurance provider to the nature and scope of the report being reviewed (Boiral *et al.,* 2017).

In the practice of sustainability assurance services, two types of assurance are available: limited assurance and reasonable assurance the difference between the two lies in the level of confidence provided. Limited assurance offers a lower level of confidence than reasonable assurance (Mori *et al.,* 2013). Undeniably, the presence of assurance has guided the practice of sustainable reporting, which continues to transform. Assurance is expected to continue to have an impact with the enactment of comprehensive assurance standards such as ISSA 5000. Despite its significant positive effects due to its potential to increase accountability, the practice of sustainability assurance is not immune to criticism. The increasing demand for sustainability assurance is often seen as a tool of legitimacy for more problematic practices. It is questioned for providing added value and increasing the transparency of business entities. Skepticism about the assurance services offered by practitioners has become more relevant amid the phenomenon of greenwashing, which has emerged as a negative response to unaccountable sustainability reporting. Greenwashing is the practice of companies deliberately presenting misleading or false information about sustainability efforts to improve their public image without taking any substantive action (Braam & Peeters, 2017). This phenomenon is often exacerbated by the existence of assurances on reports that do not address crucial issues faced by companies in their daily operations. This causes reports that have been "guaranteed" through assurance services to appear credible and transparent when in fact they may not reflect the reality of the company's operations (Manetti & Toccafondi, 2011). The question arises as to whether assurance truly strengthens accountability and transparency, or whether it smooths over Greenwashing practices. Therefore, clear parameters are needed for the relationship between sustainability assurance and Greenwashing. With the increasing demand for sustainability reporting, challenges arise when companies use assurance only as a legal identity without a real commitment to sustainability practices.

The purpose of this review is to examine the literature related to the relationship between sustainability assurance and greenwashing. This study aims to explore how assurance practices can be relied upon as instruments that enhance accountability or, conversely, merely serve as a cosmetic function to embellish and smooth over greenwashing practices. Through this study, it is hoped that a deeper understanding of the dynamics between sustainability assurance, greenwashing, and transparency can be obtained. This research will also analyze various industrial contexts that are thick with this phenomenon, thereby producing more concrete recommendations for companies and assurance service providers regarding best practices in sustainability reporting, as well as contributing

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to the development of stronger policies and more comprehensive regulations that are more oriented towards sustainability.

Literature Review and Hypothesis Development

Transparency

Transparency in sustainability reporting has become a crucial demand as public awareness of environmental and social issues continues to grow. Farooq & Villiers, (2018) highlight that sustainability assurance has been shaped through competition between accounting and non-accounting providers to strengthen transparency and credibility. In line with this, Sari & Muslim, (2024) argue that the trend of environmental reporting emphasizes disclosure not merely as a formality but as a strategic tool to enhance corporate accountability. Thus, transparency is not only a matter of regulatory compliance but also a means to achieve social legitimacy and build stakeholder trust. Feng, (2025) emphasizes that transparency in sustainability reporting plays a key role in bridging the gap between corporate environmental impacts and stakeholder expectations. Effective transparency requires disclosures that are complete, honest, and verifiable, thereby preventing misleading perceptions. Thiart (2023) also finds that the level of transparency has a direct correlation with investor confidence, especially in publicly listed companies. Hence, transparency is not simply a regulatory necessity but the foundation for long-term business sustainability.

Grenwashing

Greenwashing refers to the manipulative practice in which companies present exaggerated or misleading claims about their environmental performance. Braam & Peeters (2017) explain that this phenomenon emerges when sustainability reports serve as symbolic legitimacy tools without substantive changes in business operations. Yulyanti & Shauki, (2020) add that green accounting legitimacy is often used merely for image-building, for instance, campaigns to reduce plastic use, without being accompanied by significant policy changes. Such practices create a gap between sustainability claims and the actual reality. Angretnowati & Karolus, (2022) point out the use of ambiguous symbolic language as a strategy for greenwashing to construct a positive image. This is often combined with selective disclosure, in which companies highlight only certain aspects of sustainability while ignoring broader, negative impacts (Anggraeni *et al.,* 2024). The issue is further exacerbated when sustainability reports receive shallow assurance that does not address critical issues faced by the company (Manetti & Toccafondi, 2011). Consequently, stakeholders may be trapped in an illusion of transparency that ultimately reinforces greenwashing practices.

Sustainability Assurance

Sustainability assurance has emerged as a key mechanism to enhance the credibility of sustainability reports. Boiral & Saizarbitoria, (2020) argue that assurance plays a role in creating stakeholder accountability through independent validation, though it sometimes results in a "hyperreality" that embellishes corporate image. Reimsbach *et al.,* (2017) find that professional investors evaluate assured reports more positively; however, their effectiveness diminishes when assurance becomes a standardized practice rather than an accurate signal of quality. Therefore, the effectiveness of assurance largely depends on the quality and independence of the service provider. Rossi &

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Tarquinio, (2017) and Kyriakou & Dimitras, (2018) show that Big 4 firms tend to be more trusted due to their strong reputation and structured methodologies in assurance practices. However, Boiral et al. (2018) stress that non-Big Four providers also play a significant role, particularly for small and medium enterprises with budget constraints, even though their assurance quality is often questioned. Barbadillo & Martínez-Ferrero, (2021) and Martínez-Ferrero *et al.,* (2021) highlight the urgent need for stricter assurance standards to avoid assurance being reduced to a symbolic legitimacy tool. With the implementation of international standards such as ISSA 5000, assurance is expected to strengthen transparency and accountability, rather than merely facilitating greenwashing.

Research Method

A narrative review is a research method that focuses on narrating and interpreting information from literature on a particular topic. In the context of this study, a narrative review is used to compile and integrate various research results on sustainability assurance and greenwashing. This method differs from a systematic review, which has a strict structure and focuses on comparing measurable results. In a narrative review, researchers are free to explore themes, ideas, and arguments from the literature, creating a broader and more complex narrative (Belle & Mayhew, 2016). The narrative review method is carried out through several systematic stages. First, the Identification of Research Questions, where researchers establish clear and specific research questions, focusing on the relationship between sustainability assurance and Greenwashing practices (Wong *et al.,* 2013). Next, a Literature Search Is Conducted, where researchers extensively search various journals and academic databases, such as ScienceDirect, Emerald Insight, Google Scholar, JSTOR, and others. The selection criteria for collecting literature included peer-reviewed articles relevant to the topic under discussion. This included reports on sustainability reporting, Greenwashing practices, and the effects of sustainability assurance on stakeholder trust (Faggion *et al.,* 2017).

After the literature is collected, the next step is Data Coding. The data obtained will be categorized based on themes, such as the role of sustainability assurance in adding value to sustainability reports and Greenwashing trends (Kim *et al.,* 2020). This allows researchers to develop relevant patterns and relationships. Finally, Analysis and synthesis are carried out by reading and interpreting the coded data. Researchers look for themes and sub-themes that emerge from the data to construct a coherent narrative (West *et al.,* 2022). This synthesis involves combining the results and views found in literature into a broader framework of thinking, as well as creating a comprehensive picture of the relationship between sustainability assurance and Greenwashing (Elembilassery, 2023).

Results and Discussion

Analysis Result

Effectiveness of Sustainability Assurance

Enhancing Report Credibility Through Assurance

Sustainability assurance serves as a tool to enhance the credibility of sustainability reports prepared by companies. Various studies have shown that reports that have undergone an assurance process by a third party, whether from the Big Four or non-Big Four firms, can generate a higher level of trust among investors and other stakeholders. Research by Reimsbach (2017) shows that assurance of sustainability information can increase positive assessments of the report by professional investors; however, this effectiveness can diminish when assurance becomes commonplace and is no longer perceived as a signal of high quality. Research by *et al.,* (2016) confirms that companies operating in environmentally sensitive industries tend to have higher levels of disclosure and assurance. This indicates a correlation between the type of industry and the level of public trust in insurance reports, particularly in contexts where sustainability is a crucial factor (Souto *et al.,* 2016).

Factors Affecting Independence and Quality of Assurance

Various factors, including the choice of service provider, greatly influence the quality and independence of the assurance process. Assurance services for sustainability reports or disclosures are not only provided by public accountants but also by other professions that have the competence to assess ESG practices. However, trends show an increase in demand for assurance by companies, with more than 53% of sustainability assurance engagements in 2021 provided by audit firms (IFAC, 2023). Furthermore, research indicates that auditors from the Big 4 have a better reputation in terms of quality and independence compared to non-Big Four auditors, who are often perceived as having limitations in their ability to conduct in-depth examinations of sustainability reports (Rossi & Tarquinio, 2017). The Big 4, namely KPMG, Deloitte, PwC, and EY, are recognized for having higher standards and more structured methodologies in conducting assurance, which results in more reliable reports (Kyriakou & Dimitras, 2018). However, analysis by Boiral, (2018) shows that non-Big Four service providers also play an important role in the assurance market. Many small and medium-sized companies prefer non-Big Four providers because of lower costs, despite the greater risks associated with quality and independence (Boiral *et al.,* 2018). Thus, the choice between the Big 4 and non-Big 4 becomes an important consideration for companies when seeking assurance service providers.

Empirical Examples of Success and Failure in Various Global Industries

Empirical examples from various industries have shown both the success and failure of sustainability assurance practices. For example, large companies such as Unilever and Danone have invested resources in sustainability reports ensured by the Big Four and demonstrated high transparency and commitment to real sustainability practices. Danone, for example, has proactively involved stakeholders in the reporting and assurance process, which has helped enhance its global reputation (Maroun, 2019). However, there are also cases where large companies have fallen into the practice of greenwashing, even though they present insured reports. This is reflected, for example, when large energy companies have faced criticism for their inaccurate disclosure of emissions, even though their sustainability reports have gone through the assurance process. Research by Du & Wu, (2019) suggests that even if a report has been certified by a third party, the negative impact of past misconduct can significantly affect the perceived credibility of the report. Although sustainability assurance can enhance the credibility of reports, several variables affect the effectiveness of this process, including the choice between Big 4 and non-Big Four audit firms, as well as the company's reputation, which requires assurance. Therefore, companies need to integrate sustainability principles into their operations genuinely, not just as part of their corporate branding strategy.

Greenwashing Practices and the Illusion of Transparency

Common Forms of Greenwashing in Sustainability Practices

Greenwashing is the practice of presenting misleading or exaggerated information about the environmental benefits of a company's products or services. Several common forms of greenwashing are often encountered in sustainability practices, including: 1) Claims that obscure the truth: Companies claim that what they sell is "environmentally friendly" without providing valid evidence or certification (Yulyanti & Shauki, 2020). For example, product packaging that displays green elements, but the product itself still contains materials that are harmful to the environment; 2) Use of Misleading Language: Many companies use ambiguous terms or technical jargon to divert public attention from greater negative environmental impacts. For example, the term "biodegradable" can be used without a clear context regarding specific conditions (Angretnowati & Karolus, 2022); and 3) Focus on Specific Aspects: Companies tend to highlight one product or aspect of their operations that has a positive environmental impact, while ignoring the broader risks and negative impacts of the business as a whole (Anggraeni *et al.,* 2024). Because it can create a false positive perception of a company's sustainability commitment, the practice of greenwashing has become a significant issue in the current sustainability context, especially in conditions where transparency and accountability are urgently needed.

Limited Assurance Impact and Potential for "Window Dressing"

Assurance practices, which should serve to enhance the credibility of sustainability reports, have the potential to become a means of "window dressing" or symbolic legitimization. In many cases, the assurance provided does not include an in-depth assessment of the accuracy and adequacy of the response to the sustainability issues faced (Rangkuti *et al.,* 2019). Thus, insured reports do not always accurately reflect a genuine and substantial contribution to addressing environmental issues. This aspect also raises concerns that it creates the illusion that companies are more responsible and transparent than they actually are. Superficial and limited assurance can still have an impact on building genuine trust, and the public and stakeholders may believe the information presented even though it does not reflect actual actions (Kennedy & Lumbantoruan, 2024). This non-comprehensive assurance practice can exacerbate public skepticism regarding sustainability reports. Reflections on assurance as a means of "window dressing": 1) Inadequate Quality of Assurance: sustainability reports that only involve superficial assurance processes, which aim to provide an appearance of transparency without substantive changes in practices. This creates a positive perception among stakeholders when in fact the information presented is inaccurate or misleading; and 2) Reliance on Third Parties: When companies often rely on third parties to conduct sustainability assurance, this can indirectly cause companies to wash their hands of responsibility or share responsibility with assurance practitioners to present accurate information. In some cases, this can send the wrong signal to stakeholders and create false confidence in the company's integrity.

The Illusion of Transparency: Creating False Trust

The illusion of transparency occurs when sustainability report assurance creates false trust among the public and stakeholders. The public often forgets that even though sustainability reports have undergone an assurance process, this does not guarantee that all data presented is accurate and

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reflects the company's real commitments (Dewi *et al.,* 2023). Many stakeholders rely on assured reports as evidence of a company's environmental and social responsibility but overlook the potential for misperceptions.

Criticism from NGOs and civil society highlights that although assurance provides apparent legitimacy from the company's point of view, it may not serve to add real value to accountability (Rahim *et al.,* 2024). On the contrary, it risks undermining public trust in the company's commitment to sustainability when the gap between claims and reality becomes increasingly apparent (Dosinta & Brata, 2020). As a result of this uncertainty, it is important for companies to not only maintain assurance practices but also ensure that the process provides a substantive and critical evaluation of the company's contribution to sustainability. Reforms in assurance that emphasize honest and transparent evaluation will be crucial to enhancing public and stakeholder trust in the future.

Assurance that is considered valid can still create an illusion of transparency among the public and stakeholders. This could potentially lead to several serious consequences, namely: 1) Stakeholder Fraud. When stakeholders, including investors and consumers, feel confident that the information presented in sustainability reports has been verified, further scrutiny may not be carried out. Trust built in this way can be dangerous when companies engage in Greenwashing practices; 2) Hindering Improvement Actions. When companies successfully create the illusion of transparency through Greenwashing and ineffective assurance practices, there is a risk that companies will feel they do not need to make real improvements to their environmental and social impacts. In this way, assurance that fails to fulfill its purpose can exacerbate sustainability issues that should be resolved; and 3) Long-Term Distrust: If the public and stakeholders feel deceived by inaccurate reports, this can lead to a broader loss of trust in future sustainability reports, effectively eroding the positive effects of assurance that should increase accountability in company reports. Overall, although sustainability assurance is designed to increase transparency and provide assurance to stakeholders, greenwashing practices can reverse these benefits. Therefore, companies need to ensure integrity and a genuine commitment to sustainability. This includes ensuring that the assurance process is comprehensive, transparent, and involves greater stakeholder engagement in sustainability reporting.

Sustainability Assurance in the Indonesian Context

Local Regulations and Standards Related to Assurance and Sustainability

Regulations regarding sustainability in Indonesia are stipulated by the Financial Services Authority (OJK) through OJK Regulation (POJK) No. 51/2017. This regulation stipulates provisions on the implementation of sustainability for public companies, requiring them to prepare sustainability reports as part of their responsibility to stakeholders and the environment. This is in line with efforts to increase transparency and accountability related to social and environmental issues (Diba *et al.,* 2020; Shidiq *et al.,* 2024). In POJK 51/2017, companies listed on the capital market are required to disclose information related to their sustainability policies, including the impact of their activities on society and the environment, as well as how they manage risks related to sustainability issues (Limarwati *et al.,* 2024). Standards and regulations also cover good corporate governance (GCG) practices. This framework aims to ensure that companies not only focus on economic profits but also pay attention to social and environmental impacts, as well as provide transparency to shareholders and the public (Bella & Pinasthika, 2024).

Assurance Practices in Large Indonesian Companies

Large companies in Indonesia, such as Adaro Energy, Pertamina, Aqua Danone, and Indofood, have begun to implement sustainability assurance practices to enhance the credibility of their sustainability reports. Adaro, for example, has adopted sustainability reports that involve assurance from third parties to provide independent assurance of the data presented (Cobis & Rusadi, 2023). Pertamina has also done the same, presenting sustainability reports that refer to GRI standards, where assurance aims to strengthen its legitimacy in the eyes of the public and shareholders (Risdianto, 2021). However, the assurance practices implemented are still met with criticism. Many NGOs and civil society organizations (CSOs) believe that these practices do not always meet adequate standards and often serve as mere formalities, potentially contributing to greenwashing by companies. Many reports are given logos or certifications from independent institutions, but the quality of assurance is often questioned (Adirestuty *et al.,* 2024). Although the level of sustainability report disclosure is often claimed to have increased, in fact, there are still serious challenges in terms of transparency and accountability. Assured reports often only meet formal requirements and do not reflect the actual conditions in the field (Putri *et al.,* 2022). As a result, the public sees these reports as formal compliance with regulations without any substantive changes in corporate sustainability practices (Daniel & Ratnasari, 2019).

NGO/CSO Criticism of Greenwashing Practices in Indonesia

Criticism from NGOs and CSOs of greenwashing practices in Indonesia is on the rise, particularly when companies rely on sustainability reports that are not backed by actual practices and contributions. Greenwashing is when companies present information that does not correspond with operational reality to create a positive image in the eyes of the public (Desembrianita *et al.,* 2023; Rissy, 2020). For example, in sustainability reports, companies may highlight their contributions to environmental issues while ignoring or downplaying the negative impacts of their operational activities (Frastiawan, 2019). NGOs such as Wahana Lingkungan Hidup Indonesia (WALHI) and others often carry out advocacy to monitor companies involved in greenwashing and demand accountability. NGOs and CSOs emphasize the importance of stricter regulations on accuracy and transparency in sustainability reports, urging the public to be more critical of such claims (Ihsan & Zuraida, 2024; Jaya & Nurifanti, 2021; Pawestri & Okto, 2024). This criticism has prompted discussions on the effectiveness of regulations and the importance of involving stakeholders in the assurance process.

The Gap between Regulation, Assurance Practices, and Public Perception

Despite the OJK issuing POJK 51/2017, a clear gap remains between the regulation and its implementation in the field. Many companies only conduct assurance to meet regulatory requirements without any commitment to genuine sustainability practices. This has resulted in dissatisfaction among stakeholders, including the public and investors, who want more than just formal reports (Diba *et al.,* 2020; Ramadani, 2022). Public perception of companies involved in assurance is often skeptical. Many people doubt the reliability of the information provided due to the phenomenon of greenwashing (Azwar *et al.,* 2023; Rissy, 2020). This poses a challenge for companies in building trust, as the reluctance to make fundamental changes in sustainability practices can have serious consequences for their reputation and public support in the future. Thus, the gap between regulations, assurance practices, and public perception is an issue that needs attention. Further efforts to improve regulations, enhance

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oversight, and bridge communication between companies and the public will be key to building a stronger sustainability ecosystem in Indonesia.

Sustainability Assurance in the Indonesian Context

Theoretical Implications for Accounting

Legitimacy and Institutional Theory: Sustainability practices and assurance reports are closely related to legitimacy theory, whereby companies seek to gain validity and recognition from stakeholders through strict disclosure of their sustainability activities. In this context, insured sustainability reports can be seen as a mechanism to strengthen corporate legitimacy in the eyes of the public (Zorio-Grima *et al.,* 2012). Institutional theory is also relevant, whereby companies adapt to existing social norms and structures to meet the expectations and demands of broader stakeholders (Al-Shaer & Zaman, 2018). Thus, assurance serves to solidify the company's position in a social and industrial structure that is increasingly focused on sustainability practices. Impression Management: Assurance can also serve as a tool for creating a positive impression for management, particularly when companies utilize it to enhance their image in the public eye without making substantive policy changes. Research shows that some companies rely on assurance results to reinforce stakeholders' positive perceptions of their sustainability efforts, even though actual actions may be inconsistent with the claims made (Pflugrath *et al.,* 2011; Sánchez-Sancho *et al.,* 2023). This indicates that assurance can become a tool for symbolic legitimacy if it is not combined with a real organizational commitment to sustainability.

The Need for Stricter and More Transparent ESG Assurance Standards

The need for stricter and more transparent assurance standards in sustainability reporting is urgent, especially given the rapid growth of sustainability reports without adequate quality assurance. The International Standard on Assurance Engagements (ISAE) 3000, ISAE 3410, and AA1000AS are frameworks that can be used to improve the quality and transparency of sustainability assurance (Barbadillo & Martínez-Ferrero, 2021; Sharma & Aryal, 2024). These two standards introduce a more systematic approach to examining sustainability reports, ensuring that the information provided by companies is accurate and relevant. In addition, the International Standard on Sustainability (ISSA 5000), a new international assurance standard that has just begun to be implemented, is expected to serve as a unifying and simplifying force for the various standards that have been applied previously, as it is considered comprehensive and applicable to all types of sustainability engagements. For this reason, further scientific studies on the effectiveness of implementing this new standard in the future are still needed. ISSA (International Standard on Sustainability Assurance) also highlights the importance of harmonizing international standards and local practices. Sustainability assurance practices in Indonesia refer to at least SPA 3000 and SPA 3410, which refer to international standards. However, in the context of Indonesia and developing countries, the implementation of these standards must still be adapted to local conditions and the level of institutional readiness (Feng, 2025). This is very important so that companies not only pursue regulatory compliance but also ensure that they achieve a real impact on their sustainability.

Policy Implications: The Role of the Government, OJK, Professional Associations, and Harmonization with International Standards

In the context of policy, the involvement of the government and institutions such as the Financial Services Authority (OJK) and professional associations is significant. Regulations from the OJK should aim not only at formal reporting but also at encouraging practices that have a real impact on society and the environment (Thiart, 2023). Companies need to be encouraged to expand the scope of their reports and ensure that the assurance obtained meets stricter international standards. Harmonization between local and international standards is also necessary to facilitate the integration of sustainability reports into a more holistic accounting framework. The role of the Indonesian Institute of Accountants (IAI), particularly the Sustainability Standards Board and the Indonesian Institute of Public Accountants (IAPI), in responding quickly to developments in international standards is crucial. Stricter regulations related to assurance services are expected to reduce the practice of greenwashing, which occurs when companies engage in symbolic legitimization by relying on reports without taking concrete action in the field (Martínez-Ferrero *et al.,* 2021; Sari & Muslim, 2024). Policies that strengthen the relationship between assurance and the integrity of sustainability report information will reinforce the sustainability mission and create a more accountable environment for companies.

The provision of assurance services in sustainability reports should not be merely a regulatory requirement; rather, it should be a key instrument for enhancing the transparency, accountability, and integrity of the information presented to the public. The implementation of stricter standards and harmonization with international frameworks will be important steps in improving the effectiveness of sustainability reports and reducing the possibility of greenwashing practices in Indonesia and other developing countries.

Conclusion

This article discusses the phenomenon of greenwashing and the illusion of transparency that occurs in the context of sustainability in Indonesia, particularly among large companies. Although assurance practices are expected to increase the credibility of sustainability reports, there is a risk that assurance can serve as a symbolic legitimization tool, creating the impression that companies are more responsible for sustainability than they actually are. Research shows that "assured" sustainability reports often do not reflect the actual practices of companies, and non-transparent communication can lead to mistrust among stakeholders. This uncertainty underscores the need for the implementation of stricter and more transparent assurance standards so that they not only meet formal requirements but also provide substantial accountability guarantees.

This study makes an important contribution both academically and practically. Academically, it expands our understanding of the relationship between assurance, accountability, and greenwashing practices in sustainability reporting. From a practical standpoint, the results of this study serve as a cautionary reflection for regulators, auditors, and companies to exercise greater caution in using assurance, ensuring it does not merely become a tool for image building. The originality of this study lies in its emphasis on how assurance has the potential to create an illusion of transparency, thereby encouraging the formulation of more substantial assurance policies and practices.

However, this study has limitations, particularly in terms of data scope, which is limited to the Indonesian context and focuses on large companies. These limitations present opportunities for further research that can expand the scope of study to include small businesses and across multiple countries,

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thereby enabling comparisons of assurance practices in various contexts. Future research could also examine in greater depth the role of third parties, such as independent auditors and regulators, in ensuring that assurance truly enhances transparency and accountability.

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