

Implementation of the Sustainability Reporting Standard Based on Sustainability Disclosure Standards 1 and 2 for *PT XYZ*

Darjito Wahyu Probo Apsoro*, Asep Darmansyah

Institut Teknologi Bandung, Indonesia

Emails: darjitowahyu@gmail.com*, asep.darmansyah@sbm-itb.ac.id

ABSTRACT

This study analyzes the readiness of *PT XYZ* to implement the Sustainability Disclosure Standards (*PSPK*) 1 and 2, which will become mandatory in Indonesia starting in 2027. Although the company has used the GRI Standards and *POJK* 51 as the basis for its sustainability reporting, its current disclosures have not fully met *PSPK* requirements, particularly in linking sustainability issues to financial performance, assessing climate-related risks, and integrating sustainability into strategic decision-making. Using a qualitative approach, the research employs SWOT analysis to evaluate the strengths, weaknesses, opportunities, and threats in *PT XYZ*'s existing sustainability report, followed by Actor–Network Theory (ANT) to map the interactions among human and non-human factors influencing *PSPK* implementation. Data were collected through document analysis, interviews with internal stakeholders, and a review of relevant standards. The findings indicate that *PT XYZ* has a strong foundation for the transition, supported by its current reporting structure and governance practices; however, notable gaps exist in materiality assessment, risk quantification, climate governance, data integration, and system readiness. The ANT analysis further reveals the need for coordinated internal regulation, enhanced cross-unit collaboration, strengthened data systems, and capacity-building to support accurate and consistent sustainability disclosures. This study concludes that, with structured preparation and alignment of actors, *PT XYZ* can successfully adopt *PSPK* 1 and 2 and enhance the credibility, comparability, and strategic relevance of its sustainability reporting.

KEYWORDS Sustainability Disclosure Standards; *PSPK* 1 and 2; Sustainability Reporting; SWOT Analysis; Actor–Network Theory.



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INTRODUCTION

Every year, the Company is required to publish an Annual Report. The report consists of an Annual Report containing the Company's performance and company profile; Financial Report; and Sustainability Report. The company's ability to survive can be reflected in the Sustainability Report (SR) which is part of the Annual Report prepared by the Company every year. The Annual Report consists of the Financial Report and the Sustainability Report. In presenting a report that is easy for readers to understand, can be compared and meets other characteristics, the Indonesian Institute of Accountants (IAI) as an institution that accommodates and regulates accountants in Indonesia has issued reporting standards called PSAK (Financial Accounting Standards Guidelines) which regulate in detail the disclosure and presentation of information in financial reports which are part of the Annual Report meanwhile, for the Sustainability Report, by July 2025, IAI has issued *Standar Pengungkapan Keberlanjutan* (SPK) consisting of Pernyataan Standar Pengungkapan Keberlanjutan (*PSPK*) 1 and 2 which refer to International Financial Reporting Standards (IFRS) S1 and S2.

So far, the standards issued by IAI refer to IFRS (International Financial Reporting Standard) issued by the International Accounting Standard Board (IASB). In terms of sustainability reports, IFRS has previously issued standards governing Sustainability Reports coded IFRS S1 and IFRS S2. As with previous standards, IAI will also adopt IFRS S1 and S2

into PSAK, the standards will be named Sustainable Disclosure Standards (SPK), in accordance with IFRS the SPK will be numbered 1 and 2. The SPK is planned to be implemented in 2027 and allows for earlier adoption. The implementation of PSAK and SPK in financial reports and Sustainability Reports is a must, especially for companies that list their transactions on the Indonesia Stock Exchange. In addition to being required by the OJK, the implementation will also provide convenience for investors in obtaining, comparing, and understanding data submitted by the Company (Luo et al., 2018).

The global landscape of corporate reporting is undergoing a fundamental shift with the introduction of the IFRS Sustainability Disclosure Standards (S1 and S2) by the International Sustainability Standards Board (ISSB). These standards aim to create a global baseline for sustainability-related financial information, moving beyond traditional environmental, social, and governance (ESG) reporting to require explicit linkage between sustainability issues and a company's financial performance and prospects (Barter & Bebbington, 2013; Caria & Gomes, 2024). This shift recognizes that sustainability-related risks and opportunities, such as climate change, are financially material and must be integrated into the core of corporate reporting and decision-making (Barker, 2025). In response, the Indonesian Institute of Accountants (IAI) is adopting these global standards as *Pernyataan Standar Pengungkapan Keberlanjutan (PSPK)* 1 and 2, mandating their application for Indonesian entities from 2027 (IAI, 2025).

From year to year, the IASB as an institution that issues IFRS makes periodic changes to IFRS to make it more principle-based, where the rules are made shorter and provide more flexibility in their implementation (Hettler et al., 2024). However, based on research conducted by Morais (2020) critically examines the unintended consequences of repeated revisions and amendments to International Financial Reporting Standards (IFRS) and International Accounting Standards Board (IASB), arguing that although the IASB claims to uphold a principles-based approach, the standards are increasingly taking on rules-based characteristics. This shift introduces significant complexity into financial reporting, undermining the original goal of clarity and flexibility. The study, conducted on 70 EU-endorsed regulations between 2003 and 2015, reveals a positive relationship between changes to standards and the Rules-Based Continuum (RBC) score a proxy for complexity indicating that frequent amendments are pushing standards toward detailed prescriptive rules (Morais, 2020). The practical consequence is a higher compliance burden, especially in jurisdictions required to adopt these standards (e.g., EU), with preparers and auditors facing increased implementation costs, ambiguity in applying judgment, and reduced comparability across firms. While principles-based standards are expected to provide flexibility and adaptability to changing environments, the reality observed is a paradox where the IASB's convergence efforts with the U.S. FASB exemplified by the 2006 Memorandum of Understanding have resulted in more detailed guidance, scope exceptions, and bright-line thresholds. Such developments challenge the IFRS's claim to simplicity and raise concerns about the ability of preparers to meaningfully interpret standards without reverting to box-ticking compliance (Morais, 2020, pp. 35–63).

The implementation of standards will make it easier for investors to understand the Company's performance and is expected to make it easier for the Company to obtain funding (Puyt et al., 2023). In implementing these standards, of course, a strong commitment from management is needed. Apart from being regulated by standards and being an obligation, sustainability reporting is an important component for investors because the information

provided can go beyond the information provided in financial reports as “Sustainability-related financial information is distinct from that in the financial statements in the extent to which disclosure is prospective, in reporting on resources that are not owned by the reporting entity and in the extent of non-monetary disclosure, yet it shares with the financial statements a focus on providing material information to investors” (Barker, 2025, p. 2).

Activities related to Environmental, Social and Governance which are disclosed in sustainability reports can influence the financial performance of a company as per research conducted as follows et al. (2021) examine whether environmental, social, and governance (ESG) practices can improve corporate financial performance, particularly in the presence of controversies. Analyzing 356 European listed companies using a quantitative OLS regression approach, they found that ESG practices do have a positive direct effect on market-based financial performance (Tobin's Q). However, ESG practices are not strong enough to neutralize the negative effects of corporate controversies on financial outcomes. The interaction between ESG and controversy was still significantly negative, suggesting that while ESG may marginally cushion the impact of controversies, it cannot restore financial performance to pre-controversy levels (Khan, 2022; Narula et al., 2024; Veeravel et al., 2024). This implies that ESG practices are more effective as proactive tools to build trust and long-term reputation, rather than as reactive tools to repair damage after reputational crises. Thus, companies should embed ESG substantively into their strategies to prevent controversies, rather than treat ESG as a symbolic response (Nirino et al., 2021).

PT XYZ (not a real name) is one of the companies that records its transactions in the form of long-term debt securities on the Indonesia Stock Exchange. As a company that records its transactions on the Indonesia Stock Exchange, *PT XYZ* has presented its financial report based on PSAK and later its Sustainability Report based on SPK. Currently, *PT XYZ* has presented a Sustainability Report as part of its Annual Report based on GRI (Global Reporting Initiatives) and POJK (Financial Services Authority Regulation). With the implementation of the new standards, of course *PT XYZ* needs preparation and perhaps changes to its business processes. With the issuance of PSPK 1 and 2, of course *PT XYZ* must adjust the reports it publishes to these standards.

In contrast to financial reports, sustainability reports have a higher level of complexity when compared to financial reports. “On balance, these differences imply that sustainability-related financial disclosure is more challenging than financial accounting. Such information is reportable only if material. It therefore comprises only high-level information of direct concern to the economics of the business, which should anyway be information that a corporate board’s fiduciary duty obliges it to have in hand and which, in service of lowering its cost of capital, it has self-interest in reporting transparently to investors” (Barker, 2025, p. 6). Disclosures with higher complexity when compared to financial reports certainly require preparation, especially with the standards that regulate such disclosures

Research Questions and Research Objectives. **Research Questions** 1) What are the weaknesses and strengths of *PT XYZ* in implementing SPK 1 and 2? 2) What steps must *PT XYZ* prepare to implement SPK 1 and 2? 3) How is SPK 1 and 2 implemented in *PT XYZ*’s proposed sustainability report? **Research Objective** 1) To analyze the weaknesses and strengths of *PT XYZ* in implementing SPK 1 and 2 2) To provide an overview of the

implementation steps for implementing SPK 1 and 2 at *PT XYZ* 3) To provide an overview of the implementation of SPK 1 and 2 in the proposed *PT XYZ* sustainability report.

The scope of this research will focus on the implementation of Sustainability Disclosure Standards in the Sustainability Reporting of *PT XYZ* which includes the preparations that must be made by *PT XYZ* and the output of sustainability reports that are in accordance with the Sustainability Disclosure Standards that will be implemented in 2027. The limitation of this research is that this research is specific and can only be used at *PT XYZ* in implementing the Sustainability Disclosure Standards to be published by IAI in 2027.

METHOD

Research Design

The aim of this research was to study how a company can improve its sustainability report by adopting IFRS S1 and S2. At present, the company has a sustainability report that does not follow these standards. The research will first evaluate the current report to find its strengths, weaknesses, opportunities, and threats using SWOT analysis. Then, it will use Actor–Network Theory (ANT) to study and plan how the new standards can be introduced into the company, including the actors, processes, and tools needed to create a new, compliant report. This study will use a mixed-method approach. The first stage is descriptive, using SWOT to describe the current situation of the sustainability report. This will give a clear picture of what is already working well and what needs improvement. The second stage is exploratory, using ANT to understand how people, technology, and documents must work together to successfully implement IFRS S1 and S2 in the company. This combination will allow the research to look at both the content of the report and the process of change.

For the SWOT analysis, the research will review the company's existing sustainability report and compare it with the disclosure requirements in PSPK 1 and 2. Interviews with internal stakeholders (such as the accounting team, sustainability team, and management) will also be conducted to identify strengths, weaknesses, opportunities, and threats. For the ANT part, the research will collect information about all relevant human actors (people) and non-human actors (standards, templates, software, reporting tools), and observe how they interact or need to interact in the future implementation process.

In the first stage, SWOT analysis will be applied to the existing report to produce a clear list of strengths, weaknesses, opportunities, and threats. This will be compared to PSPK 1 and 2 requirements to highlight the gaps. In the second stage, ANT will be used to map the implementation process step-by-step: problematization, interest, enrolment, mobilization, and the creation of a “black box” for the new reporting system. The ANT analysis will help design the new rules, policies, and reporting formats that fit the SPK standards. The final outcome will be two main results. First, a SWOT table that clearly shows how the existing sustainability report performs compared to PSPK 1 and 2 requirements. Second, an ANT-based implementation plan that explains how the company can introduce the new standards, what actors and resources are needed, and how to make the new report format work smoothly in daily practice. Together, these results will provide a full roadmap from the current situation to a future where the company's sustainability report meets PSPK 1 and 2 standards.

Data Collection Method

To answer the research question presented in chapter 1, the research methodology that we will use is qualitative. This method is used so that the author can study more deeply about the problems that arise in *PT XYZ* in terms of implementing Sustainability Disclosure Standards, what problems are faced, what internal and external factors can affect *PT XYZ* in terms of implementing sustainability standards and how the combination of management performance and systems used by *PT XYZ* in implementing the sustainability standards. The supporting data that will be the primary source in this research will be obtained through the *PT XYZ* Annual Report published by *PT XYZ*. This research will examine in more depth the standards currently used by *PT XYZ* and the implementation of new standards at *PT XYZ*. Therefore, the Annual Report used is only for one period, namely the 2024 Annual Report. Considering that the report is the most recent report and in terms of standard implementation requires consistency, only one Annual Report is taken.

Regarding the strategies that can be implemented by *PT XYZ* to implement the new standard, the data needed to conduct the ANT analysis comes from “black box” that contains *PT XYZ*'s internal regulations obtained through permission from *PT XYZ*'s internal parties, the Sustainability Disclosure Standards (SPK) obtained through publications conducted by the Indonesian Institute of Accountants (IAI) and semi-structured interviews that will be conducted with "actors" who will implement this standard at *PT XYZ*. These "actors" are:

1. 1 Manager under Vice President of Sustainability Report
2. Vice President of General Accounting (PIC Financial Reporting)
3. 1 Manager under Vice President of General Accounting that preparing the Financial Report
4. 1 Manager under Vice President of General Accounting that preparing the Financial Regulation and Accounting System
5. 1 External Auditor

Data Analysis Method

To ensure all questions in the research questions section are answered, the data analysis strategy will be conducted in two stages. The first stage will analyze the sustainability report currently published by *PT XYZ*, which does not yet use PSPK 1 and 2 standards. This first stage will utilize a SWOT analysis, analyzing *PT XYZ*'s published sustainability report, which is part of the Annual Report issued by *PT XYZ* each year. This Annual Report can be analyzed through *PT XYZ*'s official website or through the IDX portal. *PT XYZ* is a company that issues debt securities in the form of bonds and sukuk, making its annual report easily accessible.

The next stage will involve analysis using ANT. ANT will analyze the relationship between human and non-human factors in preparing for the implementation of PSPK 1 and 2 at *PT XYZ*. The human factor, in this case, refers to management, which will ultimately determine the implementation policy for PSPK 1 and 2 at *PT XYZ*. The non-human factors include PSPK 1 and 2, the systems used by *PT XYZ* in financial reporting also. The implementation of PSPK 1 and 2 regulations at *PT XYZ* will complement the "black box" component of ANT. The ANT implementation process will be conducted by interviewing key management who will implement IFRS S1 and S2 standards at *PT XYZ*. To complement the analysis of non-human factors, an analysis of IFRS S1 and S2 regulations and the accounting

system used by *PT XYZ* will be conducted. With this combination, the author hopes to provide recommendations for the implementation of IFRS S1 and S2 at *PT XYZ*.

RESULT AND DISCUSSION

Sustainability Report that Regulated by PSPK 1 and 2

PSPK 1, which refers to IFRS S1, establishes the general requirements for sustainability-related financial disclosures. Its main objective is to require entities to disclose material information about sustainability-related risks and opportunities that could reasonably be expected to affect an entity's short, medium, or long-term prospects. This standard ensures that primary users of general-purpose financial reports, such as investors, lenders, and creditors, have access to consistent and comparable information for decision-making. General-purpose financial reports are different from financial reports, general-purpose financial reports cover a wider scope when compared to financial reports, financial reports focus more on financial performance while general-purpose financial reports cover broader information. Sustainability disclosures must be prepared for the same reporting entity and reporting period as the financial statements, and they should be published simultaneously. The standard also allows flexibility in the placement of disclosures within general-purpose financial reports, as long as the information is clear and connected (Tran & Nguyen, 2024).

PSPK 1 emphasizes the link between a company's use of resources, its value creation process, and long-term financial performance. integrates sustainability-related risks and opportunities within the broader business model and value chain, allowing companies to explain how these factors influence strategic decisions. By doing so, companies can demonstrate accountability while aligning financial and sustainability perspectives. A central component of PSPK 1 lies in its four disclosure pillars: governance, strategy, risk management, and metrics and targets. Companies are required to disclose how governance structures oversee sustainability issues, how strategies address risks and opportunities, how risk management systems integrate sustainability considerations, and how progress is measured against targets. These pillars ensure that sustainability issues are addressed holistically rather than in isolation. PSPK 1 also highlights the importance of materiality, comparability, timeliness, and understandability of information.

The standard acknowledges that sustainability disclosures often involve judgment and uncertainty. Companies are required to explain assumptions, approximations, and measurement techniques, particularly for disclosures subject to high uncertainty. For example, climate-related scenarios, estimates of environmental risks, or value chain data must be disclosed with explanations of sensitivity and potential outcomes. This requirement aims to enhance transparency and prevent greenwashing. PSPK 1 also requires provisions for compliance and exemptions. Entities must issue an explicit statement of compliance when they comply with the standard fully. Limited exemptions apply when disclosure is restricted by law or when commercially sensitive opportunities cannot be disclosed without significantly harming economic benefits.

In tabular form, the disclosures required by PSPK 1 can be seen in the following table:

Table 1 the disclosures required by PSPK 1

No	Disclosure Area	Key Requirements	Notes / Purpose
1	Objective	Disclose material information about sustainability-related risks and opportunities that could affect an entity's short, medium, or long-term prospects.	Helps investors, lenders, and creditors make informed decisions.
2	Governance	Information on governance processes, controls, and procedures used to monitor and manage sustainability-related risks and opportunities.	Demonstrates accountability and oversight.
3	Strategy	Information on the entity's strategy for addressing sustainability-related risks and opportunities.	Shows how sustainability is integrated into business model and value chain.
4	Risk Management	Information on how sustainability-related risks and opportunities are identified, assessed, and managed, and whether these processes are integrated into overall risk management.	Ensures risks are systematically embedded into enterprise risk management.
5	Metrics and Targets	Information on metrics used to measure and monitor sustainability-related risks and opportunities, and progress toward set targets.	Provides transparency and comparability of performance.
6	Link to Financial Statements	Disclosures must be prepared for the same reporting entity and period as financial statements.	Ensures consistency between financial and sustainability reporting.
7	Materiality	Information is material if omitting, misstating, or obscuring it could reasonably influence users' decisions.	Prevents greenwashing and ensures decision-useful information.
8	Qualitative Characteristics	Information must be relevant, faithfully represented, comparable, verifiable, timely, and understandable.	Aligns with financial reporting principles.
9	Connected Information	Entities must explain connections between risks, disclosures, and financial impacts, avoiding unnecessary duplication.	Ensures integrated and coherent reporting.
10	Measurement Uncertainty	Disclose assumptions, judgments, sensitivity analyses, and expected resolution of uncertainty for significant amounts.	Enhances reliability and transparency.
11	Compliance Statement	Entities complying fully must issue an explicit and unqualified compliance statement.	Increases trustworthiness of disclosures.
12	Exemptions	Limited exemptions for jurisdictional restrictions or commercially sensitive opportunities (not applicable to risks).	Balances transparency with legal/commercial constraints.

If PSPK 1 regulates the conceptual framework for disclosure in general purpose financial statements, then PSPK 2, which is based on IFRS S2, more specifically regulates the disclosure of business impacts on climate change. The standard requires disclosure on two categories of climate-related risks: physical risks and transition risks. Physical risks include both acute events, such as hurricanes and wildfires, and chronic risks, such as long-term shifts in precipitation or rising temperatures. Transition risks, on the other hand, arise from policy changes, technological shifts, market dynamics, and reputational pressures as companies adapt to a low-carbon economy.

PSPK 2 also mandates disclosure of climate-related opportunities. These can include the development of low-carbon products, improvements in resource efficiency, or the adoption of innovative technologies that reduce environmental impact. By addressing both risks and opportunities, PSPK 2 ensures that entities present a balanced picture of their climate resilience and ability to capture value in a changing environment. In terms of reporting structure, PSPK

2 mirrors PSPK 1 by emphasizing governance, strategy, risk management, and metrics and targets.

Entities must disclose their governance processes for climate oversight, strategic plans for transitioning to a lower-carbon economy, and their approach to integrating climate risks into overall risk management systems. Scenario analysis is also required to assess resilience under different climate futures. Metrics and targets play a central role in PSPK 2, particularly greenhouse gas (GHG) emissions. Companies must report Scope 1 (direct emissions), Scope 2 (indirect energy-related emissions), and Scope 3 (other indirect emissions, such as supply chain activities) when material. Additional metrics may include capital allocation for climate initiatives, internal carbon pricing, and remuneration structures linked to climate goals. These disclosures are critical for investors assessing exposure to carbon-related risks.

Overall, PSPK 2 ensures that climate-related information is not treated as an isolated sustainability issue but as a financially material factor. By aligning with the Task Force on Climate-related Financial Disclosures (TCFD) and international reporting frameworks, PSPK 2 aims to provide standardized, decision-useful information. This standard ultimately supports transparency, mitigates the risk of greenwashing, and helps capital markets allocate resources toward companies with credible climate strategies.

From the entire explanation, one thing that needs to be underlined from the explanation regarding PSPK 1 and 2 above is that the disclosure of PSPK 1 and 2 is carried out in an integrated financial report, not a financial report. This means that reports regarding PSPK 1 and 2 do not have to be presented in the financial report but can be presented in another report that is integrated with the financial report, for example in the sustainability report which is part of the sustainability report, just like the financial report.

S.W.O.T Analyst for Existing *PT XYZ* Sustainability Report

PT XYZ has prepared its sustainability financial report which is part of its Annual Report using GRI standards, based on the report there are several things that certainly overlap with the disclosures regulated in PSPK 1 and 2, before determining the proposed *PT XYZ* sustainability report in accordance with PSPK 1 and 2, a SWOT analysis will be carried out on the existing report to provide an overview of the extent of adjustments that must be made by *PT XYZ*. That analysis also helps to find the gap between the existing report to the PSPK based sustainability report.

Strength

PT XYZ's implementation of sustainability reporting using the GRI Standards can be used as a foundation that aligns well with the objective of PSPK 1, which is to ensure entities disclose material and relevant sustainability information to stakeholders. Through its GRI-based approach, *PT XYZ* has fulfilled the core intent of PSPK 1 to enhance transparency and accountability in sustainability communication. The company's reporting follows the “with reference” principle to GRI, presenting structured disclosures on environmental, social, and governance (ESG) performance (Shakil, 2021). This structure ensures that the report provides comparable and verifiable information, which directly supports PSPK 1's goal of enabling informed decision-making among investors, regulators, and the public. In terms of governance, *PT XYZ*'s sustainability report shows strong alignment with PSPK 1's requirements for

demonstrating accountability, oversight, and ethical management. The GRI 2 standards used by *PT XYZ* try to disclose organizational structure, stakeholder engagement, and governance practices reflect the company's effort to describe its sustainability governance framework transparently. This meets PSPK 1's emphasis on explaining governance processes and internal controls that ensure data integrity and responsible decision-making (Tsalis et al., 2020). The inclusion of management's role in approving and reviewing sustainability matters also strengthens this aspect.

Regarding the strategy dimension, *PT XYZ*'s sustainability reporting reveals a clear linkage between its corporate strategy and sustainability goals. The company explicitly integrates sustainable transport, emission reduction, and community development into its long-term objectives, showing conformity with PSPK 1's requirement to communicate how sustainability is embedded in business strategy. The report's reference to GRI 3 (Material Topics) enhances the identification of strategic priorities and demonstrates that *PT XYZ* recognizes sustainability risks and opportunities as part of its value creation process. This strategic alignment shows that *PT XYZ* is not only compliant but also proactive in addressing future challenges consistent with PSPK 1's vision of integrated sustainability strategy disclosure.

From a risk management perspective, *PT XYZ* has shown substantial effort in adopting GRI's systematic approach to sustainability-related risks. Through GRI 3 and GRI 302–305 disclosures, the company identifies and manages environmental and operational risks, including carbon emissions, energy consumption, and resource efficiency (Orazalin & Mahmood, 2020). This approach aligns closely with PSPK 1's emphasis on transparent reporting of how sustainability risks are identified, assessed, and mitigated. Although *PT XYZ*'s current disclosure may focus more on descriptive than quantitative risk assessment, it still provides a foundation for PSPK 1 implementation, where sustainability risks are expected to be integrated into enterprise risk management frameworks.

In the area of metrics and targets, *PT XYZ* demonstrates clear reporting consistency through quantitative disclosures under GRI 302 (Energy), 305 (Emissions), and 401–404 (Employment and Training). These indicators reflect PSPK 1's principle of providing measurable data that allows users to assess performance and progress. The company's use of time-series data and comparison with previous reporting periods shows a commitment to continuous improvement and transparency. While the integration of financial and sustainability metrics could be further strengthened to meet the full PSPK 1 expectation, *PT XYZ*'s current approach already supports performance comparability and accountability. Overall, this analysis highlights that *PT XYZ*'s sustainability reporting has strong alignment with the five disclosure areas of PSPK 1, with its key strengths lying in governance structure, data transparency, and strategic integration of sustainability principles.

In PSPK 2, the sustainability report prepared by *PT XYZ* has conformity which can be seen from the following things. *PT XYZ*'s sustainability reporting already shows strong potential alignment with PSPK 2, which emphasizes the disclosure of climate-related risks, opportunities, and financial impacts. The use of GRI standards particularly GRI 302 (Energy), GRI 305 (Emissions), and GRI 201 (Economic Performance) demonstrates that *PT XYZ* has begun integrating environmental performance indicators that relate directly to climate change. These disclosures form a basic foundation for PSPK 2 implementation because they already

provide quantitative evidence of how *PT XYZ* manages energy use, greenhouse gas emissions, and operational efficiency, all of which are key dimensions of climate accountability.

From the perspective of governance and strategy, *PT XYZ*'s GRI-based reporting includes descriptions of its sustainability oversight structure and its alignment with corporate goals such as emission reduction and energy efficiency. This reflects PSPK 2's first two pillars, which require organizations to disclose board and management involvement in climate-related issues and to integrate climate risks into long-term strategic planning. *PT XYZ*'s explicit reference to sustainable transportation and efficiency programs shows that climate considerations are embedded in the company's business direction, representing a key strength toward compliance with PSPK 2 expectations.

In terms of risk management, *PT XYZ* discloses environmental and operational risks that have some similarity to PSPK 2's third disclosure pillar. The company identifies risks such as carbon emissions, fuel dependency, and energy efficiency, which align with climate-related transition and physical risk categories under PSPK 2. This early recognition and qualitative explanation of environmental risks provides a solid starting point for developing more structured climate risk assessment frameworks in the future. While the current risk analysis is descriptive rather than quantitative, it demonstrates the company's awareness and readiness to adopt PSPK 2's systematic climate risk management approach.

PT XYZ's consistent use of metrics and targets strengthens its alignment with PSPK 2's fourth pillar, which emphasizes measurable climate performance. The use of key indicators—such as total energy consumption, CO₂ emissions, and fuel efficiency—illustrates *PT XYZ*'s capacity to measure and monitor climate-related outcomes over time. These quantitative disclosures enable the company to set measurable sustainability goals and track progress, forming a foundation for future PSPK 2 compliance. Overall, the comparison reveals that *PT XYZ*'s GRI-based reporting structure shows a signal to support the main objectives of PSPK 2, with notable strengths in governance, risk awareness, and quantitative climate disclosure, positioning the company well for a more climate-focused reporting.

Weakness

Although *PT XYZ*'s sustainability report aligns with many of PSPK 1's objectives, the comparison shows several weaknesses in disclosure depth and integration. The first major gap lies in the overall structure of materiality disclosure. While *PT XYZ* uses GRI 3 to identify material topics, the process still lacks clear connection to PSPK 1's requirement for explicit disclosure of how material sustainability issues influence financial performance or long-term business decisions. The material topics are presented descriptively but without a clear prioritization of their economic impact, making it difficult for readers to understand how sustainability issues are integrated into corporate value creation a key principle in PSPK 1.

In terms of governance, the sustainability report shows that *PT XYZ* provides a general overview of its organizational structure and sustainability oversight, but it does not meet PSPK 1's expectations for detailed governance accountability yet. PSPK 1 requires clear disclosure of how the board and management oversees sustainability risks and how this responsibility links to corporate strategy and financial oversight. In *PT XYZ*'s current report, the governance section focuses on ethical conduct and stakeholder communication but does not fully describe the board's role, decision-making processes, or specific sustainability-related oversight

mechanisms. This limits transparency regarding how sustainability governance is embedded in the company's top-level management structure.

Regarding strategy, *PT XYZ* has disclosed its sustainability initiatives and goals, particularly around environmental efficiency and community engagement, yet the link between these strategies and the company's broader business objectives remains underdeveloped. PSPK 1 emphasizes explaining how sustainability objectives influence corporate direction and financial planning. In *PT XYZ's* data, strategic commitments are mentioned in qualitative terms such as emission reduction or social investment but lack quantitative or time-bound targets connected to overall performance indicators. This limits the reader's ability to evaluate the long-term integration of sustainability strategy into corporate growth planning.

On the risk management aspect, *PT XYZ* has identified environmental and operational risks through GRI disclosures, but these remain largely qualitative. PSPK 1 expects entities to show how sustainability risks are regularly identified, assessed, and incorporated into enterprise risk management systems. *PT XYZ's* report does not specify methodologies, probability assessments, or potential financial implications of sustainability risks. This suggests that while sustainability issues are recognised, they have not yet been fully embedded into the company's risk governance framework.

The absence of a clear linkage between sustainability risks and corporate risk control mechanisms reduces compliance with PSPK 1's expectation for integrated risk disclosure.

in the metrics and targets dimension, *PT XYZ* already provides quantitative GRI indicators such as energy use, emissions, and workforce data, but the report lacks performance benchmarking and financial correlation required under PSPK 1. PSPK 1 promotes not only reporting performance numbers but also interpreting them in the context of financial outcomes or future obligations. *PT XYZ's* metrics remain siloed within the sustainability domain, without integration into financial or operational performance discussions. This separation limits the usefulness of reported data for investors and regulators seeking to evaluate the company's long-term resilience. In conclusion, while *PT XYZ* demonstrates structural compliance through its GRI-based reporting, its main weaknesses lie in integration, depth of analysis, and linkage between sustainability and financial performance, which are the core expectations of PSPK 1.

when viewed through the metrics and targets disclosure dimension, *PT XYZ's* reporting still lacks alignment with PSPK 1's holistic measurement principles. While the company reports a range of quantitative indicators following GRI standards such as energy use, emissions, and employee development metrics these data are presented in isolation rather than as part of an integrated performance evaluation. PSPK 1 requires sustainability metrics to be linked to strategic objectives, risk exposure, and financial outcomes to provide a full picture of organizational resilience. In *PT XYZ's* case, the metrics serve mainly as compliance indicators without detailed explanation of their material impact on value creation or corporate performance. Furthermore, the absence of clear targets, progress tracking, or comparative benchmarks weakens the interpretive value of these metrics for stakeholders. This gap illustrates that, although *PT XYZ* has achieved a sound quantitative disclosure base through GRI, it still needs to enhance integration, interpretation, and alignment between sustainability performance data and the company's strategic and financial context to fully meet PSPK 1 expectations.

When we compared to PSPK 2, the weakness of *PT XYZ*'s report is narrow disclosure. *PT XYZ*'s progress in adopting GRI-based disclosures related to environmental performance, the comparison with PSPK 2 indicates that the company's sustainability reporting still falls short in meeting the specific climate-related disclosure requirements clearly in the standard. The most notable weakness lies in the absence of a clear framework for climate governance. PSPK 2 requires entities to disclose how their board and management oversee climate-related issues, including accountability for climate risk management and performance. In *PT XYZ*'s current report, governance discussions are general in nature, describing organizational structure and ethics but without explicit reference to oversight climate responsibilities, committee roles, or board-level engagement in climate strategy. This limits transparency regarding how leadership integrates climate issues into decision-making processes.

In the strategy dimension, *PT XYZ*'s sustainability report mentions several environmental initiatives, such as emission reduction and energy efficiency programs, but these are not directly positioned within a broader climate strategy. PSPK 2 expects entities to explain how climate-related risks and opportunities are incorporated into overall business models and financial planning. *PT XYZ*'s current approach remains operational rather than strategic, focusing on actions taken instead of long-term climate resilience planning. The lack of quantitative targets aligned with national or global climate goals (such as carbon neutrality or Paris Agreement pathways) highlights a key gap between current GRI-based disclosures and PSPK 2's forward-looking expectations.

When viewed from the risk management perspective, *PT XYZ* identifies certain environmental risks but does not categorize them according to the climate-related risk taxonomy expected in PSPK 2 specifically, physical risks (such as extreme weather impacts) and transition risks (such as regulatory or market changes linked to decarbonization). The absence of this classification makes it difficult to assess the company's vulnerability or adaptability to climate risks. Additionally, PSPK 2 emphasizes the integration of these risks into enterprise risk management frameworks, but *PT XYZ*'s reporting still treats them as standalone sustainability issues, not as factors with potential financial implications. For the Last, in the metrics and targets aspect, although *PT XYZ* discloses quantitative indicators such as energy consumption and emissions (GRI 302 and 305), this data does not yet meet PSPK 2's requirement for decision-useful climate metrics. The company does not disclose scope boundaries (Scope 1, 2, or 3 emissions) or science-based reduction targets, nor does it assess against climate-related financial exposure or performance specific benchmarks. This limits the comparability and analytical value of the information for investors and regulators seeking to understand the company's climate transition preparedness. Overall, while *PT XYZ*'s GRI-based environmental disclosures provide a valuable foundation, the main weakness under PSPK 2 lies in the lack of explicit climate governance, structured risk integration, and measurable targets—indicating the need for a more climate-focused and financially integrated reporting framework to achieve full PSPK 2 compliances.

Opportunity

The implementation of PSPK 1 presents a valuable opportunity for *PT XYZ* to elevate its sustainability reporting from compliance-based disclosure toward strategic sustainability integration. Since PSPK 1 requires clear alignment between sustainability issues and financial

performance, adopting this standard allows *PT XYZ* to demonstrate how environmental, social, and governance (ESG) activities directly contribute to value creation and long-term business resilience. This shift would strengthen the company's position not only as a transportation service provider but also as a sustainability-driven organization, aligning its operations with broader investors and regulatory expectations. By embedding PSPK 1 into its reporting framework, *PT XYZ* can leverage its existing GRI foundation to enhance the credibility and analytical depth of its sustainability narratives. In the governance and transparency domain, PSPK 1 offers the opportunity for *PT XYZ* to formalize board-level oversight of sustainability matters. Establishing clear accountability structures and disclosure of governance roles can improve both internal coordination and external stakeholder trust. The adoption of PSPK 1 could prompt *PT XYZ* to strengthen its internal reporting systems, bridging the sustainability, finance, and risk management units, so that sustainability performance is monitored alongside financial metrics. This alignment would not only increase compliance with national disclosure standards but later on hopefully it will also increase investor confidence through more transparent and traceable governance mechanisms in the long run.

From a risk management perspective, PSPK 1 provides an opportunity for *PT XYZ* to integrate sustainability risks into its enterprise risk management (ERM) framework. This would allow the company to move beyond descriptive disclosures toward data-driven risk evaluation, where sustainability risks are quantified, prioritized, and monitored systematically. Such integration can help the company anticipate and mitigate operational, regulatory, or environmental disruptions more effectively. In the long term, this approach could also reduce financial exposure and strengthen the company's resilience in the face of evolving sustainability regulations and stakeholder expectations. For the welding part, PSPK 1 opens opportunities in the performance measurement and stakeholder engagement dimensions. By connecting sustainability metrics to financial performance, *PT XYZ* can communicate the tangible benefits of its environmental and social initiatives, such as cost efficiency from energy savings or improved employee retention through social programs. This linkage can attract socially responsible investors and partners interested in sustainable business models. Furthermore, the adoption of PSPK 1 would position *PT XYZ* as an early mover in sustainability reporting among Indonesian SOEs, enhancing its reputation, competitiveness, and stakeholder credibility. In summary, PSPK 1 provides *PT XYZ* with strategic opportunities to deepen sustainability integration, improve governance quality, and strengthen its long-term corporate positioning.

The implementation of PSPK 2 provides a significant opportunity for *PT XYZ* to strengthen its position as a sustainability-oriented transportation enterprise through more advanced climate-related disclosures. By aligning with PSPK 2, which follows the Task Force on Climate-related Financial Disclosures (TCFD) principles, *PT XYZ* can integrate climate considerations into its business model and financial planning. This alignment allows the company to quantify and communicate how climate risks and opportunities affect operational efficiency, cost structures, and long-term competitiveness. For a state-owned enterprise in the railway sector, adopting PSPK 2 would signal a proactive response to national and global climate agendas, positioning *PT XYZ* as a leader in low-carbon transportation and green investment readiness.

In the governance and strategy dimension, PSPK 2 offers an opportunity for *PT XYZ* to institutionalize climate governance within its management structure. By explicitly assigning

responsibility for climate oversight to board-level or executive committees, the company can enhance accountability and align its strategic goals with national emission reduction targets (Christensen et al., 2021; Borghei et al., 2022). This reform could also improve investor confidence and align *PT XYZ*'s disclosures with the expectations of climate-conscious stakeholders, particularly in the infrastructure and public sector financing domain. Through PSPK 2 adoption, *PT XYZ* can translate environmental initiatives—such as electrification programs, energy efficiency, or renewable adoption—into measurable strategic priorities with long-term value creation potential. Shortly, it will boost the campaign that has been carried out by *PT XYZ* in terms of creating mass transportation that is oriented towards environmental sustainability.

From a risk management standpoint, PSPK 2 opens the opportunity for *PT XYZ* to adopt a more sophisticated climate risk identification and quantification framework. Integrating physical and transition risk analysis into its enterprise risk management would allow the company to anticipate financial impacts from extreme weather, regulatory changes, or carbon pricing policies. This would not only enhance compliance with future sustainability regulations but also enable *PT XYZ* to design adaptive investment strategies that minimize financial losses and maximize resilience. Adopting PSPK 2 could transform the company's risk management culture from reactive to proactive by using climate data and scenario analysis for decision-making. Finally, in terms of metrics and targets, PSPK 2 presents an opportunity for *PT XYZ* to expand its environmental reporting from general indicators to science-based and performance-linked targets. This includes measuring Scope 1 and Scope 2 emissions, setting carbon intensity reduction goals, and linking climate metrics to financial or operational performance. Such quantitative improvements would make *PT XYZ*'s sustainability disclosures more transparent, credible, and comparable with international peers. Moreover, establishing verifiable climate targets could unlock access to green financing and sustainability-linked funding instruments, providing both reputational and economic benefits. Overall, PSPK 2 offers *PT XYZ* the opportunity to evolve from compliance-based reporting to strategic climate leadership, aligning its operations with national sustainability policies and global best practices.

Threat

The primary threat in implementing PSPK 1 for *PT XYZ* lies in the complexity of integration between sustainability and financial reporting systems. PSPK 1 requires a high degree of alignment between non-financial disclosures and financial performance data, which demands strong coordination between sustainability, finance, and corporate strategy divisions. *PT XYZ*'s current reporting, based on GRI standards, is managed mainly as a sustainability function and is not yet fully synchronized with financial reporting processes. This gap could slow implementation, as it requires the development of new data systems and standardized internal procedures. Externally, the evolving regulatory and stakeholder expectations pose a significant threat. PSPK 1 represents a new regulatory framework, and changes in implementation guidelines or assessment criteria may challenge *PT XYZ*'s adaptation process. Stakeholders particularly regulators, investors, and auditors—are likely to expect more detailed and comparable sustainability disclosures than those currently provided by *PT XYZ*. If the

company cannot meet these expectations in a timely and consistent manner, it risks being perceived as lagging behind other state-owned enterprises in transparency and accountability.

From a strategic perspective, the lack of industry-specific guidance for the railway sector under PSPK 1 could also create uncertainty. Since most sustainability frameworks, including GRI and PSPK 1, are designed to be cross-sectoral, *PT XYZ* may struggle to interpret how certain disclosures such as risk quantification, social impact, or financial linkage—apply directly to its business model. This is especially true given that there are currently few railway companies in Indonesia (*PT XYZ* is the largest), and railway companies worldwide do not necessarily have socio-cultural backgrounds that align with Indonesia. This absence of tailored sectoral benchmarks makes it difficult for the company to measure performance against peers or define sector-relevant Key Performance Indicators (KPIs). Consequently, *PT XYZ* may face ambiguity in determining materiality and risk relevance within PSPK 1's broader disclosure structure. Lastly, implementing PSPK 1 may expose *PT XYZ* to resource and capacity constraints. The transition from GRI-based to PSPK-aligned reporting requires specialized human resources, training, and potentially higher compliance costs. Developing internal expertise in sustainability accounting, financial linkage analysis, and integrated reporting assurance will take time and investment. If not managed properly, these additional requirements could burden operational efficiency or divert resources from other strategic sustainability initiatives. Overall, these threats highlight that while *PT XYZ*'s foundation through GRI is strong, the successful implementation of PSPK 1 will depend on institutional readiness, inter-departmental coordination, and sustained investment in data and governance capacity.

One of the threats that became a major issue for *PT XYZ* in implementing PSPK 2 arises from the technical and analytical complexity of climate-related disclosures. Unlike general sustainability reporting, PSPK 2 requires advanced data modelling, scenario analysis, and quantification of climate-related risks and opportunities. *PT XYZ*'s current GRI-based system primarily provides descriptive environmental indicators without integrating climate risk assessment into financial or strategic modelling. This limitation could make PSPK 2 adoption technically challenging, as it demands cross-functional expertise in environmental science, finance, and risk management areas that may not yet be fully developed within *PT XYZ*'s internal reporting teams. Another major threat stems from data availability and accuracy. PSPK 2 requires complex and specific information such as greenhouse gas emissions by scope (1, 2, and 3), climate risk exposure, and scenario-based financial impact assessments. *PT XYZ*'s current data systems are not yet optimized for collecting, verifying, or consolidating these detailed datasets across diverse operational units (Akisik & Gal, 2020).

Without robust measurement and monitoring mechanisms, there is a risk of inconsistent or incomplete reporting that could undermine the credibility of *PT XYZ*'s climate-related disclosures. This data limitation also increases the risk of misinterpretation of climate risks by stakeholders and regulators.

Externally, *PT XYZ* faces increasing regulatory and stakeholder pressure related to climate transparency. The growing adoption of global frameworks like IFRS S2 (while adopted by Indonesia as PSPK 2) means investors and regulators will expect greater depth, comparability, and financial integration in climate disclosures. Failure to meet these expectations could expose *PT XYZ* to reputational risks and reduced attractiveness in

sustainability-linked financing or investment programs. As public awareness and policy commitments on climate intensification, companies with limited or fragmented climate data risk being perceived as less responsive or unprepared for transition toward low-carbon operations.

From a strategic perspective, the absence of established sectoral methodologies for climate risk quantification in Indonesia poses another challenge. PSPK 2 emphasizes scenario analysis and resilience assessment, but the railway sector, especially in Indonesia, lacks specific emission baselines, transition pathways, or standardized risk modelling frameworks. This makes it difficult for *PT XYZ* to perform meaningful comparative or predictive analysis consistent with PSPK 2's expectations. Without sector-aligned metrics or benchmarks, *PT XYZ* may face uncertainty in setting emission reduction targets, evaluating climate risk exposure, or linking climate strategies to long-term investment decisions. Finally, the successful implementation of PSPK 2 also depends on resource readiness and institutional capacity. Establishing climate governance, building analytical capability, and aligning data systems with assurance requirements all demand significant human and financial investment. If *PT XYZ*'s organizational structure and budget are not adjusted to accommodate these new technical demands, PSPK 2 implementation could strain operational resources or delay compliance progress. Given that PSPK 2 has only two years left to implement (it must be implemented in 2027), human and organizational resource preparation is certainly one of the things *PT XYZ* is currently preparing for. In summary, while PSPK 2 offers *PT XYZ* a pathway to climate leadership, it also presents substantial threats related to data maturity, analytical capability, sectoral uncertainty, and resource allocation that must be carefully managed to ensure credible and effective adoption.

The Actor Network Theory (ANT) for PSPK 1 and 2 Implementation

To deepen the SWOT analysis conducted, the author used ANT, especially to deepen the relationship between Human and Non-Human actors who play a role. Interviews with the actors to deepen the SWOT analysis and explore the relationship between human and non-human actors were conducted separately with several sources. Interviews were conducted in Indonesian with the informants in the form of semi-structured interviews for approximately 50-60 minutes for each interview session (Sebrina et al., 2023; Uyar et al., 2022; Karaman et al., 2021). The first interview was conducted with two managers under the Vice President of General Accounting. The interviews were conducted simultaneously so that both sources could complement each other's answers. The first manager provided an overview of the reporting process, while the second manager provided an overview of the gap between the current policy and the possible new policies that must be implemented for the implementation of PSPK 1 and 2.

The next interview was conducted with the manager in charge of the sustainability report; this interview was conducted to confirm the results of the interview that had been conducted with the manager in the General Accounting unit and provide an overview of what collaboration is needed between the General Accounting and Sustainability Report units to complete the unfinished "black box" at *PT XYZ*. After conducting interviews with officials at the manager level who will carry out the technical execution of the implementation of PSPK 1 and 2, the final interview was conducted with the Vice President of General Accounting and

the Vice President of Sustainability Report separately to ensure the direction of management policies that will be taken related to the implementation of PSPK 1 and 2 at *PT XYZ*.

Interview with the General Accounting's Managers

Through interviews conducted with the Managers in the General Accounting division, the following important points were obtained:

1. Currently, there are no regulations regarding the implementation of PSPK 1 and 2 at *PT XYZ*. The existing regulations are regulations regarding financial reporting that specifically regulate financial reports. Meanwhile, based on PSPK 1, disclosure of PSPK 1 and 2 can be made in the General-Purpose Financial Report, the form of which in Indonesia can be an Annual Report or Sustainability Report.
2. In preparation for implementation, the General Accounting unit collaborates with the Indonesian Institute of Accountants (IAI) as the party that issues PSPK 1 and 2 standards to provide training that provides a general overview of these standards.
3. Currently, *PT XYZ* has used the SAP system to support the preparation of its financial reports, with the implementation of PSPK 1 and 2 in 2027, *PT XYZ* will not develop a new system, *PT XYZ* will focus on the existing system (SAP) and ask other units that are also SAP users to detail information in SAP to support the implementation of PSPK 1 and 2.
4. In terms of implementing PSPK 1 and 2 at *PT XYZ*, collaboration between all units is required because the main data needed is spread across these units. However, in terms of compiling it, the units that will compile the data are the accounting, sustainability, and risk management units.
5. One of the factors that must be determined in the implementation of PSPK 1 is materiality, which is simply the minimum nominal limit that must be disclosed in the report. Currently, no materiality has been determined by management for disclosures in PSPK 1 and 2. In the future, it is possible that materiality will be differentiated between materiality in financial statements and sustainability reports. Adjustments to the materiality value will be based on the ratio requirements set by lenders directly affected by the implementation of PSPK 1 and 2.
6. *PT XYZ* will not implement this standard sooner than 2027 (early adoption) because this report will be published later and many preparations must be made, if the preparations are not well established, it is feared that it will affect readers' perceptions of the sustainability and image of *PT XYZ*.
7. External parties that will influence the implementation of PSPK 1 and 2 *PT XYZ* include Danantara Aset Management as the majority shareholder of *PT XYZ*, external auditors, and the Indonesian Institute of Accountants (IAI) as the standard issuer. Of these parties, the IAI is currently playing a role in preparing for the implementation of PSPK 1 and 2 at *PT XYZ*, which has so far played a role in providing training for *PT XYZ* employees from the accounting unit.
8. On the internal side, the actor who plays an important role in the implementation of PSPK 1 and 2 is the Board of Directors (BoD) of *PT XYZ*, the main role of the BoD in this case is to implement binding internal rules and force all units to implement them in 2027, the BoD also plays a role in establishing relationships with external parties, especially shareholders, regulators, and lenders to ensure that *PT XYZ* can present reports in

accordance with applicable regulations and that the messages conveyed by *PT XYZ* through sustainability reports in accordance with PSPK 1 and 2 can be well received by stakeholders.

Interview with the Sustainability Report's Managers

Through interviews conducted with the Manager in the Sustainability Report division, the following important points were obtained:

1. Currently, *PT XYZ* has implemented GRI as the basis for reporting the Sustainability Report as per PSPK 1 and 2, GRI also regulates what information must be disclosed in the Sustainability Report, specific matters regulated by PSPK 1 and 2 and not yet regulated in GRI are risks, mitigation, and opportunities related to sustainability and climate that can be measured in rupiah and the information can be connected to financial reports.
2. One of the issues that hinders the implementation of PSPK 1 and 2 is the understanding of the units in *PT XYZ* regarding the implementation of PSPK 1 and 2, this understanding includes the understanding of each unit regarding the importance of collecting data related to sustainability as well as the understanding of units that are directly related such as finance and risk management on how to measure the rupiah value and risks of sustainability efforts that have been carried out by *PT XYZ*.
3. In addition to the parties mentioned by the accounting unit manager, the Ministry of Transportation is also involved. The Ministry of Transportation and the Ministry of Finance, as regulators, play a role in implementing regulations regarding emission limits permitted by the transportation sector. These emission limits will ultimately influence the determination of carbon taxes. Regarding the implementation of PSPK 1 and 2, if all these regulations are effective, there is a risk of additional carbon tax expenditures and the opportunity for additional new revenue streams for *PT XYZ* from trading *PT XYZ*'s carbon surplus.
4. PSPK 1 and 2, which are derivatives of the internationally applicable IFRS S1 and S2, also open up business opportunities for *PT XYZ*. These disclosures improve *PT XYZ*'s bargaining position in attracting new customers who demand a more valid presentation of emissions values from transportation trips. The comprehensive and standard-compliant presentation of PSPK 1 and 2 also increases *PT XYZ*'s opportunities to obtain other funding sources that are more focused on sustainability.
5. To support the implementation of PSPK 1 and 2, the sustainability report unit will also develop a dashboard that can be used by all units at *PT XYZ* as a medium for conveying data related to *PT XYZ*'s sustainability report.
6. As stated by the manager in the accounting unit, the internal actor who plays the main role in the implementation of PSPK 1 and 2 at *PT XYZ* is the BoD, this actor plays a role in implementing internal rules that bind all units and establishing relationships with external parties to support the implementation of PSPK 1 and 2 at *PT XYZ*, the good implementation of PSPK 1 and 2 will also increase *PT XYZ*'s exposure in accordance with one of the targets implemented by the President Director of *PT XYZ* to become a world class operator.

Interview with the External Auditor

One of the external parties involved in the implementation of PSPK 1 & 2 at *PT XYZ* is the external auditor. To obtain more comprehensive information regarding this matter, the author conducted an online interview via Zoom with a partner at a Public Accounting Firm (KAP) with global affiliations. Based on the interview, the following results were obtained:

1. PSPK 1 & 2 are new standards, including for public accounting firms. These standards focus more on sustainability, encompassing risks, opportunities, and the impact of climate change on companies. These new standards also require public accounting firms to further examine the relationship between financial reporting and these issues. Currently, the KAP that the author interviewed is also making preparations for the implementation of PSPK 1 & 2, these efforts are carried out in the form of conducting training and studying materials prepared by the global KAP network.
2. If a company wishes to early adopt PSPK 1 & 2, it must ensure that it has met all aspects and completed the necessary documentation. Regarding the decision for early adoption, the KAP leaves it entirely up to management, depending on the needs and readiness of management. Currently, Indonesian companies that have implemented IFRS S1 and S2 (which serve as references for PSPK 1 & 2) are Pertamina and Bank BCA.
3. Internal regulations and reporting systems are several important components in the implementation of PSPK 1 and 2. If the Company has sufficient systems and regulations, this will make it easier for the KAP to review the implementation of PSPK 1 and 2 in a Company.
4. In line with what was conveyed by the *PT XYZ* Sustainability Report Unit, the implementation of PSPK 1 & 2 is expected to open up new business opportunities for companies that implement it because in the future the issue of sustainability is a global issue that must be met by most companies so that if a company is able to disclose PSPK 1 and 2 well, opportunities for cooperation from other companies, especially foreign companies that have concerns about sustainability disclosure will also open up.
5. Several parties that have a significant role in the implementation of PSPK 1 and 2 in a company are the Board of Directors, the unit in charge of accounting, the unit in charge of sustainability, the unit in charge of risk management, and the audit committee.
6. Several parties that play a significant role in implementing PSPK 1 and 2 in a company are the Board of Directors, the accounting unit, the sustainability unit, the risk management unit, and the audit committee. These parties act as the coordinators of all parties and available resources to collaborate in implementing PSPK 1 and 2.
7. PSPK 1 and 2 will be reported in a general-purpose financial report. A General-Purpose Financial Report (GPF) is a report that displays financial data and can be used by a wider audience. This report can be an Annual Report or a Sustainability Report, which is also part of the Annual Report. In preparing this report, a Public Accounting Firm (KAP) can assist the company in conducting a review. To ensure optimal review, the company must have internal regulations and supporting systems.

Based on the data obtained from the interview results, and data processing using ANT, there are several stages that can translate the implementation of PSPK 1 and 2 at *PT XYZ*, these stages consist of problematization, Interest, Enrolment, and Mobilization.

CONCLUSION

This study concludes that *PT XYZ* possesses a strong foundational basis for transitioning to *PSPK* 1 and 2, owing to its prior adoption of GRI Standards and *POJK* 51; however, significant gaps remain in linking sustainability disclosures to financial reporting, establishing climate risk governance, conducting comprehensive materiality assessments, and setting measurable climate-related targets. Through SWOT analysis and Actor–Network Theory (ANT), the study further identifies that successful *PSPK* implementation demands both technical and organizational readiness, including enhanced data systems, strengthened internal coordination, and clearly defined accountability structures. By mobilizing the necessary human and non-human actors and addressing these identified weaknesses, *PT XYZ* can improve the quality, credibility, and strategic relevance of its sustainability reporting while positioning itself as a sustainable transportation leader with improved access to sustainability-linked financing. Future research is recommended to conduct a longitudinal assessment of *PT XYZ*'s *PSPK* compliance progress following the 2027 mandatory implementation deadline, as well as comparative studies across other companies in the transportation sector to evaluate sector-wide readiness and identify best practices for *PSPK* adoption in Indonesia.

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