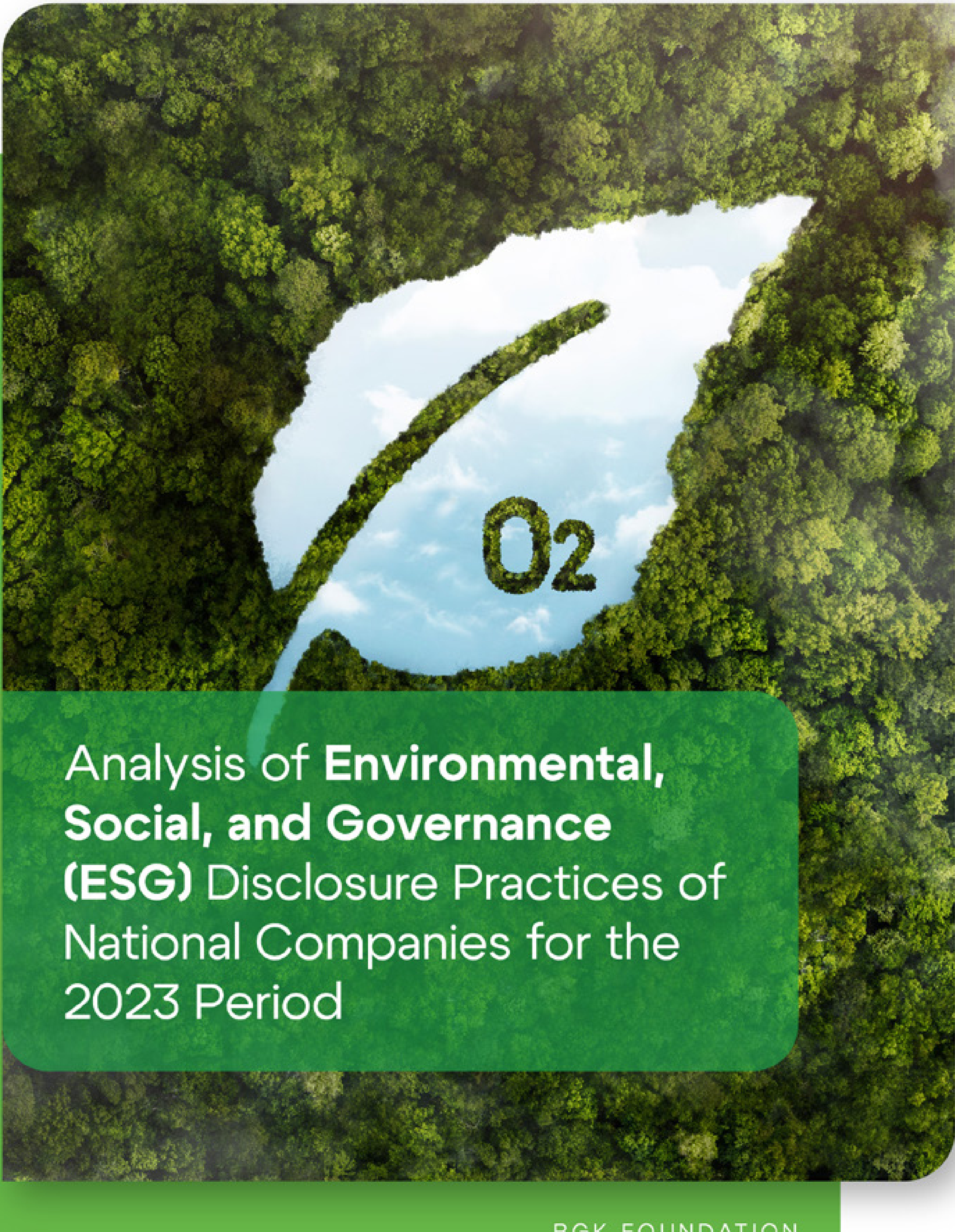
2024
Annual Report

BGK FOUNDATION



Analysis of **Environmental, Social, and Governance (ESG)** Disclosure Practices of National Companies for the 2023 Period

BGK FOUNDATION

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FOREWORD

Deni Daruri

Founder BGK Foundation

We extend our sincere gratitude to God Almighty for His blessings and guidance, which have enabled us, BGK Foundation, to complete the Annual Report: Analysis of Environmental, Social, and Governance (ESG) Disclosure Practices of National Companies for the 2023 Period.

BGK Foundation is an independent organization actively supporting sustainability initiatives. As a member of the Global Reporting Initiative (GRI), a supporting member of the Task Force on Climate-related Financial Disclosures (TCFD), and a Silver Accredited Solutions Provider of the Carbon Disclosure Project (CDP), BGK Foundation has conducted various studies and research on sustainability, including environmental, social, and governance (ESG) impact assessments of corporate activities aimed at advancing Indonesia's industrial sectors.

Environmental, Social, and Governance (ESG) issues have become highly strategic and relevant, increasingly regarded as the new "legacy" of modern companies. The growing attention to ESG reflects the expectations of society and stakeholders for companies to not only focus on profitability, but also to make a positive contribution to the environment and society.

Therefore, BGK Foundation is committed to encouraging companies to be more transparent in disclosing ESG aspects. Through guidelines aligned with both national and international regulations, BGK Foundation supports companies in integrating sustainable practices with legal compliance, enhancing their reputation, and creating long-term value for all stakeholders.

As a commitment to continuing research and analysis on ESG disclosure in Indonesia, BGK Foundation consistently publishes an annual report that summarizes its research and analysis on ESG disclosure. The positive trend demonstrates that an increasing number of companies are recognizing the importance of preparing sustainability reports. This reinforces the BGK Foundation's optimism that the level of ESG disclosure in Indonesia will continue to experience significant growth year over year.

In addition, Indonesia's commitment at the Conference of the Parties (COP 26) and its Nationally Determined Contribution (NDC), which targets a 29% reduction in national emissions independently and up to 41% with international support by 2030, requires active involvement from various industrial sectors. By measuring and disclosing emissions in sustainability reports, companies not only make a tangible contribution to the government's efforts in reducing emissions, but also enhance their value through transparent ESG disclosure that supports sustainable development goals in a measurable, accurate, credible, and objective manner.

In conclusion, the analysis of ESG disclosure practices of national companies for the 2023 period is intended to provide valuable assessments and serve as motivation for companies to enhance transparency in preparing sustainability reports. As transparency increases, it will align with the improvement of a company's ESG performance, which will also contribute to the overall enhancement of national ESG performance.

EXECUTIVE SUMMARY

BGK Foundation has completed an in-depth evaluation of the Environmental, Social, and Governance (ESG) disclosures in the sustainability reports of national companies. This evaluation was conducted based on the 33 ESG Materiality Factors developed by BGK Foundation, ensuring that each material aspect relevant to the company's sustainability is identified and analyzed comprehensively.

In conducting the ESG disclosure evaluation, BGK Foundation analyzed sustainability reports for the financial year ending December 31, 2023. These reports were published by 150 companies selected based on the sustainability report publications from their official websites. The reports included in the evaluation criteria were those published between January - October 2024.

The 150 companies evaluated consist of 122 listed companies (33 LQ45 listed companies) and 28 non-listed companies, with the following details:

No.	Stock Code	Company Name	ESG Disclosure (%)	Remarks
1	ITMG	PT Indo Tambangraya Megah Tbk	96	LQ45
2	ABMM	PT ABM Investama Tbk	95	
3	PTBA	PT Bukit Asam Tbk	95	LQ45
4	BBRI	PT Bank Rakyat Indonesia (Persero) Tbk	94	LQ45
5	TINS	PT Timah Tbk	91	
6	ANTM	PT Aneka Tambang Tbk	91	LQ45
7	BBTN	PT Bank Tabungan Negara (Persero) Tbk	89	LQ45
8	POWR	PT Cikarang Listrindo Tbk	89	
9	BJBR	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	88	
10	INCO	PT Vale Indonesia Tbk	88	
11	BBNI	PT Bank Negara Indonesia (Persero) Tbk	87	LQ45
12	PGAS	PT Perusahaan Gas Negara Tbk	83	LQ45
13	PGEO	PT Pertamina Geothermal Energy Tbk	81	LQ45
14	BUMI	PT Bumi Resources Tbk	80	
15	INDY	PT Indika Energy Tbk	79	
16	ANJT	PT Austindo Nusantara Jaya Tbk	79	
17	DOID	PT Delta Dunia Makmur Tbk	79	
18	BTPN	PT Bank BTPN Tbk	77	
19	ASII	PT Astra International Tbk	77	LQ45
20	MBMA	PT Merdeka Battery Materials Tbk	76	LQ45
21	UNVR	PT Unilever Indonesia Tbk	76	LQ45
22	WTON	PT Wijaya Karya Beton Tbk	75	

No.	Stock Code	Company Name	ESG Disclosure (%)	Remarks
23	**WEGE**	PT Wijaya Karya Bangunan Gedung Tbk	75	
24	**MEDC**	PT Medco Energi Internasional Tbk	75	LQ45
25	**DSNG**	PT Dharma Satya Nusantara Tbk	75	
26	**MDKA**	PT Merdeka Copper Gold Tbk	74	
27	**WIKA**	PT Wijaya Karya (Persero) Tbk	73	
28	**PTRO**	PT Petrosea Tbk	71	
29	**BMRI**	PT Bank Mandiri (Persero) Tbk	70	LQ45
30	**DEWA**	PT Darma Henwa Tbk	69	
31	**TOWR**	PT Sarana Menara Nusantara Tbk	67	LQ45
32	**BRMS**	PT Bumi Resources Minerals Tbk	67	
33	**INDF**	PT Indofood Sukses Makmur Tbk	66	LQ45
34	**EMTK**	PT Elang Mahkota Teknologi Tbk	66	
35	**JSMR**	PT Jasa Marga (Persero) Tbk	65	LQ45
36	**BNGA**	PT Bank CIMB Niaga Tbk	64	
37	**SIDO**	PT Industri Jamu Dan Farmasi Sido Muncul Tbk	64	LQ45
38	**BJTM**	PT Bank Pembangunan Daerah Jawa Timur Tbk	63	
39	**GIAA**	PT Garuda Indonesia (Persero) Tbk	63	
40	**CITA**	PT Cita Mineral Investindo Tbk	62	
41	**NCKL**	PT Trimegah Bangun Persada Tbk	58	
42	**DSSA**	PT Dian Swastatika Sentosa Tbk	56	
43	**BRIS**	PT Bank Syariah Indonesia Tbk	54	LQ45
44	**BANK**	PT Bank Aladin Syariah Tbk	54	
45	**BDMN**	PT Bank Danamon Indonesia Tbk	53	
46	**BBCA**	PT Bank Central Asia Tbk	50	LQ45
47	**TBIG**	PT Tower Bersama Infrastructure Tbk	50	
48	**TPIA**	PT Chandra Asri Petrochemical Tbk	42	
49	**ELSA**	PT Elnusa Tbk	39	
50	**SSMS**	PT Sawit Sumbermas Sarana Tbk	39	
51	**SMGR**	PT Semen Indonesia (Persero) Tbk	39	LQ45
52	**ADMR**	PT Adaro Minerals Indonesia Tbk	38	LQ45
53	**TOBA**	PT TBS Energi Utama Tbk	38	
54	**ADRO**	PT Adaro Energy Indonesia Tbk	37	LQ45
55	**ISAT**	PT Indosat Tbk	37	LQ45
56	**AKRA**	PT AKR Corporindo Tbk	37	LQ45
57	**GOTO**	PT GoTo Gojek Tokopedia Tbk	37	LQ45

No.	Stock Code	Company Name	ESG Disclosure (%)	Remarks
58	**SMCB**	PT Solusi Bangun Indonesia Tbk	36	
59	**AALI**	PT Astra Agro Lestari Tbk	35	
60	**BIRD**	PT Blue Bird Tbk	35	
61	**STAA**	PT Sumber Tani Agung Resources Tbk	35	
62	**JAWA**	PT Jaya Agra Wattie Tbk	35	
63	**PPRO**	PT PP Properti Tbk	35	
64	**EXCL**	PT XL Axiata Tbk	34	LQ45
65	**BNII**	PT Bank Maybank Indonesia Tbk	34	
66	**PSGO**	PT Palma Serasih Tbk	34	
67	**PTPP**	PT Pembangunan Perumahan (Persero) Tbk	34	
68	**LPKR**	PT Lippo Karawaci Tbk	33	
69	**PWON**	PT Pakuwon Jati Tbk	33	
70	**TAPG**	PT Triputra Agro Persada Tbk	33	
71	**SMRA**	PT Summarecon Agung Tbk	32	LQ45
72	**INPC**	PT Bank Artha Graha Internasional Tbk	32	
73	**INTP**	PT Indocement Tunggal Prakarsa Tbk	32	LQ45
74	**INPP**	PT Indonesian Paradise Property Tbk	31	
75	**CRSN**	PT Carsurin Tbk	31	
76	**ARCI**	PT Archi Indonesia Tbk	31	
77	**NISP**	PT Bank OCBC NISP Tbk	31	
78	**JPFA**	PT JAPFA Comfeed Indonesia Tbk	30	
79	**SCMA**	PT Surya Citra Media Tbk	30	
80	**HRUM**	PT Harum Energy Tbk	30	
81	**ADHI**	PT Adhi Karya (Persero) Tbk	30	
82	**BSDE**	PT Bumi Serpong Damai Tbk	30	
83	**LPIN**	PT Multi Prima Sejahtera Tbk	29	
84	**META**	PT Nusantara Infrastructure Tbk	29	
85	**AMRT**	PT Sumber Alfaria Trijaya Tbk	29	LQ45
86	**MERK**	PT Merck Tbk	28	
87	**KLBF**	PT Kalbe Farma Tbk	28	LQ45
88	**IPCM**	PT Jasa Armada Indonesia Tbk	28	
89	**SRTG**	PT Saratoga Investama Sedaya Tbk	28	
90	**KAEF**	PT Kimia Farma Tbk	27	
91	**HERO**	PT Hero Supermarket Tbk	27	
92	**TOTL**	PT Total Bangun Persada Tbk	27	

No.	Stock Code	Company Name	ESG Disclosure (%)	Remarks
93	**MEGA**	PT Bank Mega Tbk	26	
94	**ASGR**	PT Astra Graphia Tbk	25	
95	**BTPS**	PT Bank BTPN Syariah Tbk	25	
96	**PJAA**	PT Pembangunan Jaya Ancol Tbk	25	
97	**TLKM**	PT Telkom Indonesia (Persero) Tbk	23	
98	**MYOR**	PT Mayora Indah Tbk	23	
99	**AGII**	PT Samator Indo Gas Tbk D/H PT Aneka Gas Tbk	22	
100	**AGRO**	PT Bank Raya Indonesia Tbk	22	
101	**UNTR**	PT United Tractors Tbk	22	
102	**IPCC**	PT Indonesia Kendaraan Terminal Tbk	21	
103	**LPLI**	PT Star Pasific Tbk	21	
104	**ACES**	PT Ace Hardware Indonesia Tbk	20	LQ45
105	**PNBN**	PT Bank Pan Indonesia Tbk	20	
106	**ISSP**	PT Steel Pipe Industry of Indonesia Tbk	20	
107	**COCO**	PT Wahana Interfood Nusantara Tbk	19	
108	**PSSI**	PT IMC Pelita Logistik Tbk	19	
109	**IBST**	PT Inti Bangun Sejahtera Tbk	18	
110	**ADMF**	PT Adira Dinamika Multi Finance Tbk	18	
111	**MAYA**	PT Bank Mayapada Internasional Tbk	18	
112	**CSRA**	PT Cisadane Sawit Raya Tbk	16	
113	**WSKT**	PT Waskita Karya (Persero) Tbk	15	
114	**CPIN**	PT Charoen Pokphand Indonesia Tbk	15	LQ45
115	**BNLI**	PT Bank Permata Tbk	15	
116	**BRPT**	PT Barito Pacific Tbk	15	LQ45
117	**HMSP**	PT HM Sampoerna Tbk	14	
118	**KEEN**	PT Kencana Energi Lestari Tbk	13	
119	**BBMD**	PT Bank Mestika Dharma Tbk	10	
120	**ADES**	PT Akasha Wira International Tbk	9	
121	**INAF**	PT Indofarma Tbk	9	
122	**BEKS**	PT Bank Pembangunan Daerah Banten Tbk	9	
123	**Private Company**	PT Pupuk Kalimantan Timur	95	
124	**Private Company**	PT Pertamina (Persero)	95	
125	**Private Company**	PT Pupuk Indonesia (Persero)	93	
126	**Private Company**	PT Perkebunan Nusantara IV (Persero)	91	
127	**Private Company**	PT Perkebunan Nusantara III (Persero)	88	

No.	Stock Code	Company Name	ESG Disclosure (%)	Remarks
128	**Private Company**	PT Perkebunan Nusantara I (Persero)	86	
129	**Private Company**	PT Kilang Pertamina Internasional	84	
130	**Private Company**	PT Perusahaan Listrik Negara (Persero)	82	
131	**Private Company**	PT Indonesia Asahan Aluminium (Persero)	81	
132	**Private Company**	PT PLN Nusantara Power	79	
133	**Private Company**	PT Angkasa Pura I (Persero)	78	
134	**Private Company**	PT PLN Indonesia Power	76	
135	**Private Company**	PT Tripatra	68	
136	**Private Company**	PT Pelabuhan Indonesia (Persero)	51	
137	**Private Company**	PT Mitra Maju Sukses (MMS) Group Indonesia	43	
138	**Private Company**	PT Federal International Finance	33	
139	**Private Company**	PT Telekomunikasi Selular (Telkomsel)	32	
140	**Private Company**	PT Sinar Mas Land	32	
141	**Private Company**	PT Perum Peruri (Persero)	28	
142	**Private Company**	PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo	26	
143	**Private Company**	PT Pegadaian (Persero)	25	
144	**Private Company**	PT Prudential Life Assurance	24	
145	**Private Company**	PT Bank DKI	20	
146	**Private Company**	PT Mandiri Capital Indonesia	19	
147	**Private Company**	PT Permodalan Nasional Madani	18	
148	**Private Company**	PT Bank Aceh Syariah	18	
149	**Private Company**	PT Asuransi Jasa Indonesia	16	
150	**Private Company**	PT Aviasi Pariwisata Indonesia (Persero)	12	

The evaluation and assessment of each company's ESG disclosure focus on the following factors:

- Whether the company has published a sustainability report;
- When the sustainability report was published;
- Whether the sustainability report has undergone an assurance process by an independent third party (AA1000 or ISAE3000);
- The company's disclosure based on the evaluation of the 33 ESG factors;
- The company's preparation of the sustainability report, the level of detail in the information disclosed, and the alignment of the report with the Global Reporting Initiative (GRI) standards.

The assessment components for the disclosure of environment, social, and governance topics in sustainability reports include:

Environment

- GHG emissions (E1)
- GHG Intensity (E2)
- Energy usage (E3)
- Energy intensity (E4)
- Energy mix (E5)
- Water usage (E6)
- Environmental regulations, procedures, and processes (E7)
- Environmental oversight by the Board of Directors (E8)
- Environmental oversight by senior management (E9)
- Management and analysis of investments in climate and environment (E10)
- Corporate social responsibility (CSR) in forestry (E11)

Main GRI : **20** GRI Indicators : **76** GRI Sub-indicators : **33**

SOCIAL

- CEO Pay Ratio (S1)
- Gender Pay Ratio (S2)
- Employee turnover (S3)
- Gender diversity percentage (S4)
- Percentage of temporary workers (S5)
- Non-Discrimination Policies, Procedures, and Processes (PPP) (S6)
- Injury/accident rate (S7)
- Occupational health and safety level (S8)
- Child labor/forced labor (S9)
- PPP of human rights (S10)
- CSR in community communication (S11)

Main GRI : **22** GRI Indicators : **51** GRI Sub-indicators : **39**

Governance

- Board diversity (G1)
- Board independence from external control (G2)
- Monetary incentives linked to sustainability (G3)
- Collective bargaining protocols and agreements (G4)
- Supplier Code of Conduct (G5)
- Anti-corruption ethics and legal compliance (G6)
- Privacy and personal data protection (G7)
- Sustainability Reports (G8)
- Disclosure practices (G9)
- Independent assurance (G10)
- Tax transparency (G11)

Main GRI : **36** GRI Indicators :**66** GRI Sub-indicators : **33**

By incorporating the components above into the assessment, each sustainability report can provide a comprehensive overview of the company's commitment to and contribution toward global sustainability goals, as well as its impact on the company's long-term performance and its stakeholders.

Our recommendations focus on:

- Disclosure related to GHG emission factors;
- Utilizing the "explain" option for provisions under the "comply or explain" principle;
- The assurance process for the sustainability report by an independent third party;
- Involvement of highest governance bodies in ESG issues;
- Guidance and oversight provided to the company.

Explanation of the ESG components of the BGK Foundation can be found in the table below:

ESG Component	ESG Factor	Explanation
Environment	E1 – GHG Emissions	Greenhouse gas emissions resulting from the use of fuel, electricity, refrigerants, fertilizers, forest fires, and other sources. They consist of: • Scope 1: Emissions generated from company operations such as fuel, refrigerants, and fertilizers. • Scope 2: Emissions generated from electricity consumption. • Scope 3: Emissions generated from business travel, purchased goods or services, and waste.

E2 – GHG Intensity	Refers to the efficiency of an organization's resource use relative to its economic value. It is derived by dividing the total annual emissions (as the numerator) by various measures of economic output (as the denominator)
E3 – Energy Usage	Recapitulation of energy use, such as the use of fuel, electricity, freon, and others.
E4 – Energy Intensity	Refers to the assessment of an organization's resource consumption in relation to its operational scale. It is derived by dividing annual consumption figures (as the numerator) by relevant physical indicators (as the denominator), such as total office space, number of employees, or other applicable operational metrics.
E5 – Energi Mix	Cost, sources, availability, and energy security have a direct impact on a company's ability to implement energy-saving measures.
E6 – Water Usage	Corporate water usage and its sources, such as groundwater, rivers, or municipal water supply (PDAM). How water use policies are applied within the company and related practices.
E7 – Environmental Regulations, Procedures, and Processes (Environmental Operations)	Emerging standards regarding environmental responsibility require formal policies and implementation. Companies that develop, publish, and regularly update environmental policy documents.
E8 - Environmental Oversight by the Board of Directors (Climate Oversight / Board)	Oversight by the Board of Directors: For example, the company may include climate change risk discussions as part of the official board meeting agenda, or establish a dedicated board committee focused on climate change issues to address this factor.
E9 - Environmental Oversight by Senior Management (Climate Oversight / Management)	Management Oversight: For example, the company may include climate change risk discussions as part of the official agenda in senior management meetings or establish a management committee dedicated to climate-related issues to address this factor.
E10 - Management and Analysis of Investments in Climate and the Environment (Climate Risk Mitigation)	Reflects an understanding of how physical risks, transition risks, and climate change opportunities impact the business over time. For example, the integration of climate change risk management within company's identified risks.
E11 – Corporate Social Responsibility in Forestry (Forestry CSR)	Serves as a benchmark for the company's direct contribution to forest conservation and management. It reflects the company's commitment to environmental preservation and reinforces management's awareness that the forestry sector is a critical area for allocating CSR funds.

ESG Component	ESG Factor	Explanation
Social	S1 – CEO Pay Ratio	Showing the valuation and cost implications for the CEO role compared to other employees. Some stakeholders (especially investors) state that this metric allows them to evaluate the potential impact of executive compensation; a significant pay gap between the CEO and other company employees.
	S2 – Gender Pay Ratio	To determine the scope of remuneration and the impact of the "gender gap" within the company. Many countries have introduced laws to enforce the principle of equal pay for equal work. This issue is supported by the ILO Convention. Pay equality is a factor in retaining employee qualifications in the workplace. If there is an imbalance, the organization risks its reputation and potential discrimination.
	S3 - Employee Turnover	The relative percentage of employees who leave or resign from a company can directly impact resource allocation, budgeting, planning, and productivity. A high employee turnover rate may indicate uncertainty and dissatisfaction among employees, signaling fundamental changes in the organization's core operational structure.
	S4 - Gender Diversity Percentage	Increasing diversity of thought or ideas (as represented by both men and women) can lead to enhanced creativity, improved team productivity, and reduced systemic inequities. This information can indicate the organization's efforts to implement inclusive recruitment practices and optimize the use of available workforce and talent. Uneven promotion patterns and seniority based on gender may highlight risks associated with workplace inequity. Some investors specifically target companies that are more diverse (or gender-balanced).
	S5 - Percentage of Temporary Workers	This ratio provides information about the strategy and management of human resources. Categorizing the workforce by job type shows how the organization organizes human resources to implement its overall strategy.
	S6 - Non-Discrimination PPP	Whether there are any discriminatory practices within the company, such as in salary, recruitment, and other areas. This ratio provides valuable insights into the human resource strategy and management related to specific protections. Stakeholders use this metric to assess the effectiveness and scope of the enterprise risk management (ERM)

	S7 – Injury/Accident Rate	Low injury and absenteeism rate is generally associated with positive trends in workforce morale and productivity. This is expressed in terms of the total number of injuries and fatalities relative to the total workforce.
	S8 – Occupational Health and Safety Rate (Global Health and Safety)	This indicator reveals the extent to which the workforce is consciously aware of the policies that define the principles of health and safety management.
	S9 – Child/Forced Labor	Child labor and forced labor: working conditions that violate applicable laws expose the company to significant risks.
	S10 – Human Rights	Compliance with strong human rights policies often leads to increased productivity, improved human capital development, better workplace dynamics, and reduced risks.
	S11 – CSR in Community Communication	As a benchmark for the company's direct contribution to its external social responsibilities, it raises management's awareness that the external social sector is an important area for allocating the company's CSR funds.

ESG Component	ESG Factor	Explanation
Governance	G1 – Board Diversity	Research tends to show that an increased number of women on boards is associated with better business outcomes, including strong financial performance, the ability to attract and retain top talent, higher innovation, improved client insight, strong performance on non-financial indicators, and enhanced board effectiveness.
	G2 – Board Independence from External Control	Composition of the highest governance body and its commitments based on: i. executive or non-executive; ii. independence; iii. tenure of the governance body; iv. he number of positions and other significant commitments of each individual, as well as the nature of the commitments; v. gender; and so on.
	G3 – Monetary Incentives Linked to Sustainability	Remuneration policy for the highest governance body and senior executives for the following types of remuneration: severance pay, sign-on/recruitment bonuses, pension benefits.
	G4 – Collective Bargaining Protocols and Agreements	Percentage of total employees covered by collective bargaining agreements.

	G5 – Supplier Code of Conduct	Company policy regarding third parties such as suppliers, vendors, and others related to Social, Environmental, and Governance issues.
	G6 – Anti-Corruption Ethics and Legal Compliance	Cases and policies related to corporate corruption or fraud.
	G7 – Privacy and Personal Data Protection	Data breach cases and how the company ensures consumer data protection.
	G8 – Sustainability Reports	Indicates whether there is public communication regarding the company's ESG performance, for example through the preparation of a Sustainability Report, ESG Impact Assessment, and others.
	G9 – Disclosure Practices	Information disclosure in accordance with GRI standard, for example, key topics and materiality must be identified through stakeholder engagement.
	G10 – Independent Assurance	Indicates the validation of sustainability data published by the company through various reporting channels.
	G11 – Tax Transparency	Tax transparency indicates the company's transparency regarding its tax approach and governance.

OBJECTIVE

ESG-related aspects have become a crucial element in today's business landscape. Global awareness of sustainability issues is driving companies to focus not only on financial profits but also on the environmental and social impacts of their operations. Around the world, companies are increasingly required to integrate ESG aspects into their business practices through stringent regulations and international standards.

ESG disclosure has now become a key benchmark for investor and stakeholder trust, as well as a company's competitiveness in the global market. Investors are becoming more selective in choosing companies that demonstrate a commitment to sustainability and good governance. Transparent disclosure of ESG performance is not only a regulatory requirement but also helps build the company's reputation, attract sustainability-conscious investors, and create long-term value. Integrating ESG into business strategy is an important step for companies to remain relevant, competitive, and responsible in addressing global challenges.

The analysis of ESG disclosures from national companies is expected to serve as a data source for stakeholders, including investors, customers, regulators, and public. The data presented can serve as a basis for decision-making, whether in investment decisions, business decisions, or as a means of oversight on the company's sustainability performance. Through transparent and accurate disclosure, stakeholders can assess the extent to which a company is committed to sustainability and its impact on society and the environment.

Internally, this report is expected to serve as a guideline for each company to improve the quality of their sustainability reports in the future. BGK Foundation is committed to conducting regular reviews of the sustainability reports prepared by companies to ensure that the disclosures remain relevant, measurable, and in line with current sustainability trends. With ongoing reviews and evaluations, it is expected that companies will be more effective in meeting the sustainability standards expected by all stakeholders.

Thus, the primary goal of ESG transparency is to provide comprehensive information to stakeholders, assist Indonesia in accelerating the achievement of its net-zero emissions target, and enhance the competitiveness of companies, particularly publicly listed companies in Indonesia. ESG transparency also enables stakeholders to make more informed decisions, promotes sustainable business practices, and builds trust between the company and its stakeholders.

METHODOLOGY

“ The assessment of this report involves 150 companies with a fiscal year-end on December 31, 2023

The selection process was based on the availability of sustainability reports published on each company’s official website. This ensures that only companies that actively report their sustainability practices are included. Additionally, sustainability reports that refer to the Global Reporting Initiative (GRI) Standards will be considered in the assessment, while reports not adhering to these standards are excluded from the assessment to maintain consistency and the quality of the analysis.

The distribution of the selected companies that were assessed covers various industry sectors, with the details as follows:

Sector	Number of Companies	Percentage
Finance	30	20%
Energy	25	17%
Consumer Staple	23	15%
Infrastructure	20	13%
Basic Materials	17	11%
Property & Real Estate	8	5%
Industrials	6	4%
Healthcare	5	3%
Others	16	11%
Total Percentage		**100%**
Publicly Listed Companies		**122**
Non-Publicly Listed Companie		**28**
Total Companies		**150**

Subsequently, the assessment of each company's sustainability report focuses on the following factors:

- Whether the sustainability report is prepared using the Global Reporting Initiative (GRI) Standards;
- When the sustainability report was published;
- Whether the sustainability report has undergone an assurance process by an independent third party (AA1000 or ISAE3000);
- The company's disclosure based on the assessment of 33 ESG factors;
- How the company prepares the sustainability report, the level of detail in the information disclosed, and its alignment with the GRI Standard.

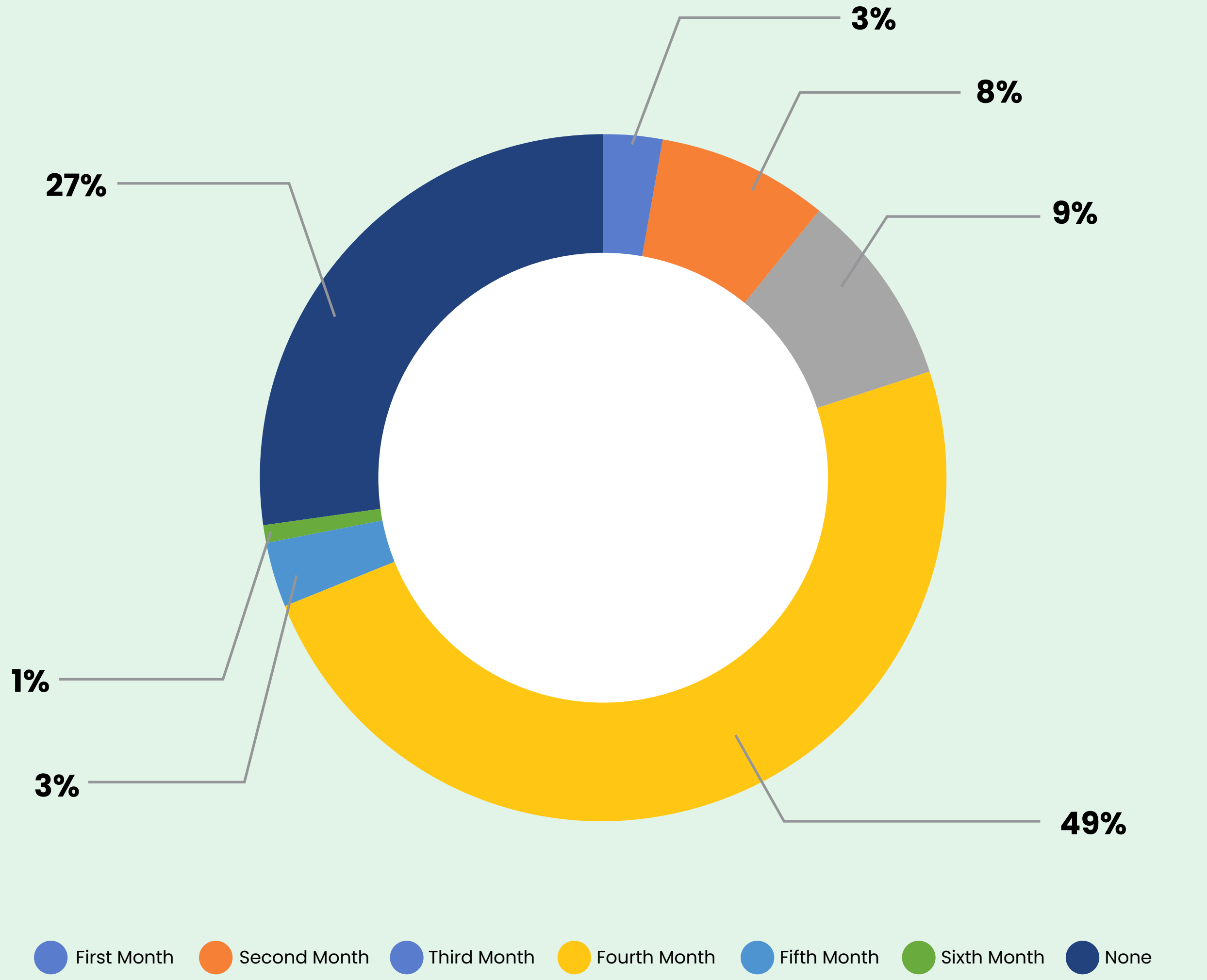
In assessing the five points above, the BGK Foundation uses a quantitative assessment method to ensure the level of the company's compliance with ESG disclosures. A disclosure is considered to meet the criteria if the company has provided clear information regarding its compliance with each ESG factor. However, disclosure is considered incomplete if the company does not provide information or reasons for the lack of information related to a certain ESG factor. Sustainability reports that have gone through an assurance process by an independent third party (AA1000 or ISAE3000) will also receive a higher score compared to reports that are not assured.

TIMELINESS OF SUSTAINABILITY REPORT DISCLOSURE FROM THE FISCAL YEAR PERIOD

Based on data from 150 companies that publish sustainability reports, some companies still do not include information about the report's publication date. Among those that provide this information, 76% publish their sustainability reports within the first eight months following the fiscal year-end.

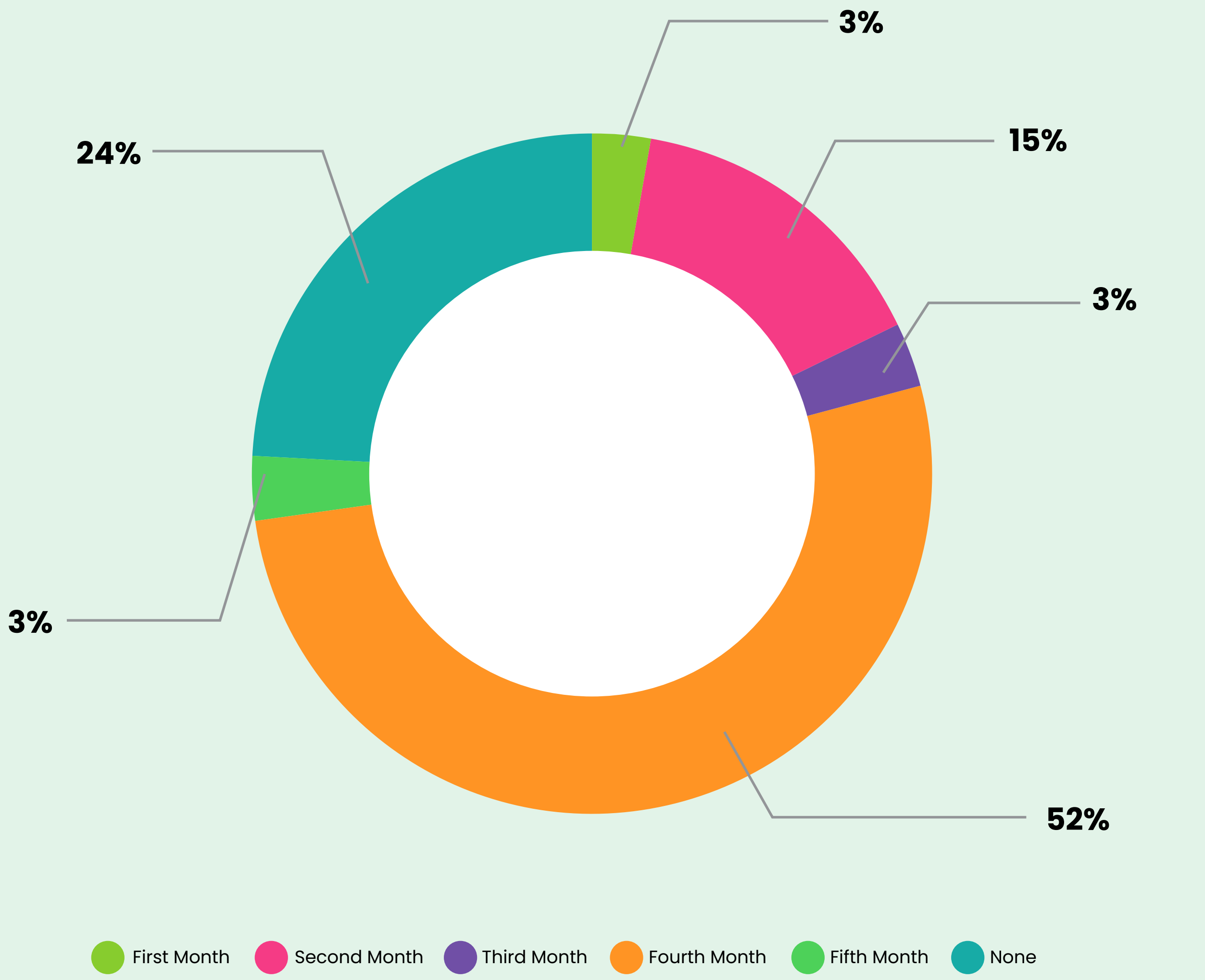
A more detailed analysis of reporting timeliness can be examined through the graph presenting the distribution of sustainability report publications based on the publication timing relative to the fiscal year-end

Graph 1. Timeliness of Reporting for 122 Public Companies



Based on Graph 1, it can be seen that 3% of companies publish their sustainability reports in the first month, followed by 8% publishing in the second month and 9% in the third month. Furthermore, 49% of companies publish their sustainability reports in the fourth month, 2% in the fifth month, and 1% in the seventh month after the fiscal year-end. Meanwhile, the remaining 27% of companies do not include information regarding the publication timing of their sustainability reports.

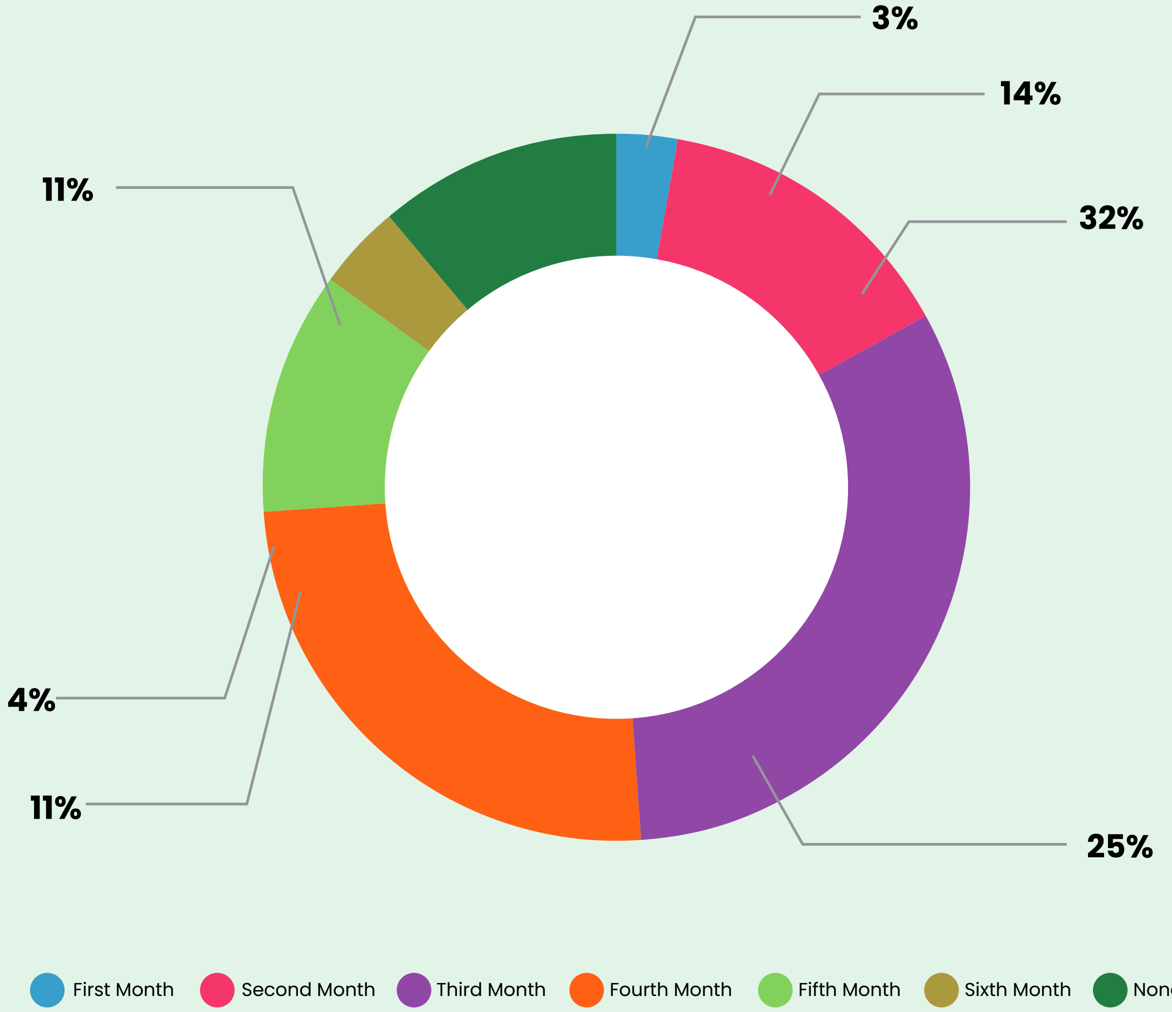
Graph 2. Timeliness of Reporting for 33 LQ45 Listed Companies



Based on Graph 2, it can be seen that 3% of LQ45 listed companies publish their sustainability reports in the first month, and 15% in the second month. Furthermore, 52% of companies publish their sustainability reports in the fourth month, and 3% in the fifth month after the fiscal year-end. Meanwhile, the remaining 24% of companies do not include information regarding the publication timing of their sustainability reports.

Overall, 76% of LQ45 listed companies have published their sustainability reports in accordance with the deadline set by national regulators. The deadline for submitting the 2023 sustainability reports is set no later than May 2024, or the fifth month. The highest reporting rate among LQ45 listed companies occurred in the fourth month, at 52%.

Graph 3. Timeliness of Reporting for 28 Non-Listed Companies



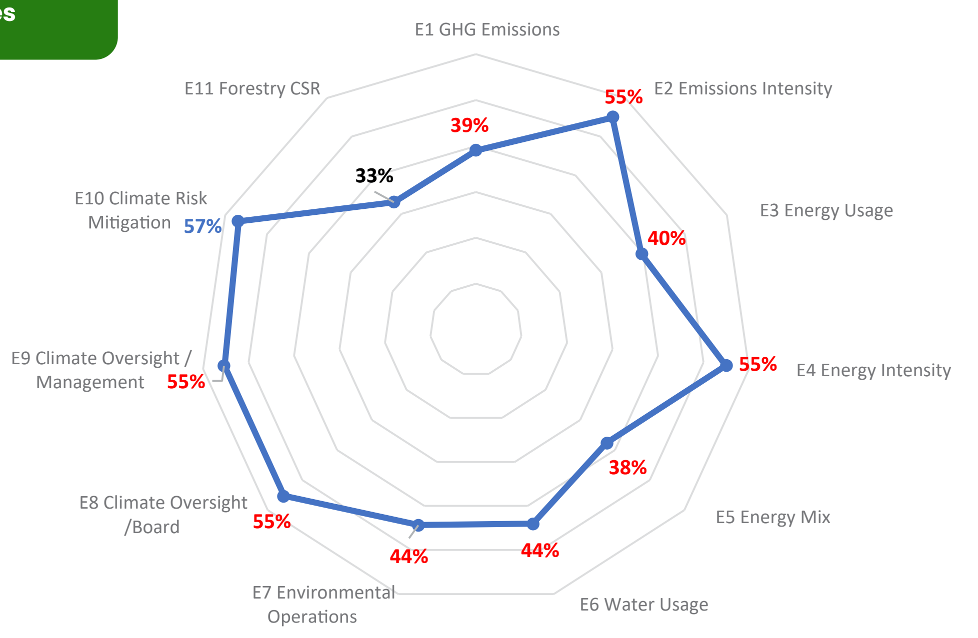
Furthermore, Graph 3 shows that non-listed companies exhibit more varied results, with report publication times ranging from the second to the eighth month. This result indicates that the publication timing of non-listed companies' reports is influenced by the fact that these companies do not yet have the obligation to prepare sustainability reports, thus their reporting aligns with the needs of their individual work plans.

From the three graphs above, it can be seen that 24% of both listed and non-listed companies do not include the publication timing of their sustainability reports. This is based on our review of each sustainability report, where the date or month of approval was not found in the reports.

The timeliness of publishing sustainability reports is crucial as it directly indicates the extent to which sustainability issues (ESG) are prioritized by the company. The sooner the sustainability report is published, the faster business decisions based on sustainability can be made. Furthermore, oversight and evaluation by stakeholders can be conducted more promptly, allowing for more efficient feedback and continuous improvement in the company's performance related to ESG.

RESULTS AND ANALYSIS OF THE DISCLOSURE OF 33 ESG FACTORS FOR LISTED COMPANIES

Environmental Disclosure of 122 Listed Companies



The average environmental topic disclosure score of the 122 listed companies is 47%, with the highest and lowest score as follows:

Highest Disclosure Score:

Climate Risk Mitigation (E10)

57%

Reflects an understanding of how physical risks, transition risks, and climate change opportunities impact the business over time. For example, the integration of climate change risk management within company's identified risks.

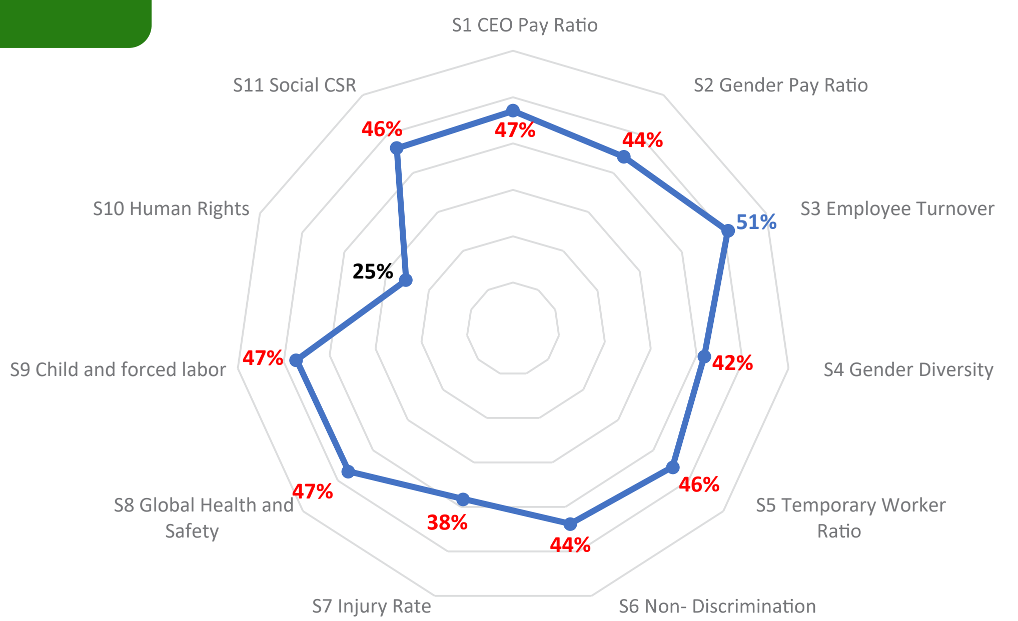
Lowest Disclosure Score:

Forestry CSR (E11)

33%

Serves as a benchmark for the company's direct contribution to forest conservation and management. It reflects the company's commitment to environmental preservation and reinforces management's awareness that the forestry sector is a critical area for allocating CSR funds.

Social Disclosure of 122 Listed Companies



The average social topic disclosure score from 122 listed companies is 43%, with the highest and lowest score as follows:

Highest Disclosure Score:

Employee Turnover (S3)

51%

The relative percentage of employees who leave or resign from a company can directly impact resource allocation, budgeting, planning, and productivity. A high employee turnover rate may indicate uncertainty and dissatisfaction among employees, signaling fundamental changes in the organization's core operational structure.

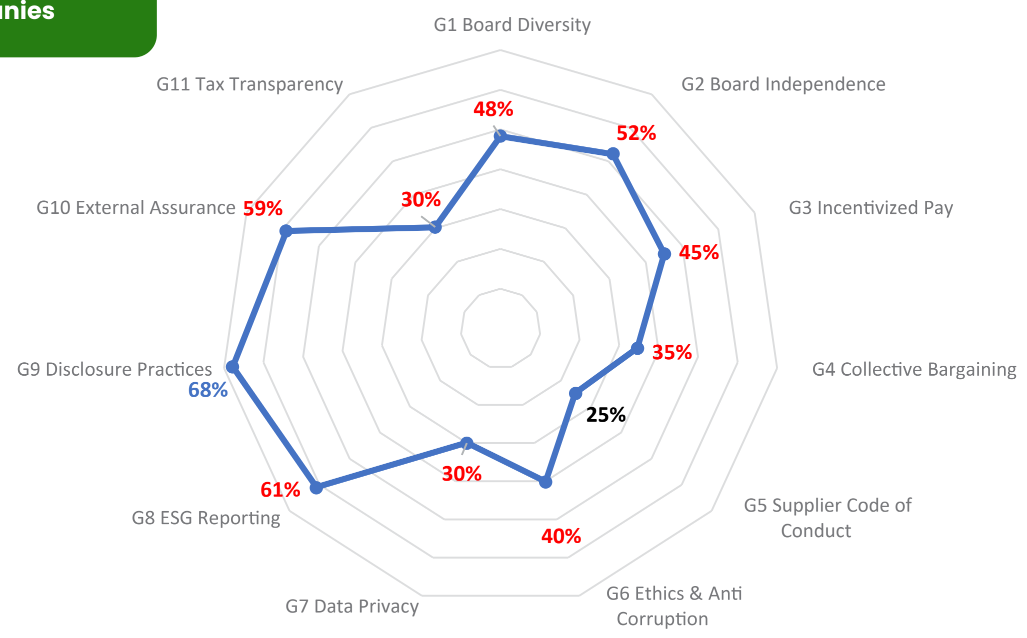
Lowest Disclosure Score:

Human Rights (S10)

25%

Compliance with strong human rights policies often leads to increased productivity, improved human capital development, better workplace dynamics, and reduced risks. By ensuring that human rights are respected and protected in the work environment, companies can create a conducive atmosphere for employees to contribute at their fullest potential.

Governance Disclosure of 122 Listed Companies



The average governance topic disclosure score from 122 listed companies is 45%, with the highest and lowest score as follows:

Highest Disclosure Score:

Disclosure Practices (G9)

68%

Information disclosure in accordance with GRI standard and upholds the principles of transparency and accountability. A key aspect of this process is that the identification of key topics and materiality must be carried out through stakeholder engagement.

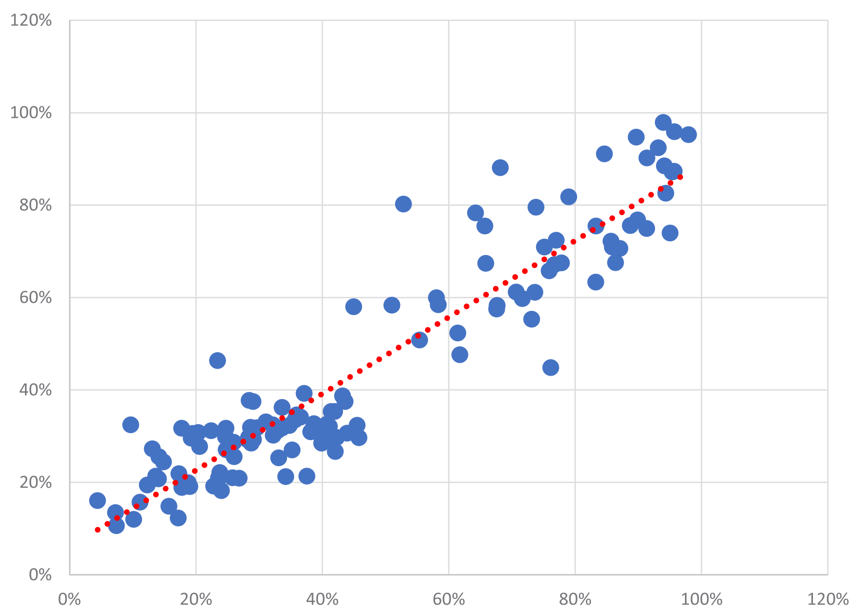
Lowest Disclosure Score:

Supplier Code of Conduct (G5)

25%

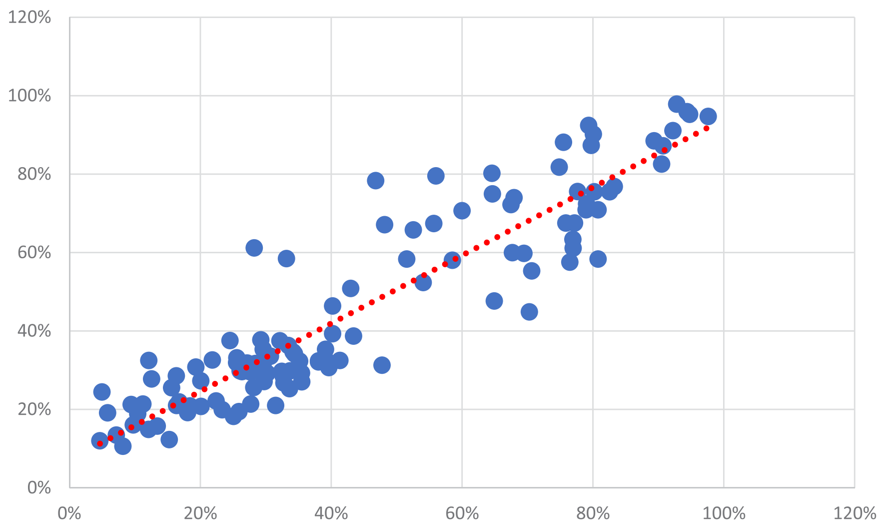
The company's policy on third parties, such as suppliers, vendors, and other business partners is an integral part of ensuring that the entire supply chain and business operations comply with high standards, particularly in relation to social, environmental, and governance issues.

Correlation Between Environmental and Governance Disclosures of 122 Publicly Listed Companies



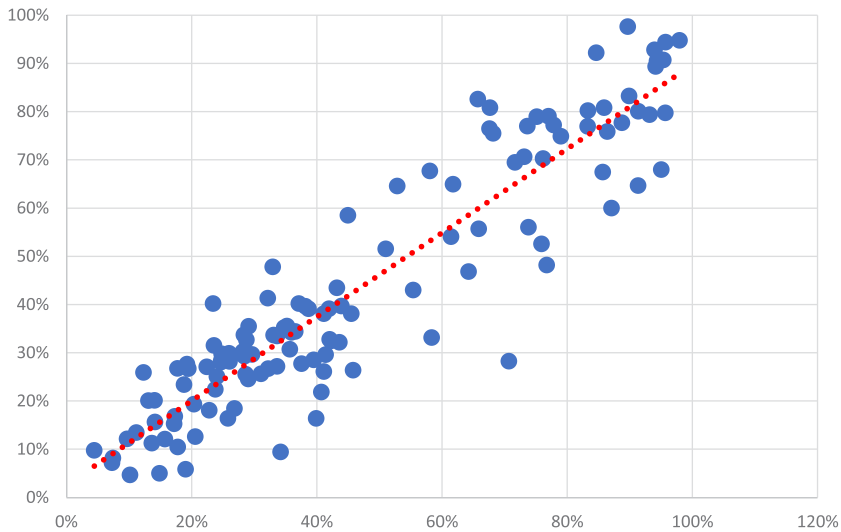
Based on the scatter plot above, the correlation between the environmental and governance variables across each listed company is illustrated. The trendline indicates a positive correlation, where an increase in environmental disclosure tends to be accompanied by an increase in governance disclosure. Furthermore, the coefficient of determination of 82.75% indicates that the environmental variable accounts for 82.75% of the variance in the governance variable.

Correlation Between Social and Governance Disclosures of 122 Publicly Listed Companies



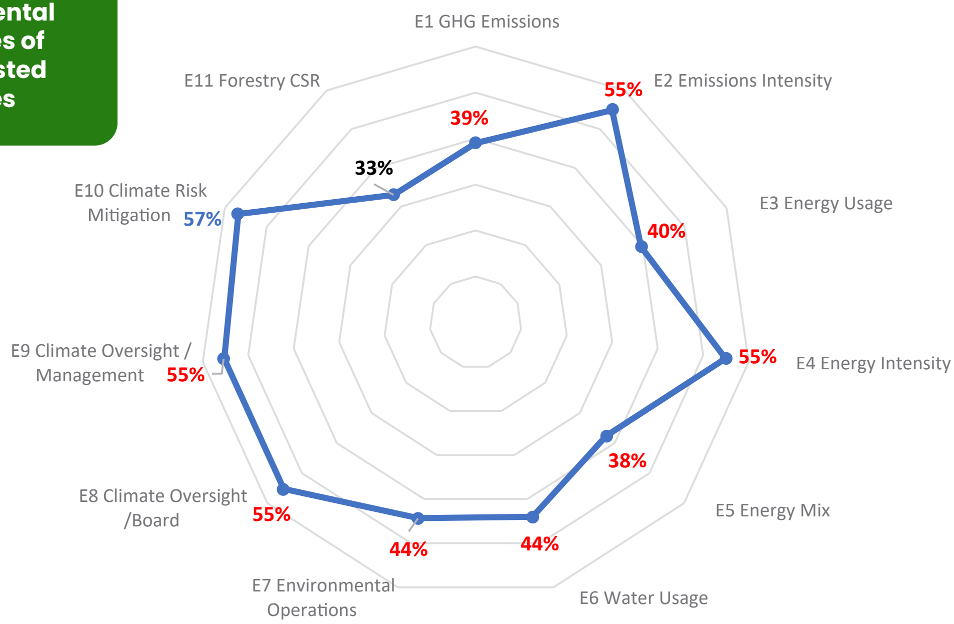
Based on the scatter plot above, the correlation between the social and governance variables across each listed company is illustrated. The trendline shows a positive correlation between the two variables, where an increase in social disclosure tends to be accompanied by an increase in governance disclosure. Furthermore, the coefficient of determination of 86.79% indicates that the social variable accounts for 86.79% of the variance in the governance variable.

Correlation Between Environmental and Social Disclosures of 122 Publicly Listed Companies



Based on the scatter plot above, the correlation between the environment and social variables across each listed company is illustrated. The trendline indicates a positive correlation between the two variables, where an increase in environment disclosure tends to be accompanied by an increase in social disclosure. Furthermore, the coefficient of determination of 87.07% indicates that the environmental variable accounts for 87.07% of the variance in the social variable.

Environmental Disclosures of 33 LQ45 Listed Companies



The average environmental topic disclosure score from 33 LQ45 listed companies is 60%, with the highest and lowest scores as follows:

Highest Disclosure Score:

Energy Intensity (E4)
71%

Energy intensity disclosure reflects the organization's resource consumption relative to its usage practices. It is calculated by dividing the annual energy consumption (as the numerator) by various physical scale indicators (as the denominator), such as office space, number of employees, or other relevant measures.

Climate Risk Mitigation (E10)
71%

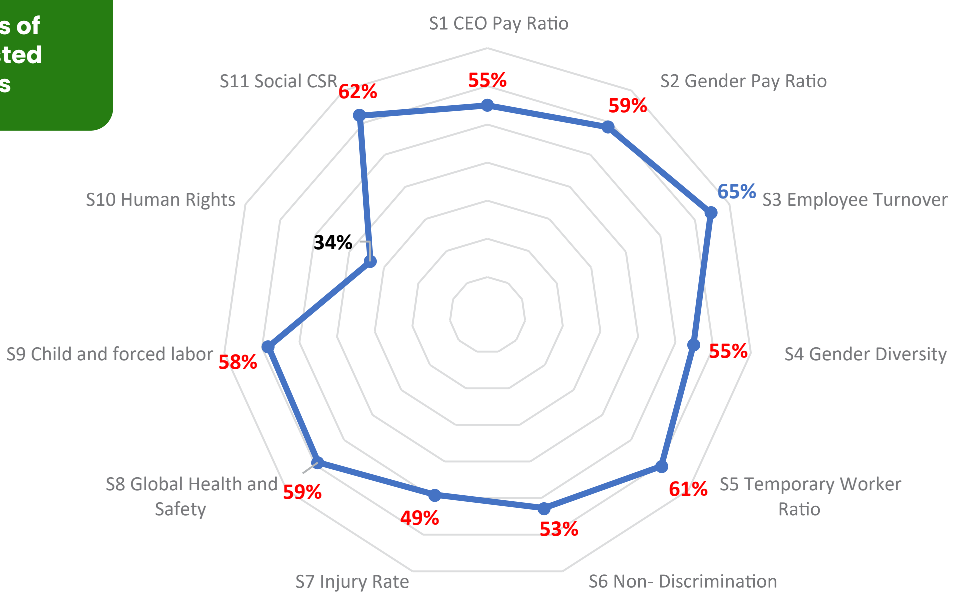
Reflects an understanding of how physical risks, transition risks, and climate change opportunities impact the business over time. For example, the integration of climate change risk management within company's identified risks.

Lowest Disclosure Score:

Forestry CSR (E11)
46%

Serves as a benchmark for the company's direct contribution to forest conservation and management. It reflects the company's commitment to environmental preservation and reinforces management's awareness that the forestry sector is a critical area for allocating CSR funds.

Social Disclosures of 33 LQ45 Listed Companies



The average social topic disclosure score from 33 LQ45 listed companies is 55%, with the highest and lowest scores as follows:

Highest Disclosure Score:

Employee Turnover (S3)

65%

The relative percentage of employees who leave or resign from a company can directly impact resource allocation, budgeting, planning, and productivity. A high employee turnover rate may indicate uncertainty and dissatisfaction among employees, signaling fundamental changes in the organization's core operational structure.

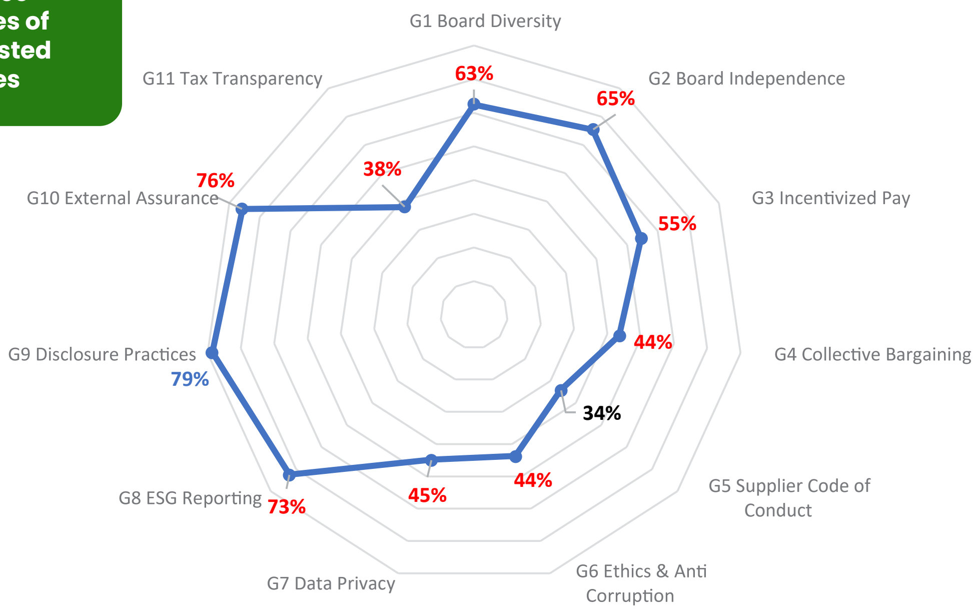
Lowest Disclosure Score:

Human Rights (S10)

34%

Compliance with strong human rights policies often leads to increased productivity, improved human capital development, better workplace dynamics, and reduced risks. By ensuring that human rights are respected and protected in the work environment, companies can create a conducive atmosphere for employees to contribute at their fullest potential.

Governance Disclosures of 33 LQ45 Listed Companies



The average governance topic disclosure score from 33 LQ45 listed companies is 56%, with the highest and lowest scores as follows:

Highest Disclosure Score:

Disclosure Practices (G9)

79%

Information disclosure in accordance with GRI standard and upholds the principles of transparency and accountability. A key aspect of this process is that the identification of key topics and materiality must be carried out through stakeholder engagement.

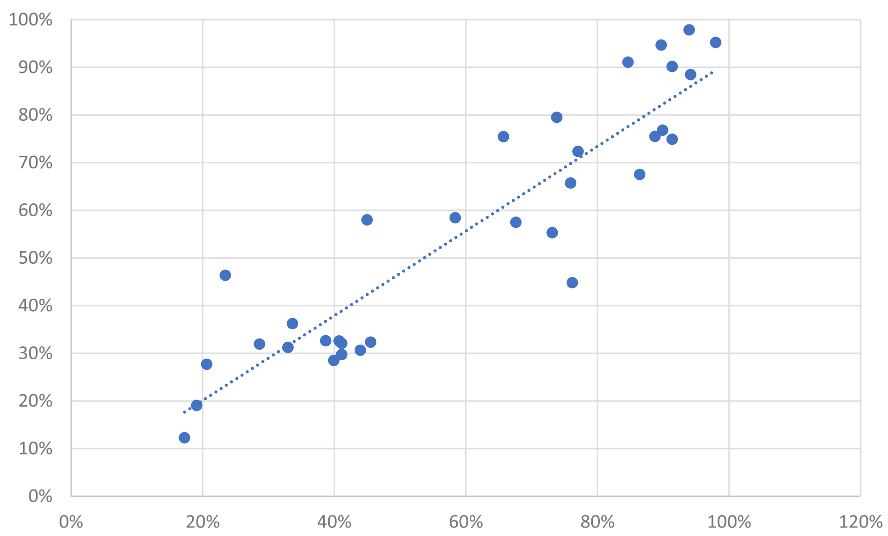
Lowest Disclosure Score:

Supplier Code of Conduct (G5)

34%

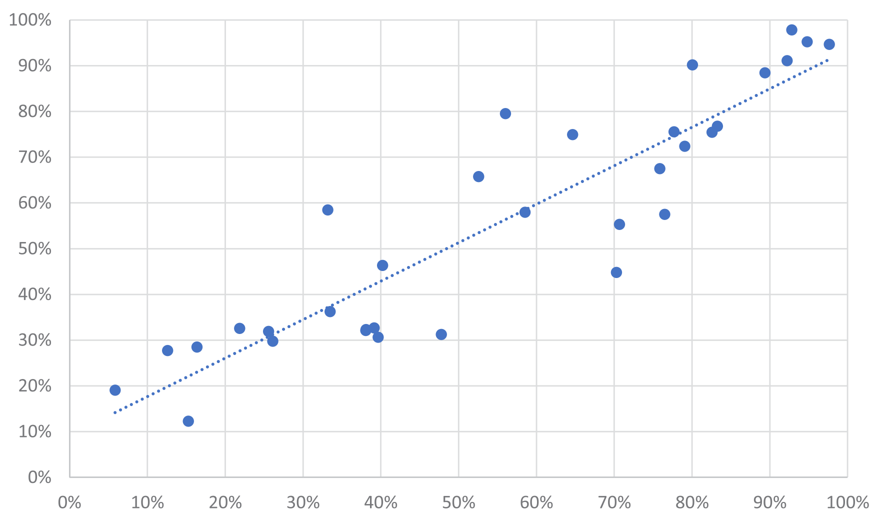
The company's policy on third parties, such as suppliers, vendors, and other business partners is an integral part of ensuring that the entire supply chain and business operations comply with high standards, particularly in relation to social, environmental, and governance issues.

Correlation Between Environmental and Governance Disclosures of 33 LQ45 Listed Companies



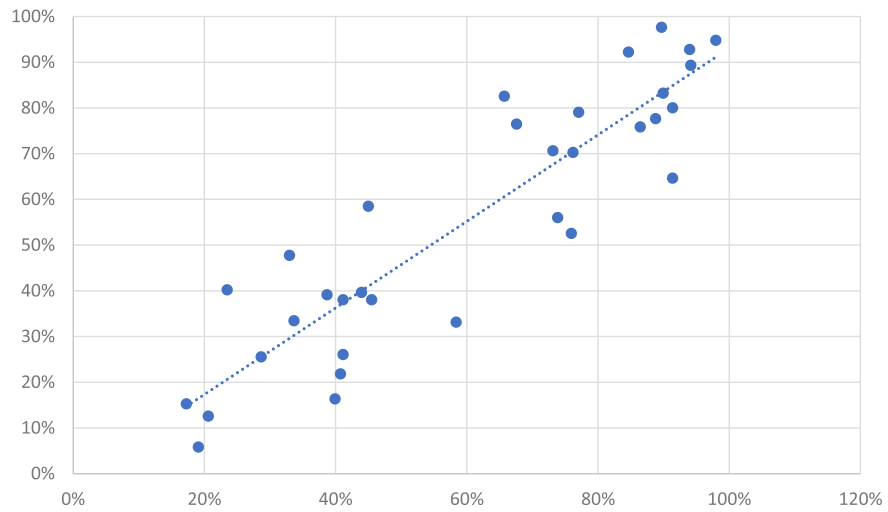
Based on the scatter plot above, the correlation between the environmental and governance variables across each listed company is illustrated. The trendline shows a positive correlation between the two variables, where an increase in environmental disclosure tends to be accompanied by an increase in governance disclosure. Furthermore, the coefficient of determination of 88.82% indicates that the environmental variable accounts for 88.82% of the variance in the governance variable.

Correlation Between Social and Governance Disclosures of 33 LQ45 Listed Companies



Based on the scatter plot above, the correlation between the social and governance variables across each listed company is illustrated. The trendline indicates a positive correlation between the two variables, where an increase in social disclosure tends to be accompanied by an increase in governance disclosure. Furthermore, the coefficient of determination of 84.13% indicates that the social variable accounts for 84.13% of the variance in the governance variable.

Correlation Between Environmental and Social Disclosures of 33 LQ45 Listed Companies



Based on the scatter plot above, the correlation between the environmental and social variables across each listed company is illustrated. The trendline shows a positive correlation between the two variables, where an increase in environmental disclosure tends to be accompanied by an increase in social disclosure. Furthermore, the coefficient of determination of 86% indicates that the social variable accounts for 86% of the variance in the environmental variable.

Skor Pengungkapan LST 150 Perusahaan Nasional

Stock Code	Company	Climate Change	Natural Resources	Polution and Waste	Opportunities and Policy	Human Capital	Relations	Corporate Governance	Corporate Behavior	Product Responsibility	Total ESG Disclosure
ITMG	PT Indo Tambangraya Megah Tbk	100%	98%	99%	97%	96%	84%	100%	92%	90%	96%
ABMM	PT ABM Investama Tbk	100%	100%	87%	92%	94%	100%	93%	98%	100%	95%
PTBA	PT Bukit Asam Tbk	95%	96%	87%	93%	93%	91%	98%	99%	93%	95%
BBRI	PT Bank Rakyat Indonesia (Persero) Tbk	100%	100%	46%	85%	98%	98%	100%	88%	100%	94%
TINS	PT Timah Tbk	95%	96%	97%	95%	90%	93%	88%	86%	93%	91%
ANTM	PT Aneka Tambang Tbk	95%	98%	86%	92%	89%	93%	89%	87%	93%	91%
BBTN	PT Bank Tabungan Negara (Persero) Tbk	100%	72%	99%	86%	92%	93%	95%	86%	100%	89%
POWR	PT Cikarang Listrindo Tbk	94%	96%	99%	92%	91%	83%	75%	95%	60%	89%
BJBR	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	100%	100%	67%	89%	77%	100%	86%	98%	100%	88%
INCO	PT Vale Indonesia Tbk	100%	96%	96%	94%	79%	89%	85%	97%	50%	88%
BBNI	PT Bank Negara Indonesia (Persero) Tbk	95%	88%	91%	93%	79%	92%	95%	84%	100%	87%
PGAS	PT Perusahaan Gas Negara Tbk	94%	93%	76%	88%	84%	81%	65%	86%	92%	83%
PGEO	PT Pertamina Geothermal Energy Tbk	95%	86%	86%	89%	76%	90%	66%	91%	45%	81%
BUMI	PT Bumi Resources Tbk	85%	73%	87%	92%	80%	87%	81%	86%	0%	80%
INDY	PT Indika Energy Tbk	100%	75%	87%	90%	79%	95%	72%	84%	0%	79%
ANJT	PT Austindo Nusantara Jaya Tbk	100%	96%	86%	94%	65%	94%	96%	66%	0%	79%
DOID	PT Delta Dunia Makmur Tbk	76%	82%	45%	86%	76%	61%	71%	91%	90%	79%
BTPN	PT Bank BTPN Tbk	88%	66%	33%	69%	75%	84%	75%	100%	95%	77%
ASII	PT Astra International Tbk	100%	96%	86%	84%	62%	91%	67%	79%	95%	77%
MBMA	PT Merdeka Battery Materials Tbk	83%	77%	71%	75%	80%	66%	80%	79%	0%	76%
UNVR	PT Unilever Indonesia Tbk	86%	89%	99%	81%	75%	84%	63%	78%	33%	77%

Stock Code	Company	Climate Change	Natural Resources	Polution and Waste	Opportunities and Policy	Human Capital	Relations	Corporate Governance	Corporate Behavior	Product Responsibility	Total ESG Disclosure
WTON	PT Wijaya Karya Beton Tbk	85%	86%	96%	84%	70%	38%	74%	85%	0%	75%
WEGE	PT Wijaya Karya Bangunan Gedung Tbk	85%	57%	80%	88%	77%	95%	73%	83%	0%	75%
MEDC	PT Medco Energi Internasional Tbk	82%	65%	66%	58%	83%	82%	64%	89%	63%	75%
DSNG	PT Dharma Satya Nusantara Tbk	83%	77%	77%	91%	76%	82%	61%	79%	0%	75%
MDKA	PT Merdeka Copper Gold Tbk	78%	75%	90%	78%	76%	88%	73%	76%	0%	74%
WIKA	PT Wijaya Karya (Persero) Tbk	100%	99%	85%	69%	60%	63%	72%	84%	0%	73%
PTRO	PT Petrosea Tbk	75%	72%	61%	78%	76%	84%	57%	78%	0%	71%
BMRI	PT Bank Mandiri (Persero) Tbk	85%	67%	72%	75%	54%	76%	65%	90%	100%	70%
DEWA	PT Darma Henwa Tbk	68%	61%	97%	67%	83%	64%	54%	74%	0%	69%
TOWR	PT Sarana Menara Nusantara Tbk	70%	67%	63%	68%	74%	100%	55%	63%	43%	67%
BRMS	PT Bumi Resources Minerals Tbk	68%	80%	57%	68%	73%	36%	62%	69%	0%	67%
INDF	PT Indofood Sukses Makmur Tbk	80%	63%	86%	77%	71%	68%	63%	59%	0%	66%
EMTK	PT Elang Mahkota Teknologi Tbk	62%	38%	33%	68%	62%	91%	70%	87%	100%	66%
JSMR	PT Jasa Marga (Persero) Tbk	85%	72%	31%	86%	48%	97%	66%	79%	0%	65%
BNGA	PT Bank CIMB Niaga Tbk	89%	75%	67%	74%	46%	70%	44%	83%	100%	64%
SIDO	PT Industri Jamu Dan Farmasi Sido Muncul Tbk	82%	77%	61%	76%	70%	72%	44%	54%	0%	64%
BJTM	PT Bank Pembangunan Daerah Jawa Timur Tbk	95%	71%	13%	55%	51%	9%	57%	95%	100%	63%
GIAA	PT Garuda Indonesia (Persero) Tbk	73%	68%	36%	67%	54%	74%	45%	83%	100%	63%
CITA	PT Cita Mineral Investindo Tbk	68%	62%	87%	42%	65%	100%	66%	66%	0%	62%
NCKL	PT Trimegah Bangun Persada Tbk	89%	22%	87%	81%	62%	91%	33%	72%	0%	58%
DSSA	PT Dian Swastatika Sentosa Tbk	73%	49%	56%	69%	51%	82%	45%	70%	0%	56%

Stock Code	Company	Climate Change	Natural Resources	Polution and Waste	Opportunities and Policy	Human Capital	Relations	Corporate Governance	Corporate Behavior	Product Responsibility	Total ESG Disclosure
BRIS	PT Bank Syariah Indonesia Tbk	22%	19%	79%	74%	57%	75%	43%	65%	100%	54%
BANK	PT Bank Aladin Syariah Tbk	70%	47%	38%	49%	52%	45%	39%	71%	93%	54%
BDMN	PT Bank Danamon Indonesia Tbk	73%	75%	46%	72%	27%	45%	48%	67%	100%	53%
BBCA	PT Bank Central Asia Tbk	27%	45%	86%	80%	27%	90%	32%	77%	100%	50%
TBIG	PT Tower Bersama Infrastructure Tbk	64%	55%	41%	55%	45%	21%	48%	64%	0%	50%
TPIA	PT Chandra Asri Petrochemical Tbk	41%	48%	39%	40%	43%	45%	41%	38%	30%	42%
ELSA	PT Elnusa Tbk	39%	30%	43%	42%	39%	52%	40%	47%	0%	39%
SSMS	PT Sawit Sumbermas Sarana Tbk	37%	43%	38%	45%	38%	55%	34%	34%	48%	39%
SMGR	PT Semen Indonesia (Persero) Tbk	39%	45%	46%	49%	37%	50%	38%	34%	0%	39%
ADMR	PT Adaro Minerals Indonesia Tbk	41%	44%	45%	46%	39%	45%	36%	32%	0%	38%
TOBA	PT TBS Energi Utama Tbk	44%	34%	53%	51%	31%	45%	35%	42%	25%	38%
ADRO	PT Adaro Energy Indonesia Tbk	36%	33%	23%	34%	41%	98%	35%	34%	0%	37%
ISAT	PT Indosat Tbk	38%	44%	32%	42%	37%	45%	22%	39%	46%	37%
AKRA	PT AKR Corporindo Tbk	37%	39%	25%	42%	39%	41%	32%	31%	46%	37%
GOTO	PT GoTo Gojek Tokopedia Tbk	16%	21%	47%	24%	44%	0%	18%	65%	97%	37%
SMCB	PT Solusi Bangun Indonesia Tbk	39%	39%	46%	35%	41%	31%	35%	33%	0%	36%
AALI	PT Astra Agro Lestari Tbk	50%	32%	42%	47%	28%	42%	40%	38%	0%	35%
BIRD	PT Blue Bird Tbk	48%	14%	30%	43%	44%	17%	32%	39%	0%	35%
STAA	PT Sumber Tani Agung Resources Tbk	48%	20%	43%	46%	36%	17%	33%	42%	0%	35%
JAWA	PT Jaya Agra Wattie Tbk	42%	41%	30%	29%	35%	24%	34%	33%	46%	35%
PPRO	PT PP Properti Tbk	48%	45%	42%	37%	36%	2%	32%	33%	0%	35%
EXCL	PT XL Axiata Tbk	42%	28%	15%	40%	34%	24%	34%	46%	0%	34%
BNII	PT Bank Maybank Indonesia Tbk	36%	35%	17%	38%	35%	39%	29%	32%	48%	34%
PSGO	PT Palma Serasih Tbk	48%	48%	33%	46%	27%	18%	26%	39%	0%	34%

Stock Code	Company	Climate Change	Natural Resources	Polution and Waste	Opportunities and Policy	Human Capital	Relations	Corporate Governance	Corporate Behavior	Product Responsibility	Total ESG Disclosure
PTPP	PT Pembangunan Perumahan (Persero) Tbk	41%	47%	41%	38%	32%	41%	24%	32%	13%	34%
LPKR	PT Lippo Karawaci Tbk	36%	35%	31%	37%	33%	9%	31%	36%	38%	33%
PWON	PT Pakuwon Jati Tbk	37%	42%	42%	38%	30%	13%	27%	31%	45%	33%
TAPG	PT Triputra Agro Persada Tbk	35%	34%	36%	37%	35%	45%	28%	31%	0%	33%
SMRA	PT Summarecon Agung Tbk	45%	40%	40%	40%	25%	37%	27%	39%	0%	32%
INPC	PT Bank Artha Graha Internasional Tbk	6%	35%	13%	36%	19%	0%	36%	37%	49%	32%
INTP	PT Indocement Tunggal Prakarsa Tbk	45%	32%	43%	47%	22%	19%	32%	40%	0%	32%
INPP	PT Indonesian Paradise Property Tbk	33%	29%	21%	30%	35%	41%	21%	33%	50%	31%
CRSN	PT Carsurin Tbk	39%	30%	17%	39%	29%	11%	30%	40%	0%	31%
ARCI	PT Archi Indonesia Tbk	35%	29%	24%	39%	35%	23%	24%	31%	0%	31%
NISP	PT Bank OCBC NISP Tbk	37%	30%	16%	25%	34%	32%	28%	32%	25%	31%
JPFA	PT JAPFA Comfeed Indonesia Tbk	39%	14%	42%	38%	28%	42%	32%	38%	0%	30%
SCMA	PT Surya Citra Media Tbk	31%	21%	22%	37%	23%	39%	31%	42%	48%	30%
HRUM	PT Harum Energy Tbk	31%	28%	28%	29%	35%	11%	28%	30%	25%	30%
ADHI	PT Adhi Karya (Persero) Tbk	34%	15%	50%	41%	24%	41%	31%	42%	0%	30%
BSDE	PT Bumi Serpong Damai Tbk	30%	27%	32%	39%	25%	42%	25%	33%	45%	30%
LPIN	PT Multi Prima Sejahtera Tbk	31%	21%	21%	35%	31%	27%	31%	33%	0%	29%
META	PT Nusantara Infrastructure Tbk	34%	33%	33%	45%	29%	15%	11%	36%	0%	29%
AMRT	PT Sumber Alfaria Trijaya Tbk	9%	28%	26%	40%	27%	9%	29%	42%	0%	29%
MERK	PT Merck Tbk	28%	28%	23%	20%	31%	8%	33%	28%	46%	28%
KLBF	PT Kalbe Farma Tbk	48%	37%	36%	40%	17%	12%	17%	37%	46%	28%
IPCM	PT Jasa Armada Indonesia Tbk	34%	18%	15%	32%	30%	32%	22%	41%	0%	28%
SRTG	PT Saratoga Investama Sedaya Tbk	44%	0%	16%	42%	26%	47%	28%	38%	0%	28%
KAEF	PT Kimia Farma Tbk	14%	20%	43%	30%	28%	51%	19%	41%	0%	27%

Stock Code	Company	Climate Change	Natural Resources	Polution and Waste	Opportunities and Policy	Human Capital	Relations	Corporate Governance	Corporate Behavior	Product Responsibility	Total ESG Disclosure
HERO	PT Hero Supermarket Tbk	5%	19%	32%	33%	28%	22%	35%	33%	0%	27%
TOTL	PT Total Bangun Persada Tbk	0%	34%	18%	33%	26%	48%	14%	33%	42%	27%
MEGA	PT Bank Mega Tbk	8%	16%	23%	28%	28%	9%	22%	40%	25%	26%
ASGR	PT Astra Graphia Tbk	9%	11%	26%	31%	27%	33%	30%	26%	46%	25%
BTPS	PT Bank BTPN Syariah Tbk	2%	18%	16%	26%	26%	32%	29%	32%	48%	25%
PJAA	PT Pembangunan Jaya Ancol Tbk	6%	30%	26%	26%	31%	36%	15%	31%	0%	25%
TLKM	PT Telkom Indonesia (Persero) Tbk	9%	9%	25%	37%	19%	27%	20%	38%	50%	23%
MYOR	PT Mayora Indah Tbk	29%	24%	19%	22%	23%	20%	18%	30%	0%	23%
AGII	PT Samator Indo Gas Tbk D/H PT Aneka Gas Tbk	30%	27%	19%	19%	25%	27%	17%	23%	0%	22%
AGRO	PT Bank Raya Indonesia Tbk	3%	36%	17%	32%	17%	32%	16%	28%	11%	22%
UNTR	PT United Tractors Tbk	33%	25%	43%	42%	9%	15%	16%	31%	0%	22%
IPCC	PT Indonesia Kendaraan Terminal Tbk	31%	19%	16%	32%	17%	8%	16%	31%	0%	21%
LPLI	PT Star Pasific Tbk	23%	22%	19%	13%	24%	18%	17%	26%	0%	21%
ACES	PT Ace Hardware Indonesia Tbk	0%	19%	9%	36%	13%	6%	23%	38%	0%	20%
PNBN	PT Bank Pan Indonesia Tbk	0%	0%	7%	34%	17%	53%	30%	20%	50%	20%
ISSP	PT Steel Pipe Industry of Indonesia Tbk	2%	31%	23%	25%	17%	27%	13%	29%	0%	20%
COCO	PT Wahana Interfood Nusantara Tbk	0%	21%	16%	9%	29%	0%	23%	20%	0%	19%
PSSI	PT IMC Pelita Logistik Tbk	15%	23%	19%	13%	17%	11%	20%	28%	0%	19%
IBST	PT Inti Bangun Sejahtera Tbk	0%	3%	33%	28%	16%	15%	26%	31%	0%	18%
ADMF	PT Adira Dinamika Multi Finance Tbk	5%	9%	16%	23%	21%	14%	15%	31%	0%	18%
MAYA	PT Bank Mayapada Internasional Tbk	0%	0%	7%	25%	12%	9%	24%	38%	50%	18%
CSRA	PT Cisadane Sawit Raya Tbk	1%	12%	16%	33%	9%	23%	17%	25%	0%	16%
WSKT	PT Waskita Karya (Persero) Tbk	0%	5%	19%	28%	9%	36%	11%	36%	0%	15%

Stock Code	Company	Climate Change	Natural Resources	Polution and Waste	Opportunities and Policy	Human Capital	Relations	Corporate Governance	Corporate Behavior	Product Responsibility	Total ESG Disclosure
CPIN	PT Charoen Pokphand Indonesia Tbk	6%	14%	18%	26%	16%	13%	13%	14%	0%	15%
BNLI	PT Bank Permata Tbk	8%	8%	15%	25%	5%	9%	9%	35%	48%	15%
BRPT	PT Barito Pacific Tbk	9%	10%	16%	34%	5%	15%	18%	24%	0%	15%
HMSP	PT HM Sampoerna Tbk	18%	15%	18%	15%	12%	9%	14%	18%	0%	14%
KEEN	PT Kencana Energi Lestari Tbk	0%	5%	26%	19%	13%	15%	7%	28%	0%	13%
BBMD	PT Bank Mestika Dharma Tbk	0%	5%	15%	3%	10%	5%	3%	29%	21%	10%
ADES	PT Akasha Wira International Tbk	0%	9%	16%	7%	7%	10%	7%	22%	0%	9%
INAF	PT Indofarma Tbk	5%	20%	19%	1%	4%	7%	5%	22%	0%	9%
BEKS	PT Bank Pembangunan Daerah Banten Tbk	2%	6%	8%	12%	8%	14%	6%	13%	25%	9%
Private Company	PT Pupuk Kalimantan Timur	95%	96%	84%	95%	95%	93%	96%	86%	79%	95%
Private Company	PT Pertamina (Persero)	95%	86%	87%	98%	95%	91%	98%	98%	95%	95%
Private Company	PT Pupuk Indonesia (Persero)	95%	96%	100%	96%	94%	96%	100%	96%	0%	93%
Private Company	PT Perkebunan Nusantara IV (Persero)	100%	96%	87%	92%	93%	100%	100%	85%	0%	91%
Private Company	PT Perkebunan Nusantara III (Persero)	95%	96%	87%	92%	85%	99%	99%	84%	0%	88%
Private Company	PT Perkebunan Nusantara I (Persero)	95%	96%	86%	90%	81%	97%	97%	84%	0%	86%
Private Company	PT Kilang Pertamina Internasional	95%	95%	86%	89%	74%	91%	96%	86%	0%	84%
Private Company	PT Perusahaan Listrik Negara (Persero)	100%	91%	86%	83%	72%	77%	81%	89%	93%	82%
Private Company	PT Indonesia Asahan Aluminium	82%	77%	78%	73%	81%	93%	80%	89%	93%	81%
Private Company	PT PLN Nusantara Power	95%	94%	65%	90%	75%	85%	72%	87%	0%	79%
Private Company	PT Angkasa Pura I (Persero)	77%	93%	59%	62%	86%	91%	66%	92%	0%	78%
Private Company	PT PLN Indonesia Power	95%	96%	87%	94%	65%	93%	64%	84%	0%	76%
Private Company	PT Tripatra	86%	85%	62%	72%	73%	15%	45%	84%	0%	68%

Stock Code	Company	Climate Change	Natural Resources	Polution and Waste	Opportunities and Policy	Human Capital	Relations	Corporate Governance	Corporate Behavior	Product Responsibility	Total ESG Disclosure
Private Company	PT Pelabuhan Indonesia (Persero)	82%	75%	32%	66%	37%	58%	37%	62%	0%	51%
Private Company	PT Mitra Maju Sukses (MMS) Group Indonesia	48%	48%	43%	45%	43%	47%	46%	37%	0%	43%
Private Company	PT Federal International Finance	42%	25%	43%	39%	28%	33%	27%	41%	49%	33%
Private Company	PT Telekomunikasi Selular (Telkomsel)	38%	25%	32%	37%	28%	42%	35%	39%	25%	32%
Private Company	PT Sinar Mas Land	42%	33%	43%	40%	27%	41%	29%	31%	25%	32%
Private Company	PT Perum Peruri (Persero)	33%	34%	30%	34%	23%	40%	21%	28%	36%	28%
Private Company	PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo	9%	10%	17%	31%	37%	17%	23%	33%	0%	26%
Private Company	PT Pegadaian (Persero)	6%	8%	16%	28%	32%	12%	30%	32%	0%	25%
Private Company	PT Prudential Life Assurance	35%	26%	18%	25%	18%	11%	20%	34%	46%	24%
Private Company	PT Bank DKI	0%	0%	16%	20%	27%	28%	14%	27%	48%	20%
Private Company	PT Mandiri Capital Indonesia	0%	0%	22%	29%	17%	35%	26%	31%	0%	19%
Private Company	PT Permodalan Nasional Madani	6%	8%	15%	22%	23%	32%	11%	29%	0%	18%
Private Company	PT Bank Aceh Syariah	0%	5%	17%	24%	16%	20%	15%	31%	39%	18%
Private Company	PT Asuransi Jasa Indonesia	0%	3%	11%	13%	18%	52%	12%	30%	0%	16%
Private Company	PT Aviasi Pariwisata Indonesia (Persero)	5%	5%	16%	12%	7%	36%	10%	31%	0%	12%

Remarks:

	Leadership AAA	91	-	100
	Leadership AA	81	-	90
	Leadership A	71	-	80
	Management BBB	61	-	70
	Management BB	51	-	60
	Management B	41	-	50
	Commitment CCC	31	-	40
	Commitment CC	21	-	30
	Commitment C	11	-	20
	Awareness	0	-	10

Explanation

Based on the table above, out of a total of 150 companies, 28 are non-listed companies. Among these non-listed companies, the highest levels of disclosure are found in the topics of Relations and Corporate Behavior. In this context, Relations refers to corporate social responsibility (CSR), which constitutes an important part of sustainability reporting. Nearly all companies that prepare sustainability reports consistently disclose their social CSR activities. These include a range of initiatives aimed at generating positive impacts for communities, such as education programs, economic empowerment, healthcare, and cultural preservation.

CSR plays a significant role in every development process, as it enables companies to contribute directly to community welfare and environmental preservation. Through CSR programs, companies can address various social and environmental challenges in their surrounding areas. This participation is a key element in promoting sustainable development that not only prioritizes economic gain but also creates long-term positive impacts on society and ecosystems.

In addition, every company bears a broader responsibility, not only to its shareholders but also to the community and the environment as part of the ecosystem in which it operates. This responsibility reflects the principles of sustainability, positioning the company as an integral player in generating positive impact for society and environmental preservation. By implementing CSR initiatives, companies can demonstrate this commitment in tangible ways, whether through community empowerment programs, environmental initiatives, or other philanthropic activities that deliver long-term benefits.

In the area of Corporate Behavior, anti-corruption has emerged as one of the key issues intensively addressed by companies. Growing awareness of the risks of fraud and losses resulting from corrupt practices has prompted many companies to adopt stricter and more proactive prevention measures. These efforts often include the implementation of anti-corruption training programs, the establishment of business ethics policies, and the formation of dedicated units responsible for internal monitoring and audit functions.

Corruption prevention is a priority across all levels of the company, as the associated risks extend beyond financial losses to include loss of public trust, damage to corporate reputation, potential legal sanctions, and disruptions to operational stability and competitiveness in the market.

The implementation of a strong anti-corruption policy reflects the company's commitment to conducting its business operations in a transparent, accountable, and ethical manner. This commitment is realized through the application of good corporate governance, which includes the development of comprehensive anti-corruption policies and the enforcement of strict internal oversight mechanisms. One widely adopted initiative is the establishment of a whistleblowing system, which enables stakeholders, including employees, business partners, and external parties to report any actions or activities that may involve corruption or violations of the company's code of ethics.

The whistleblowing system is designed to ensure that all reports are handled objectively, confidentially, and professionally. Through this mechanism, the company can not only detect and prevent corruption at an early stage but also foster stakeholder trust in the integrity of the organization. This system serves as a critical element of corporate governance, as it supports the creation of a transparent, ethical work environment, free from corrupt practices that could harm the company's reputation and long-term sustainability.

To ensure the effectiveness of fraud prevention efforts, companies must implement internal control systems consistently across all operational levels. In addition, targeted communication and training are essential to equip all employees with a deep understanding of various fraud risks, detection methods, and preventive measures. This approach helps foster awareness and strengthens employees' ability to uphold integrity throughout every stage of the business process.

BGK FOUNDATION ESG INDEX (ESG LEADER)

Grafik IHSG VS ESG Leader

Notes:

- IHSG refers to the Indonesia Composite Stock Price Index.
- ESG Leader is the BGK Foundation Index comprising three publicly listed companies in the LQ45 index with the highest overall ESG scores.

ESG Leader

LISTED COMPANIES	ESG DISCLOSURE SCORES
ITMG PT INDO TAMBANGRAYA MEGAH TBK	96%
PTBA PT BUKIT ASAM TBK	95%
BBRI PT BANK RAKYAT INDONESIA (PERSERO) TBK	94%

ESG and SDGs Mapping

122 Listed Companies

Entity		ESG	Average ESG	ESG Component			SDG's
122 Emiten	45%	Environmental	47%	Climate Change	E1 GHG Emissions	39%	6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND
					E2 Emissions Intensity	55%	
				Natural Resources	E3 Energy Usage	40%	
					E4 Energy Intensity	55%	
					E5 Energy Mix	38%	
					E6 Water Usage	44%	
				Pollution and Waste	E7 Environmental Operations	44%	
				Opportunities and Policy	E8 Climate Oversight /Board	55%	
					E9 Climate Oversight / Management	55%	
					E10 Climate Risk Mitigation	57%	
					E11 Forestry CSR	33%	
		Social	43%	Human Capital	S1 CEO Pay Ratio	47%	1 NO POVERTY; 2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH
					S2 Gender Pay Ratio	44%	
					S3 Employee Turnover	51%	
					S4 Gender Diversity	42%	
					S5 Temporary Worker Ratio	46%	
					S6 Non-Discrimination	44%	
					S7 Injury Rate	38%	
					S8 Global Health and Safety	47%	
					S9 Child and forced labor	47%	
					S10 Human Rights	25%	
				Relations	S11 Social CSR	46%	

Entity	ESG	Average ESG	ESG Component			SDG's
	Governance	45%	Corporate Governance	G1 Board Diversity	48%	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
				G2 Board Independence	52%	
				G3 Incentivized Pay	45%	
				G4 Collective Bargaining	35%	
				G5 Supplier Code of Conduct	25%	
			Corporate Behaviour	G6 Ethics & Anti Corruption	40%	
				G8 ESG Reporting	30%	
				G9 Disclosure Practices	61%	
				G10 External Assurance	68%	
				G11 Tax Transparency	59%	
			Product Responsibility	G7 Data Privacy	30%	

33 LQ45 Listed Companies

Entity		ESG	Average ESG	ESG Component			SDG's
33 Emiten LQ45	57%	Environmental	60%	Climate Change	E1 GHG Emissions	55%	
					E2 Emissions Intensity	65%	
				Natural Resources	E3 Energy Usage	49%	
					E4 Energy Intensity	71%	
					E5 Energy Mix	53%	
					E6 Water Usage	58%	
				Pollution and Waste	E7 Environmental Operations	57%	
				Opportunities and Policy	E8 Climate Oversight /Board	69%	
					E9 Climate Oversight / Management	69%	
					E10 Climate Risk Mitigation	71%	
					E11 Forestry CSR	46%	
		Social	55%	Human Capital	S1 CEO Pay Ratio	55%	
					S2 Gender Pay Ratio	59%	
					S3 Employee Turnover	65%	
					S4 Gender Diversity	55%	
					S5 Temporary Worker Ratio	61%	
					S6 Non-Discrimination	53%	
					S7 Injury Rate	49%	
					S8 Global Health and Safety	59%	
					S9 Child and forced labor	58%	
					S10 Human Rights	34%	
				Relations	S11 Social CSR	62%	

Entity	ESG	Average ESG	ESG Component			SDG's
	Governance	56%	Corporate Governance	G1 Board Diversity	63%	
				G2 Board Independence	65%	
				G3 Incentivized Pay	55%	
				G4 Collective Bargaining	44%	
				G5 Supplier Code of Conduct	34%	
			Corporate Behaviour	G6 Ethics & Anti Corruption	44%	
				G8 ESG Reporting	45%	
				G9 Disclosure Practices	73%	
				G10 External Assurance	79%	
				G11 Tax Transparency	76%	
			Product Responsibility	G7 Data Privacy	38%	

RECOMMEN-DATIONS

Recommendations for Listed Companies

Executive Management Involvement

The company's executive management is responsible for integrating ESG issues into the overall business strategy. Various stakeholders, such as investors expect the executive management to be actively involved and have a deep understanding of the risks, challenges, and opportunities related to ESG, as well as to design appropriate risk mitigation or control systems. Companies can demonstrate executive management involvement in ESG matters through the establishment of a highest-level governance body or the appointment of a Director of ESG & Sustainability within the organizational structure.

Developing a Sustainability Blueprint

A Sustainability Blueprint serves as a strategic framework for guiding the company's future ESG initiatives and targets, encompassing sustainability strategies, policies, and roadmaps. Through this framework, the company establishes a clear direction for its ESG efforts across short-, medium-, and long-term horizons. It outlines the goals to be achieved and the strategies for reaching them. This structured approach enables more targeted and effective performance, aligned with the company's ESG vision and mission.

Disclosure on Greenhouse Gas Emissions

As a contribution to the Indonesian government's commitment to achieving its Nationally Determined Contribution (NDC), a 29% reduction in national emissions by 2030 as stated in Law No. 16 of 2016 on the Ratification of the Paris Agreement. Companies are expected to address this issue by disclosing their emissions calculations in their sustainability reports. These calculations should cover emissions generated from company operations and consider all relevant scopes: Scope 1, Scope 2, and Scope 3.

Adoption of Sustainability Reporting Standards

In addition to referring to the Financial Services Authority Regulation No. 51/POJK.03/2017 and Circular Letter No. 16/SEOJK.04/2021, and adopting sustainability reporting standards such as the Global Reporting Initiative (GRI) Standards, companies should also refer to frameworks such as the Carbon Disclosure Project (CDP), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and the International Sustainability Standards Board (ISSB) IFRS S1 and S2.

Assurance Process by an Independent Third Party

The assurance process is recommended for future sustainability reporting periods to enhance the quality and reliability of ESG disclosures. It aims to ensure that the disclosed information is measurable, accurate, credible, and objective. An assurance report adds credibility to the company in the eyes of stakeholders. International standards commonly used in the assurance process include AA1000 and ISAE 3000.

"Comply or Explain"

This principle means that companies may choose to comply (by disclosing the relevant ESG factors for the given requirement) or provide a clear explanation for not disclosing the information. We found that several companies did not provide supporting reasons for their decision not to disclose certain ESG topics. In some cases, we also observed that certain ESG-related practices were already implemented in business operations but were not disclosed in the sustainability report, which impacted their overall ESG disclosure scores.

Developing Strategies to Reduce Ecological Footprint

One effective way for an organization to reduce its ecological footprint is by implementing energy efficiency measures. These may range from using recycled materials to upgrading to more efficient equipment. By reducing energy consumption, organizations can not only save costs but also help lower emissions. Additionally, promoting sustainable practices among employees is another key step, such as through training on recycling, energy conservation, or the implementation of policies that encourage sustainable behavior. By fostering sustainability in the workplace, organizations can make a meaningful impact on the environment.

Conducting Energy Audit

One way to reduce environmental impact is by conducting an audit of the organization's energy use. This process involves a thorough analysis of how energy is consumed and identifying opportunities for improvement. For example, it may include recommendations to switch to energy-efficient lighting or install solar panels. Implementing these recommendations not only helps the company reduce energy costs but also contributes to lowering its carbon footprint and minimizing negative environmental impacts.

Recommendations for Capital Market Regulators

The following are several recommendations for capital market regulators in Indonesia in implementing ESG (Environmental, Social, and Governance)-based regulations:

1. Enhancing ESG Literacy and Awareness: Regulators can organize educational programs to improve capital market participants' understanding of the importance of ESG. These may include seminars, training sessions, and the publication of practical guidelines.
2. Implementation of ESG Standards and Taxonomy: Develop a clear and standardized green taxonomy to help market participants understand sustainable investment categories. Financial Services Authority has initiated the development of Indonesia's sustainable taxonomy, which can serve as a reference.
3. Incentives for Sustainable Investment: Provide incentives for companies that adopt ESG principles, such as reduced administrative fees or access to low-interest financing.
4. Supervision and Enforcement: Ensure compliance with ESG regulations through strict oversight and the imposition of sanctions for violations. Regulations such as OJK Regulation No. 18 of 2023 on the issuance of sustainability-based securities can serve as a legal foundation.
5. Stakeholder Collaboration: Engage various parties, including companies, investors, and the public to support the comprehensive implementation of ESG practices.
6. Transparency and Reporting: Require companies to submit sustainability reports that cover ESG aspects, in accordance with OJK Regulation No. 51 of 2017.
7. Financial Services Authority and the Indonesia Stock Exchange should require listed companies to provide ESG-related training for their Board of Directors at least once.
8. Financial Services Authority and the Indonesia Stock Exchange should promptly develop a roadmap to mandate listed companies to disclose board diversity and climate change topics in their sustainability reports.

The implementation of board diversity disclosure can be applied across all issuer sectors. With regard to climate change disclosure, issuers are required to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which include components such as strategy, risk management, governance, as well as climate-related metrics and targets. The implementation of this disclosure is specifically mandated for issuers in the following sectors: finance, agriculture, plantations, fisheries, forestry, forest products, primary consumer goods, non-primary consumer goods, basic materials, healthcare, industry, manufacturing, technology, mining, energy, transportation, logistics, property, infrastructure, and construction.

9. The Indonesian Institute of Accountants (IAI) should promptly issue a Financial Accounting Standards Statement (PSAK) related to greenhouse gas emissions, to enable the accountable and credible application of Carbon Economic Value within companies.
10. The Code of Conduct for rating agencies, according to global capital market organizations, includes the following: First, transparency of ESG rating agencies and market perception of these agencies must support their transparency; Second, independence and the avoidance of conflicts of interest between ESG rating agencies and the clients they assess; Third, competition within the ESG rating market that ensures the independence of the ESG rating agencies themselves.
11. Regulators must provide a publicly accessible list of ESG rating agencies at no cost. This is essential for retail investors who may lack the resources to conduct independent ESG rating analysis.
12. Regulators must establish regulations that govern incentives and penalties for companies engaged in greenwashing, including the Stock Exchange.
13. Regulators must provide guidance and incentives for companies to achieve a minimum ESG disclosure score of 70%, including the Stock Exchange.
14. All companies with more than 500 employees should be required to disclose their annual financial statements, including mandatory ESG disclosures and financial balance sheets and income statements, as part of their annual reports. This regulation should take effect by 2025. These requirements are intended to help investors better monitor the environmental impact of their investments by enabling access to comparable ESG data across companies.

The following are recommendations for regulators to support publicly listed companies in Indonesia in implementing ESG (Environmental, Social, and Governance)-based regulations:

1. **Enhancing Transparency and Reporting**
   Mandate companies to prepare sustainability reports that cover their ESG strategies, performance, and impacts. This requirement is outlined in [OJK Regulation No. 51/2017] and can be further strengthened through more detailed guidelines.
2. **Alignment with International Standards**
   Encourage companies to adopt international standards such as the Task Force on Climate-related Financial Disclosures (TCFD) or the Global Reporting Initiative (GRI) to enhance the credibility of their ESG reporting.
3. **Incentives for ESG Compliance**
   Provide incentives such as tax reductions or access to green financing for companies that demonstrate strong compliance with ESG principles.
4. **Supervision and Law Enforcement**
   Strengthen monitoring of ESG implementation and impose strict sanctions on companies that fail to comply with regulations, in accordance with relevant OJK regulations and circular letters.
5. **Education and Awareness**
   Organize training programs and seminars to improve corporate understanding of the importance of ESG and its long-term benefits for business sustainability.
6. **Stakeholder Collaboration**
   Engage various stakeholders, including investors, the public, and non-governmental organizations to build a supportive ecosystem for ESG implementation.

These measures can help create a more sustainable capital market and promote economic development that aligns with ESG principles.

CONCLUSION

On average, the overall ESG disclosure level improved to 46.60% in 2023, compared to 37.25% in 2022, an increase of 9.4%. This improvement reflects a stronger commitment from companies in adopting sustainable and responsible business practices. This not only demonstrates greater compliance with higher ESG standards but also reflects strong efforts to support global sustainable development goals.

This concludes BGK Foundation's annual report on the analysis of ESG disclosure practices of national companies for the 2023 period. We hope that this analysis and its recommendations will encourage companies in Indonesia to continuously improve and implement ESG disclosures while enhancing their overall ESG performance in support of a more sustainable Indonesia. ESG disclosures must clearly reflect a company's actions (or inaction) in adapting to a net-zero economy. Furthermore, such disclosures serve to promote accountability among management teams that fail to demonstrate progress on ESG issues or contribute to negative impacts through their business operations.

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