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# Building Awareness toward IFRS S1 and S2 Adoption in Indonesia

Istini T Siddharta  
Ketua Dewan Standar Keberlanjutan  
Ikatan Akuntan Indonesia

IAI – ISMS Joint Webinar  
Jakarta, 6 Februari 2024





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# Agenda

- 01** Global updates of sustainability disclosures standards
- 02** Overview IFRS Sustainability Disclosure Standards – S1 and S2
- 03** IAI initiatives in adopting IFRS Sustainability Disclosures Standards
- 04** How ready are preparers to adopt IFRS Sustainability Disclosure Standards

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# Global Updates of Sustainability Disclosures Standards

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# Paradigms Shift from Shareholders to Stakeholders

1970 Milton Friedman states:

“**Make as much money as possible**, while conforming to the **basic rules of society**, both those embodied in law and those embodied in ethical custom”



**PROFIT**

### Positive Impact

- Massive wealth creation
- Ubiquitous diffusion of technology
- Poverty reduction

### Negative Impact

- **Climate change**, driven by an insatiable appetite which threatening humankind’s ability to live
- The deepest crisis of all is the loss of biodiversity, threatening the mass extinction of living species

Can we run companies in the **same way** that we have over the **last fifty years**?  
There are **heightened expectations** from all stakeholders point to a **new economic development**.  
Companies should shift their focus from **maximizing shareholder value** to **value creation** for all stakeholders to **achieve long-term sustainability**.

**All stakeholders**  
Investor, employees, customers, suppliers, local communities and **society at large**



**Information disclosure** about ESG **management** and performance is **important to bridge** the information **gaps** existing between companies, investor, and other stakeholders



**Company**

**Disclosure of ESG information alongside financial information is vital** for investors and stakeholders. It allows them **to make informed decisions** about a company and its potential long-term performance, its impact on society and society’s impact on it.

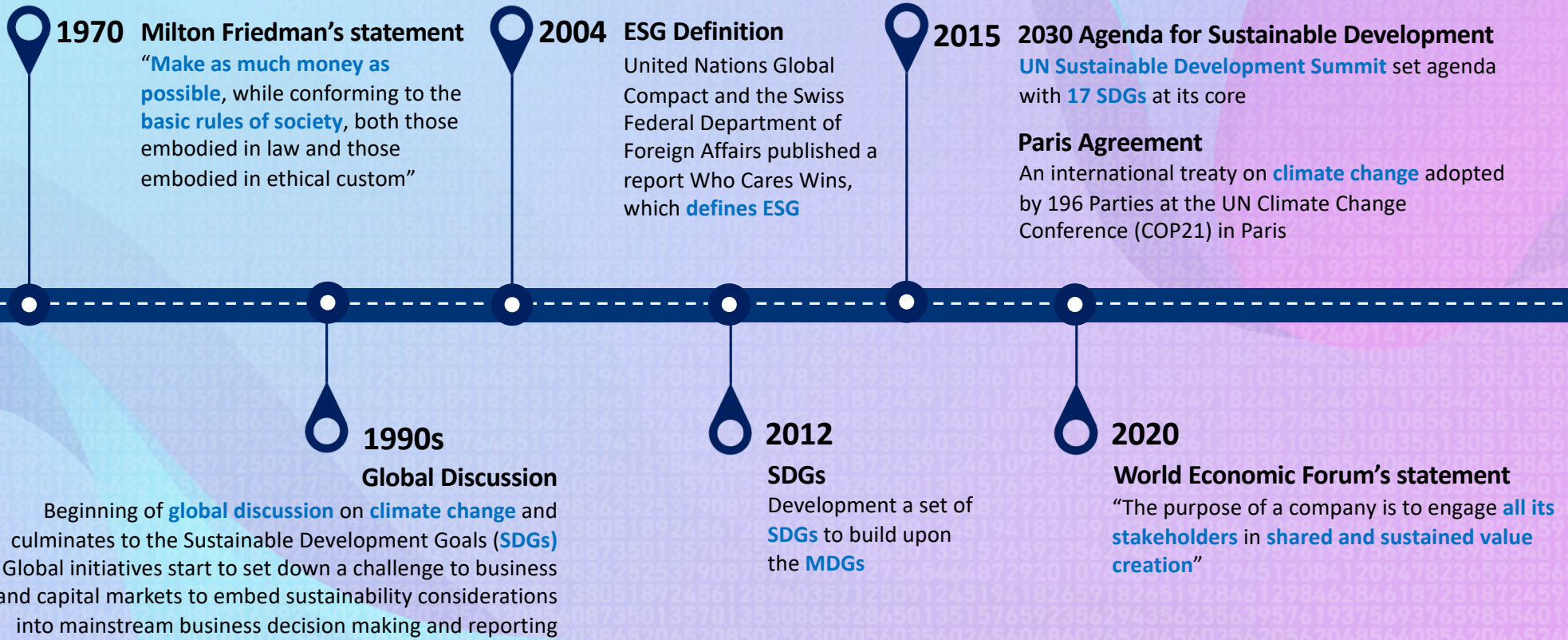




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# Paradigms Shift from Shareholders to Stakeholders





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# Current Practice & Challenges Increase Demand for Disclosure of Sustainability Information

Globally, the number of reporting companies has **steadily increased**, but currently there are still **challenges** faced by companies

## Alphabet Soup of Acronyms

- **Fragmented standard**, with variety of users and their reporting objectives
- **Intimidating** and **overwhelming** anyone who want to grasp the basics
- **Confusion** among users of sustainability information, perpetuates inefficiency, increased cost, and lack of trust

### STANDARDS

Specific rules for ESG measurement and disclosure



1997



2011

### INDICES

Allow investors to track the performance of a company through their ESG reports.

Examples: Dow Jones Sustainability Indices (DJSI) and Bloomberg

### RATINGS

Agencies that collate information through surveys and other methodologies to gather ESG data from different organisations  
Examples: Sustainalytics

### FRAMEWORKS

High-level guidelines that provide principles and guidance for how information should be disclosed



2000



2007



2010



2015



2021

## Greenwashing

- **Mislead investors** as to the true risks, rewards, and pricing of investment assets
- Represent a **threat** to the accuracy, reliability, and transparency of sustainability reporting
- Lead to a **decline in consumer confidence** in a company's brand and products

## Lack of Assurance

- Lack of standardization
- Decrease trusts and confidences in sustainability information

## Leading to

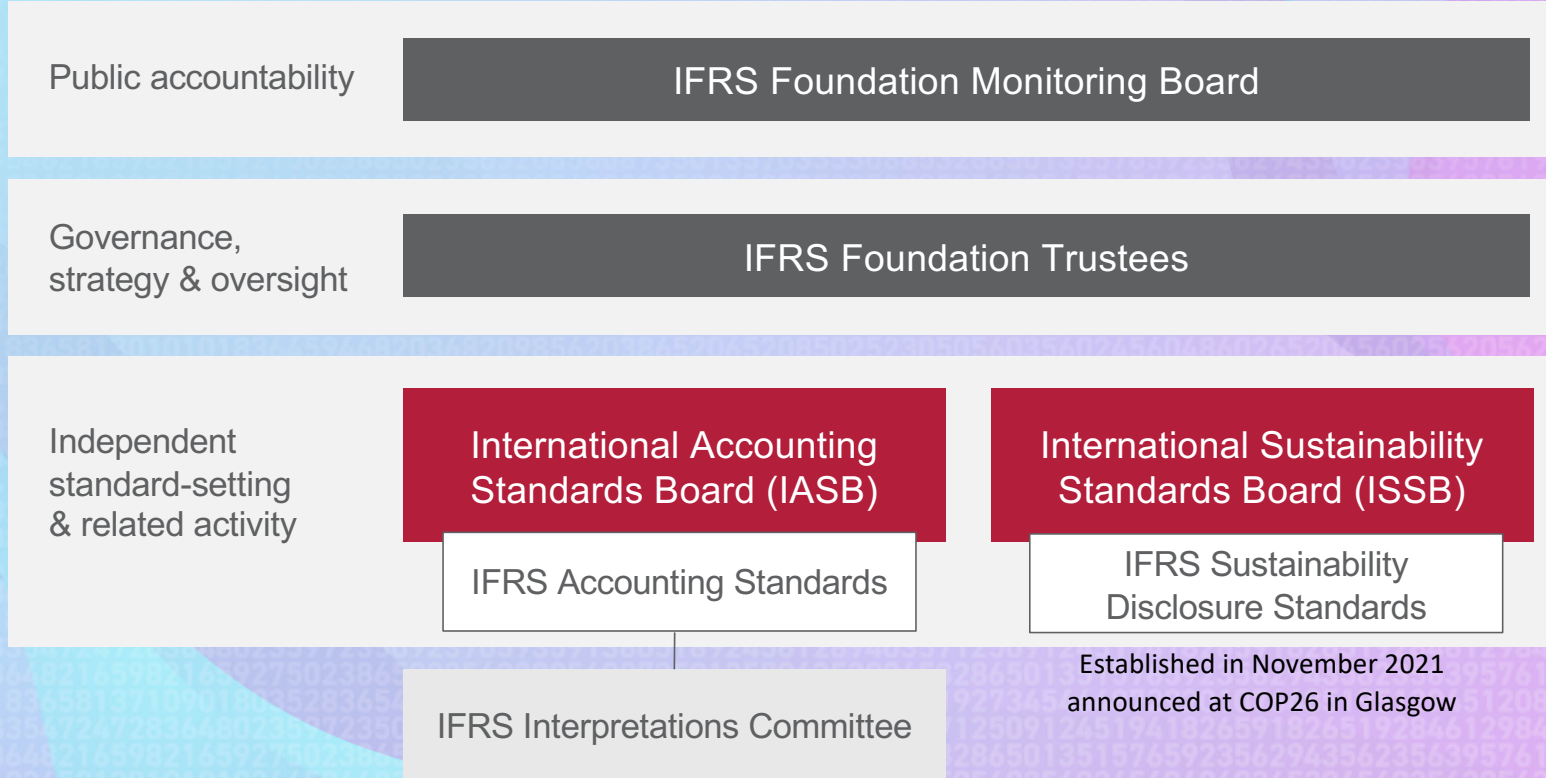
- Growing and urgent demand for global standards
- Need for **consistency** in reporting and **comparable** information within **interconnected corporate reporting**



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# ISSB under Governance Structure of IFRS Foundation



IFRS Advisory Council

(provides advice to Trustees, IASB & ISSB)

Established in November 2021  
announced at COP26 in Glasgow





Task Force on Climate-Related Financial Disclosures  
Establish in 2015



IFRS S1 & S2

ISSB

International Sustainability Standards Board  
Establish in 2021



consolidates  
1 July 2022

CDSB

establishes  
(2007)



VALUE REPORTING FOUNDATION

consolidates  
(2021)



OICU-IOSCO



influence

ESRS

European Sustainability Reporting Standards

influence

Take over  
Monitoring  
From 2024

endorses

complement

influence

## Development of Sustainability Standards & Framework

Information as of 30 August 2023





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## Sustainability | Regulatory and Framework Understanding the Frameworks



	POJK 51/2017	GRI Standards	TCFD	ISSB Standard	SASB Standard
<b>Jurisdiction</b>	Indonesia	International	International	International	International
<b>Applicability</b>	Public companies, Financial Services Institutions and Issuers	All Companies and organizations	All Companies and organizations	All Companies and organizations	All Companies and organizations
<b>Focus</b>	<b>Sustainable finance.</b> Create <b>sustainable economic growth</b> by aligning <b>economic and social interests with the environment.</b>	Sustainability pillar which addresses a <b>company's external impacts on society and the environment.</b>	Financial pillar which addresses <b>climate change related financial impacts</b> on company.	Financial pillar which addresses <b>sustainability-related financial impacts</b> on company. ISSB proposes enhanced detail and scope than TCFD and embed industry-based approaches	Focus on <b>sustainability issues</b> expected to have a <b>financially material impact</b> on the company, aimed at serving the needs of most investors and other providers of financial capital.
<b>Requirement</b>	Companies are required to submit: <ul style="list-style-type: none"> <li>➢ Sustainable Finance Action Plan</li> <li>➢ Sustainability report in accordance to POJK 51 requirements</li> </ul>	<ul style="list-style-type: none"> <li>➢ Universal Standards</li> <li>➢ Sector Standards</li> <li>➢ Topic Standards</li> </ul>	<ul style="list-style-type: none"> <li>➢ Governance</li> <li>➢ Strategy</li> <li>➢ Risk management</li> <li>➢ Targets and metrics</li> </ul>	Currently available exposure drafts: <ul style="list-style-type: none"> <li>➢ IFRS S1 – General requirements</li> <li>➢ IFRS S2 – Climate-related disclosures</li> </ul> With main structure similar to TCFD	<b>Industry-specific disclosure topics and related accounting metrics</b>

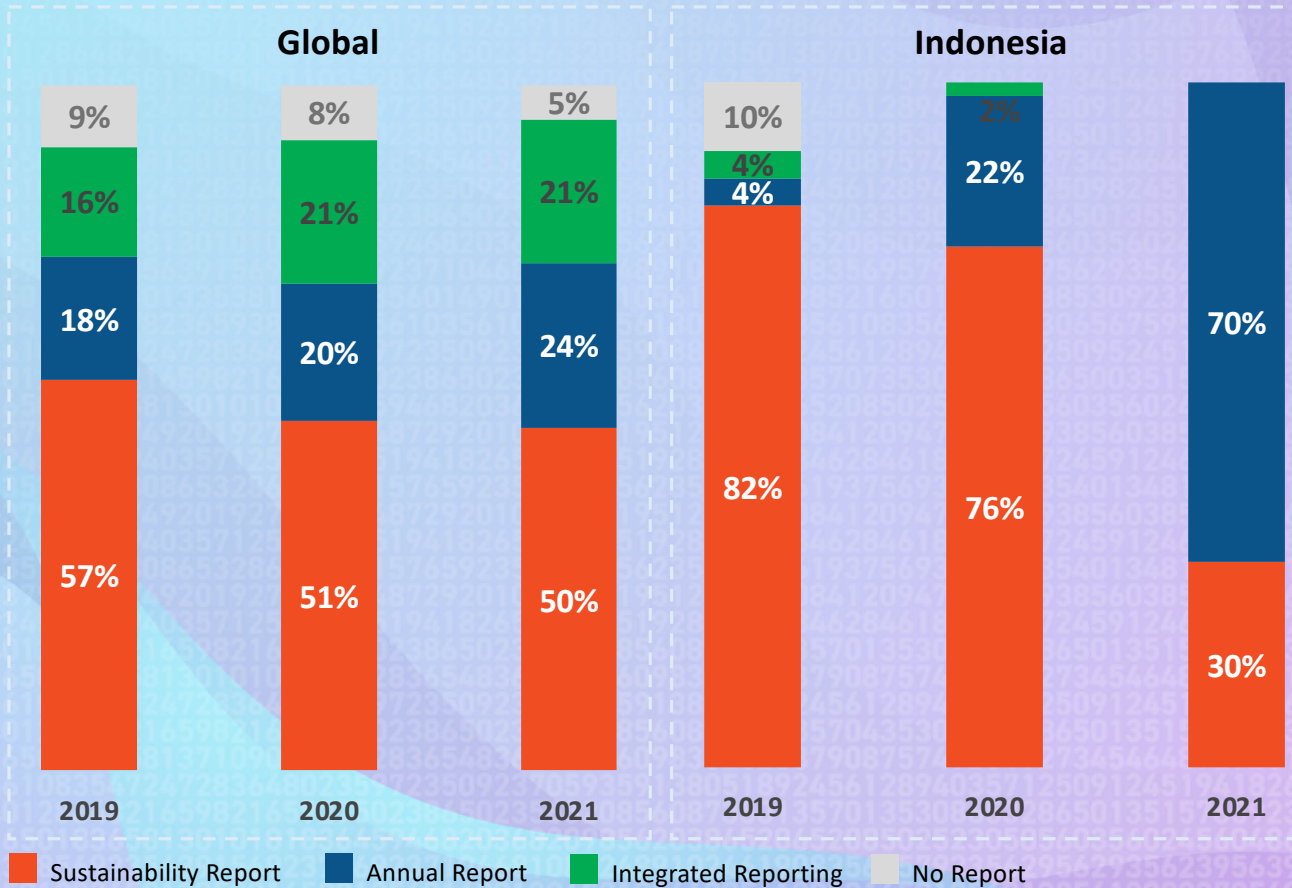
353534748581676869060684635238652065208502523050560356024560486026520456025620562048564085620465240602486024502359



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# Reporting Landscape: Changes in Where Companies Reported on ESG



Over the three year period, fewer companies in the global relied on stand-alone sustainability reports while **use of integrated and annual reports for ESG disclosures increased**

While in Indonesia, since 2020, 100% companies in Indonesia reported ESG information. They tend to use **annual report** than stand-alone sustainability report to **disclose** their **ESG information**.

Survey performed by : IFAC International Federation of Accountants AICPA & CIMA

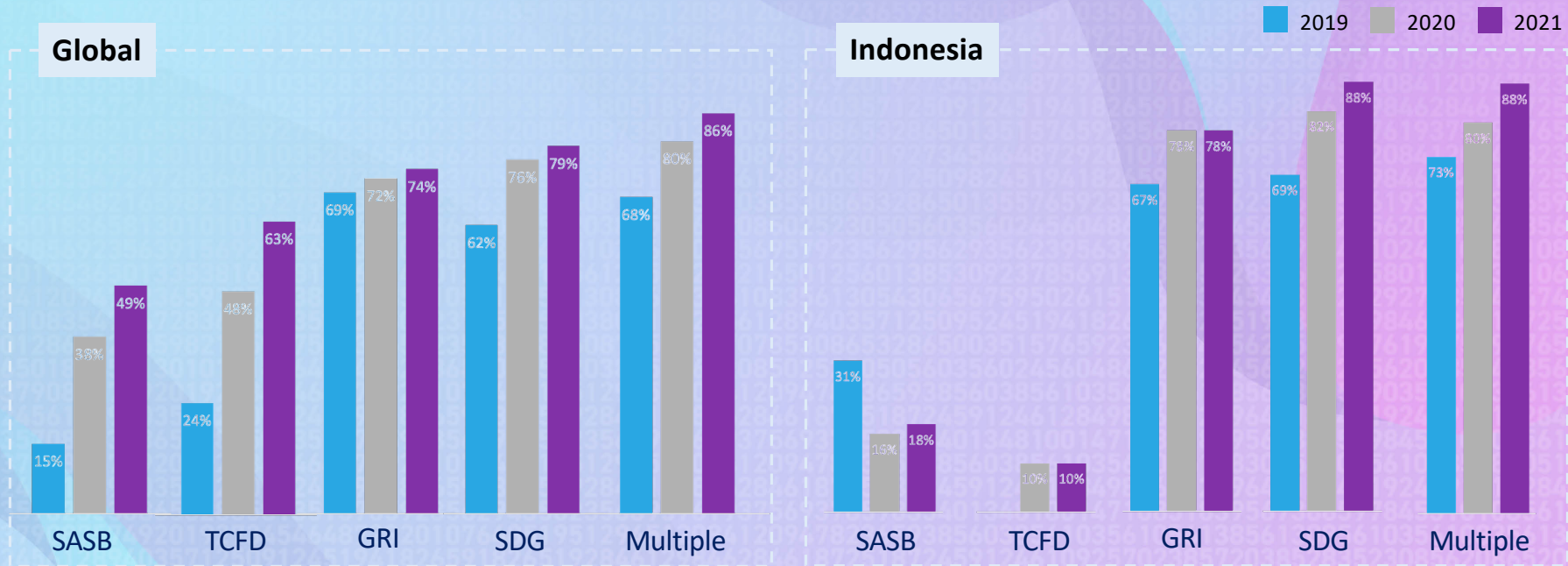
The State of Play: Sustainability Disclosure & Assurance (2023)



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# Reporting Landscape: ESG Reporting Framework and Standards



- Data highlights the **lack of consistency and comparability** that persists without harmonized global standards.
- The **use of multiple frameworks & standards is increasing** from 68% to 86% in 2021.
- In **Indonesia**, the use of **GRI Standards** for reporting and SDG Goals as reference are increasing.

Survey performed by :  International Federation of Accountants  AICPA & CIMA  
The State of Play: Sustainability Disclosure & Assurance (2023)



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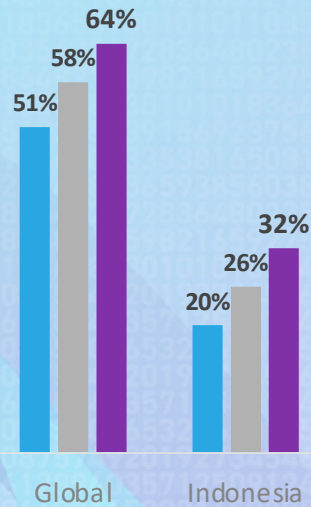
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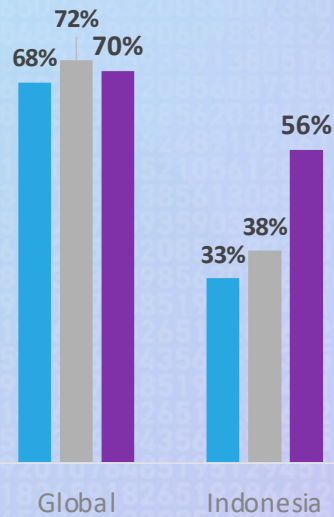
# Reporting Landscape: Assurance of ESG Information

2019 2020 2021

## Rate of Assurance



## Use of ISAE 3000 as Assurance Standards



## WHO PROVIDED ASSURANCE

Percentage of engagements were conducted by **audit firms**:

**63%**

in 2019

445 of 704 assurance reports from 645 companies

**61%**

in 2020

505 of 833 assurance reports from 741 companies

**57%**

in 2021

516 of 913 assurance reports from 818 companies

## STATUTORY AUDIT FIRMS

**70%** of **516**

ESG assurance reports reviewed in **2021** provided by audit firms were from the same firms as the statutory audit provider for the same reporting entity

**64% of companies globally** that disclosed ESG data obtained **assurance** in 2021. This percentage is increasing from 2019 to 2021. Meanwhile, assurance in Indonesia's companies still far below global average rate. IAASB ISAE 3000 (Revised) remained the most widely used standard for ESG assurance engagements. But in August 2023, **IAASB published exposure draft ISSA 5000**.

Survey performed by : IFAC International Federation of Accountants AICPA & CIMA

The State of Play: Sustainability Disclosure & Assurance (2023)



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# Updates from Jurisdictions related to ISSB Standards

## Singapore

- Effective in FY 2025 for listed companies and FY2027 for non listed companies
- SR standards will align with ISSB Standards, with climate only first
- Assurance for reporting will be mandatory, two years after reporting

## Philippine

- Currently still in public consultation for draft standards
- The standards will be effective in end of Q4 2023

## Malaysia

Securities Commission Malaysia (SC) plans to adopt the ISSB Standards for Malaysia's corporations.

## Hong Kong

- HKEX launched a consultation in April 2023, which proposes to mandate all issuers to make climate-related disclosures, aligned with the ISSB.
- It expected to be adopted in 2024

## Korea

KAI and the KSSB currently assessing the feasibility of adopting the ISSB standards

## Japan

SSBJ will issue draft sustainability disclosure standards based on the ISSB standards by 31 March 2024 and will finalize the standards by 31 March 2025

## Taiwan

FSC has established a taskforce to promote the alignments with IFRS Sustainability Standards in early August (with an execution period scheduled from 2023 to 2027)

## China

There are still no concrete plans for ISSB-implementation

Source:

<https://www.pwc.com/gx/en/issues/esg/esg-asia-pacific/sustainability-counts-2023.html>

<https://www.thesundaily.my/business/sc-to-adopt-issb-sustainability-principles-OM11488798>

[https://www.fsc.gov.tw/en/home.jsp?id=54&parentpath=0,2&mcustomize=multimessage\\_view.jsp&dataserno=202308180001&dtable=News](https://www.fsc.gov.tw/en/home.jsp?id=54&parentpath=0,2&mcustomize=multimessage_view.jsp&dataserno=202308180001&dtable=News)

<https://www2.deloitte.com/content/dam/Deloitte/sg/Documents/audit/sea-aud-apac-response-to-the-finalised-issb-ifrs-s1-and-ifrs-s2-standards.pdf>; [https://www.hkex.com.hk/News/Regulatory-Announcements/2023/230414news?sc\\_lang=en](https://www.hkex.com.hk/News/Regulatory-Announcements/2023/230414news?sc_lang=en)

<https://www.deloitte.com/au/en/services/audit-assurance/analysis/mandatory-sustainability-reporting-australia.html>





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## Updates from Jurisdictions related to ISSB Standards

### United Kingdom

DBT has published guidance which sets out the framework for the UK adoption of the ISSB Standards. The guidance confirms that the DBT will consider the endorsement of the ISSB Standards with the aim of creating the UK sustainability disclosure standards (UK SDSs) by July 2024

### Swiss

The Climate Ordinance enters into force on 1 January 2024, requiring large public-interest entities to make climate-related disclosures for the 2024 financial year. The ordinance reflects the Federal Council's commitment to the Recommendations of the TCFD.

### Canada

There is currently no mandatory requirement to comply with the ISSB Standards. However, the Government of Canada, as well as various regulatory and professional agencies, has voiced support for the ISSB and the movement towards standardized and mandatory climate-related financial disclosures. On June 2023, Financial Reporting & Assurance Standards Canada finalized the membership of the Canadian Sustainability Standards Board (CSSB).

### United States

U.S. SEC still assessing whether adopt the Standards or not, there likely will be some substantial overlap between the expected final SEC disclosure rules and the Standards with respect to climate disclosure.

### Brazil

ISSB standards will be voluntary beginning in 2024 but will shift to mandatory use on Jan. 1, 2026, as part of mandatory IFRS accounting standards

Source:

<https://hsfnotes.com/esg/2023/08/17/round-up-of-developments-in-the-adoption-of-issb-standards-for-sustainability-reporting-in-the-uk/>

<https://www.buildingbridges.org/should-issb-be-on-swiss-companies-radar/>

<https://www.insideenergyandenvironment.com/2023/07/issb-issues-inaugural-global-sustainability-disclosure-standards/>

<https://www.pionline.com/esg/brazil-adopts-issb-standards-esg-disclosure>

<https://www.fasken.com/en/knowledge/2023/06/to-issb-or-not-to-issb>





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# Overview of IFRS Sustainability Disclosure Standards and the Building Block Approach

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# Building Block Approach

## Sustainability reporting (broader multi-stakeholder focus)

Reporting on all sustainability matters that reflect significant positive or negative impacts on people, the environment and the economy

Jurisdictional initiatives  
and/or GRI

## Sustainability-related financial disclosures (investor focus)

Reporting on those sustainability-related matters that may reasonably create or erode enterprise value over the short, medium and long term



## Financial reporting (investor focus)

Reflected in monetary amounts in the financial statements



Integrated Reporting

Investor  
focused  
general-  
purpose  
financial  
reporting

Information needs are not static and can move over time

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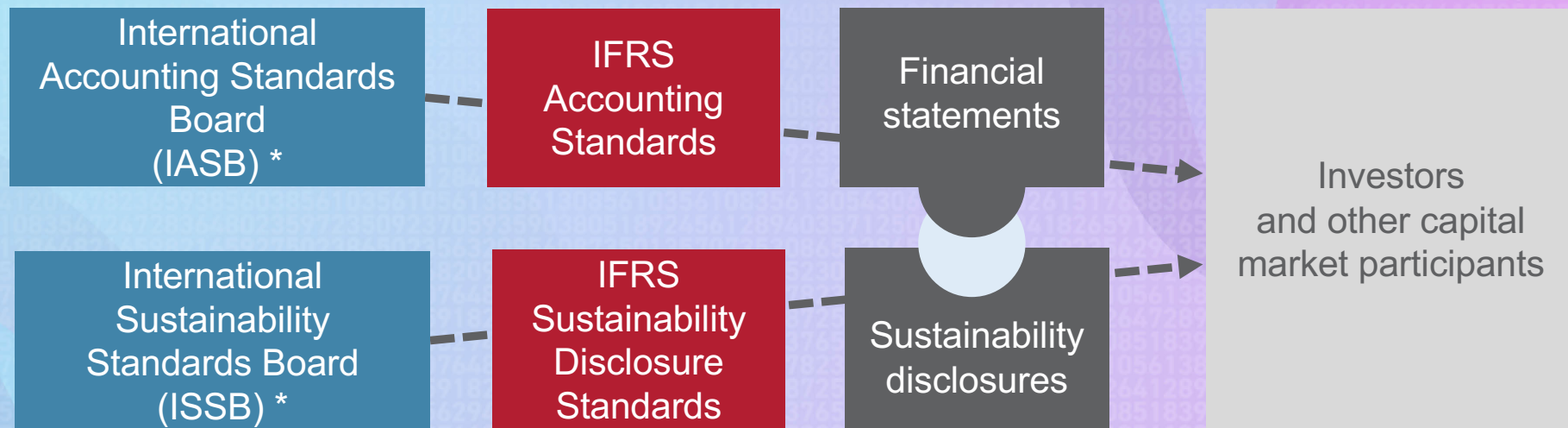




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## Compatibility between IFRS Accounting Standards & IFRS Sustainability Disclosure Standards



- Integrated Reporting Council to advise IASB and ISSB on connectivity via fundamental concepts / guiding principles of integrated reporting
- IFRS Sustainability Disclosure Standards compatible with IFRS Accounting Standards or other GAAP to meet investor needs

Source: <https://www.ifrs.org/content/dam/ifrs/meetings/2022/may/eeg/ap1-issb-eds.pdf>





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## ISSB's Multi-location Model

The ISSB **collaborates** with global and regional partners and **operates a multi-location model** to ensure **proximity and market relevance across the world**. Engagement with developing and emerging economies is an important priority for the ISSB. The ISSB has a multi-location footprint across all regions, which are **Americas** (Montreal and San Francisco), **EMEA** (Frankfurt and London), and **Asia-Oceania** (Tokyo and Beijing)

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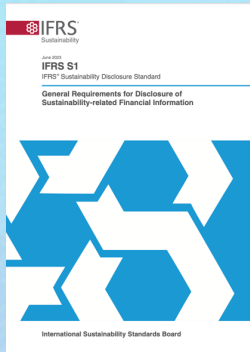


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# IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

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## Objective

require an entity to **disclose information about its sustainability-related risks and opportunities** that is useful to **primary users\* of general-purpose financial reports** in making decisions relating to providing resources to the entity.

IFRS S1 Equivalent to IFRS Accounting Standards IAS 1 and IAS 8.

Effective Date: **1 January 2024** with earlier application permitted

\*existing and potential investors, lenders and other creditors

## Core Contents

### Governance

The governance processes, controls and procedures the company uses to monitor, manage and oversee sustainability-related risks and opportunities

### Strategy

The approach for managing sustainability-related risks and opportunities that could affect the company's prospects, business model and value chain

### Risk Management

The processes the company uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities

### Metrics and Targets

Information used to measure and monitor the company's performance in relation to sustainability-related risks and opportunities, including progress towards any company-set and mandated targets.



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## Linked to Financial Statement

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Financial  
statements

Sustainability  
disclosures

### Materiality

Information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the **primary users\* of general-purpose financial reports** make on the basis of those reports, which provide information about a specific reporting entity.

### Reporting Entity

Sustainability-related financial disclosures shall be **for the same reporting entity** as the related financial statements (e.g., parent & its subsidiaries as a single reporting entity).

### Timing

Financial statements and sustainability disclosures published **at the same time**, but with transitional relief in the first year of reporting

### Location

- Required to disclose **as part of its general-purpose financial reports**.
- Does **not specify a location** for disclosure within general purpose financial reports and **allows for additional information**, to facilitate application in different jurisdictions

### Qualitative characteristics of useful sustainability-related financial information

Relevance, faithful representation, comparable, verifiable, timely and understandable.

\*existing and potential investors, lenders and other creditors

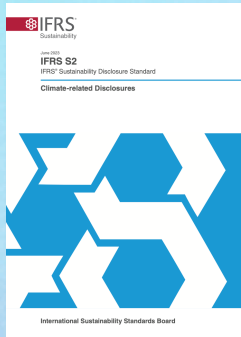
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# IFRS S2: Climate-related Disclosures



## Objective

Require an entity to disclose information about its **climate-related risks and opportunities** that is useful to **primary users\*** of **general-purpose financial reports** in making decisions relating to providing resources to the entity.

In applying IFRS S2, a company is **required also to apply IFRS S1**

Effective Date: **1 January 2024** with earlier application permitted

\*existing and potential investors, lenders and other creditors

## Core Contents

### Governance

Requires disclosure of material information about the **governance processes, controls and procedures** a company uses to **monitor, manage and oversee** climate-related risks and opportunities

### Strategy

Requires a company to disclose material information about the **company's strategy** for **managing** climate-related risks and opportunities.

IFRS S2 also requires a company to use **climate-related scenario analysis** to inform its disclosures about its resilience to climate change.

### Risk management

Requires a company to disclose material information about the **processes** the company uses to **identify, assess, prioritise and monitor** climate-related risks and opportunities

### Metrics and targets

Requires a company to disclose **metrics and targets** to enable investors to understand the **company's performance** in relation to its material climate-related risks and opportunities

These metrics and targets include disclosure of a company's absolute **GHG emissions**, expressed as CO<sub>2</sub>e and calculated using the GHG Protocol Corporate Standard.



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## MAIN CONCEPT IN IFRS S2 GHG Emissions

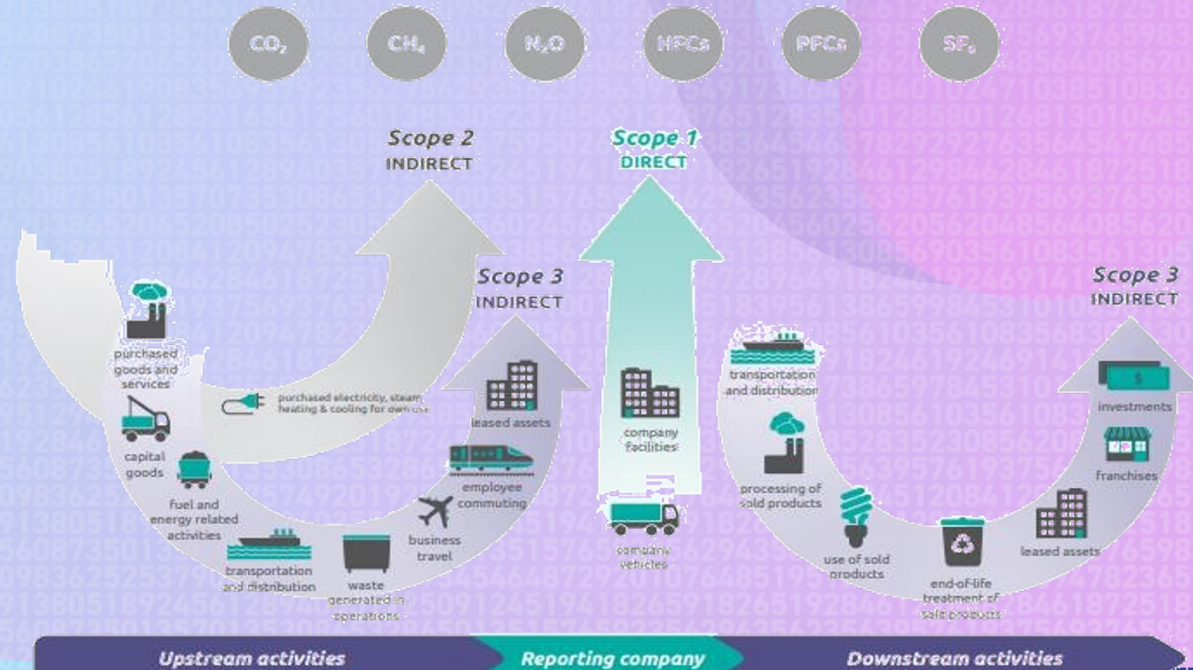
### Scope 1: Direct emissions

which occur from sources that are owned or controlled by the company.

### Scope 2: Energy indirect emissions

which accounts for the generation of purchased electricity that is consumed by the company.

**Scope 3: Other indirect emissions** (not included in Scope 2) and are a consequence of activities that occur outside the ownership or control of the company (upstream and downstream).



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# Expected Benefits Adopting IFRS S1 & S2



Although companies will incur costs related to the implementation and ongoing application of IFRS S1 and IFRS S2, many respondents to the exposure drafts, including most investors, indicated that the **benefits** are likely to **outweigh the costs**.



## Companies

Improve **data quality** in the value chain of a reporting company

Improve **access to capital** and **reduce cost of capital**

A link tying **companies** with **better sustainability records** to **better equity returns** would emerge

Communicating with stakeholders, improving **reputation**, and justifying **validity** in society

Increase company's **ESG performance** by achieving operational efficiency

Providing a framework for strategic review of the business model and supporting **better performance and longer-term value creation**.



## Investors

The **right investment decision** for **investor** as long as the quality of reporting information is adequate and has added value.

Greater **consistency, comparability and verifiability** of disclosures

**Avoid inefficiencies** of manual data collection, management and analysis of sustainability-related financial disclosures

Source: <https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/effects-analysis.pdf>



## Likely Costs of Applying IFRS S1 and IFRS S2

These costs might be new for many first-time preparers of sustainability-related financial disclosures. However, **ongoing costs were likely to decrease over time**, as preparers set up systems and become familiar with the disclosure requirements.



### Companies

Recruiting additional staff or acquiring necessary expertise, to source the appropriate talent to manage data collection and disclosure processes, which **increase personnel cost**

Establishing or modifying **internal systems**

Changing **data collection and analysis**

Producing or modifying **production of reported information**

Developing and implementing **systems** for reporting and internal controls on data



### Investors

Investors might face costs to establish or **modify internal systems, data collection or data analysis processes**





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## ACCESS THE STANDARDS



<https://bit.ly/IAI-IFRS-S1-S2>

### Supporting Materials:

- [Basis for Conclusions on IFRS S1](#)—summarises the ISSB’s considerations in developing the requirements in IFRS S1
- [Basis for Conclusions on IFRS S2](#)—summarises the ISSB’s considerations in developing the requirements in IFRS S2
- [Effects Analysis on IFRS S1 and IFRS S2](#)—describes the likely benefits and costs of IFRS S1 and IFRS S2
- [Project Summary of IFRS S1 and IFRS S2](#)—provides an overview of the project to develop IFRS S1 and IFRS S2
- [Feedback Statement for IFRS S1 and IFRS S2](#)—summarises feedback on the proposals that preceded IFRS S1 and IFRS S2 and the ISSB’s response

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# IAI Initiatives in Adopting IFRS Sustainability Disclosures Standards

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# IAI Milestones

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## Establishment TF CCR IAI

**Sep 2020** First established by DPN, DKSAK, DSAK, dan TISAK

**Apr 2022** TF CCR IAI Membership Expansion



Increasing **awareness** related to the latest developments in sustainability through webinars

ISSB, IFAC, Kementerian Keuangan, KLHK, BKF, OJK, BEI, BCA, Blackrock, BNP Paribas, dll



## Nov 2022

MOU signing with KADIN

Strengthening Information Disclosure related to Sustainability Disclosure Standards through Improving the Quality of Financial and Tax Reporting for Business Players.



**Study** related to **adoption on** ISSB Standards



Actively provide feedback to IFRS Foundation & ISSB

**Sep 2020** Request for response on the establishment of ISSB

**Dec 2020** Consultation paper on sustainability reporting

**July 2021** Proposal of amendments to the IFRS Constitution

**July 2022** Exposure Draft IFRS S1 and S2



Actively involved in Indonesia **B20** Event (2022)

Formulation of policy recommendations in the Integrity & Compliance Task Force



## Dec 2022

Amendments to the AD/ART to support addition of an IAI body: **Dewan Standar Keberlanjutan (DSK)**



## Oct 2023

Establishment of:

- **Dewan Pemantau Standar Keberlanjutan**
- **Dewan Standar Keberlanjutan**
- **Tim kerja Keberlanjutan**
- **The Indonesia Sustainability Reporting Forum**



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## Struktur Tata Kelola Standar Keberlanjutan IAI



Menggunakan mekanisme *two tiers governance* untuk menjamin penguatan governansi dan akuntabilitas dalam proses penyusunan standar keberlanjutan.

**Fungsi tata kelola,  
strategi, dan  
pengawasan**

**DPSK IAI**  
Dewan Pemantau Standar Keberlanjutan IAI

Terdiri dari berbagai pemangku kepentingan, antara lain dari:



Praktisi Akademi Industri NGO

**Fungsi Penyusunan  
Standar**

**DSK IAI**  
Dewan Standar Keberlanjutan IAI

Untuk mendukung DPSK dan DSK IAI, DPN IAI juga telah mengesahkan pembentukan:

### **The Indonesia Sustainability Reporting Forum (ISRF)**

### **Tim Kerja Keberlanjutan (TKK)**

- Keanggotaan terdiri dari perwakilan entitas.
- Wadah komunikasi dan diskusi isu-isu terkait pelaporan berkelanjutan.

- TKK memberikan dukungan teknis kepada DSK IAI.
- Anggota TKK akan diseleksi oleh perwakilan DPSK dan Ketua DSK.



Ketua DPSK IAI



**Rosita Uli Sinaga**  
Ex Officio DPN



**Adi Budiarmo**  
Ex Officio Kementerian Keuangan



**Antonius Hari**  
Ex Officio Otoritas Jasa Keuangan



**Bayu Martanto**  
Ex Officio Bank Indonesia



**Jumadi**  
Ex Officio DPN



**Laksmi Dhewanti**  
Ex Officio Kementerian  
Lingkungan Hidup dan Kehutanan



**Prof. Lindawati Gani**  
Ex Officio DPN



**Lucas Kurniawan**  
Direktur Utama  
PT Austindo Nusantara Jaya Tbk

Profil lengkap tiap anggota Dewan bisa diakses di

<https://bit.ly/Profil-DPSKIAI>

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## DPSK IAI

Dewan Pemantau Standar Keberlanjutan IAI

1. memberikan arahan strategis, kebijakan dan rekomendasi kepada DSK IAI mengenai penyusunan standar keberlanjutan di Indonesia;
2. melakukan seleksi anggota DSK IAI pada periode berikutnya dan mengusulkan hasilnya kepada DPN IAI;
3. menyetujui usulan rencana strategis DSK untuk ditetapkan DPN IAI;
4. memonitor dan mengawasi rencana strategis DSK IAI;
5. memberi pertimbangan dan menyetujui program kerja tahunan yang disusun oleh DSK IAI. Pertimbangan terbatas pada pandangan umum mengenai prioritas program kerja DSK IAI, tidak mencakup substansi standar keberlanjutan;
6. mengevaluasi kinerja DSK IAI; dan
7. membantu proses koordinasi dengan berbagai pemangku kepentingan yang dibutuhkan oleh DSK IAI dalam pengembangan standar keberlanjutan secara keseluruhan.

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Ketua DSK IAI



**Istini T. Siddharta**

Komisaris dan Komite Keberlanjutan,  
PT Austindo Nusantara Jaya



**Agus Suparto**

Ex Officio Kementerian Keuangan



**Arie Pratama**

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**Elvia R Shauki**

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**Heru Rahadyan**

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**Jarot Suroyo**

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**Luthfyana Larasati**

Manager, Climate Finance Program,  
Climate Policy Initiative (CPI)



**Palti Ferdrico**

VP Financial Reporting and Accounting  
Head Office, PT Pertamina (Persero)



**Prabandari I Moerti**

Direktur ESG, PT Deloitte Konsultan  
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**Susanti**

Partner, EY Indonesia



**Yuliana Sudjonno**

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## DSK IAI

Dewan Standar Keberlanjutan IAI

1. mempersiapkan, merumuskan, menetapkan standar keberlanjutan sesuai dengan *due process procedure*;
2. mengusulkan rencana strategis dan program kerja tahunan DSK IAI kepada DPSK IAI;
3. melakukan konsultasi publik dalam rangka penyusunan program kerja tahunan;
4. melakukan kajian dan riset terkait penyusunan standar keberlanjutan; dan
5. menjawab pertanyaan dari publik terkait standar keberlanjutan dalam hal dipandang perlu berdasarkan pertimbangan DSK IAI.

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# How Ready are Preparers to Adopt IFRs Sustainability Disclosure Standards

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## Disclosures Requirements from IFRS S1



### **Governance**

The organization's governance around climate-related risks and opportunities

### **Strategy**

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

### **Risk Management**

The processes used by the organization to identify, assess, and manage climate-related risks

### **Metrics and Targets**

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

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## Disclosures Requirements from IFRS S1: Governance

Can the preparer describe in a concise and accurate manner:

### In practice:

Does companies own **governance processes** to determine strategy, work plan, target and monitor implementation of strategy?

Process to **assess** risk, determine strategy, work plan, target and metrics to be achieved?

Organization body or department **responsible** to determine strategy?

**Workflow** from various departments to gather data and analyze risk to determine strategy?



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## Disclosures Requirements from IFRS S1: Risk Management

Risk or opportunity assessment process and method used, including:

How to determine which risks are **material or significant** risk or opportunity

How to determine the **mitigation steps** to manage risk or opportunities

How to **communicate risk and mitigation efforts** to the whole organization

How to **monitor** risk or opportunities (external and internal risk or opportunities)



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## Disclosures Requirements from IFRS S1: Strategy

What are the **key success factors** for the organization?

What are disrupting factors that become a **threat** or bring **opportunities** to organization long-term existence?

How to develop **organization strength** to seize the key success factor for the future?

How to **communicate strategy** to the whole organization?

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## Unit Measurement and Metrics: IFRS S2 Example

Determine **base case**  
of GHG S1 from  
production process

**Metrics:**  
equivalent ton of CO2  
emission

**Target:**  
Zero Carbon by 2060,  
20% reduction by  
2030



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