

ABSTRACT

This study aims to analyze the effect of corporate characteristics on the level of alignment of sustainability disclosures with PSPK 1 and PSPK 2. PSPK 1 and PSPK 2 are new sustainability reporting standards that require companies to disclose sustainability- and climate-related information in a more structured, relevant, and financially integrated manner. The implementation of these standards requires internal corporate readiness in terms of financial condition, funding structure, ownership structure, and resource capacity. Therefore, this study examines the effect of profitability, leverage, institutional ownership, foreign ownership, and firm size on the level of alignment of sustainability disclosures with PSPK 1 and PSPK 2 in energy sector companies. The energy sector was selected in this study because it is closely related to sustainability issues and climate risks, and it is also the sector with the highest greenhouse gas emissions.

This study employs secondary data obtained from the annual reports and sustainability reports of energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. The sample was selected using a saturated sampling technique within the accessible population, resulting in 54 companies with a total of 162 observation units. The data were analyzed using multiple linear regression with the assistance of SPSS version 25 software.

The results indicate that profitability and firm size have a positive and significant effect on the level of alignment of sustainability disclosures with PSPK 1 and PSPK 2. This finding suggests that companies with greater profitability and larger size tend to possess more adequate resources, structures, and processes to fulfill sustainability disclosure requirements. This study also finds that leverage has a positive and significant effect; however, the hypothesis is rejected because the direction of the relationship is inconsistent with the initial prediction. This result indicates that the level of debt does not necessarily constitute an obstacle to a company's readiness to support the implementation of new standards. Meanwhile, institutional ownership and foreign ownership do not have a significant effect on the level of alignment of sustainability disclosures with PSPK 1 and PSPK 2, indicating that ownership structure does not necessarily have a direct impact on corporate readiness unless it is accompanied by strong governance and adequate sustainability reporting processes.

Keywords: *profitability, leverage, institutional ownership, foreign ownership, firm size, corporate readiness to implement PSPK 1 and PSPK 2.*