

ABSTRACT

Indonesia, the world’s largest nickel produces, offers an opportunity to lead green energy transformation but also risk climate change due to nickel refining process emission. Meanwhile following the Paris Agreement, stringent regulations and increasing demand for transparency in emission and climate change disclosure have put pressure on nickel exporter like Indonesia companies to adapt to stay competitive. This study aims to assess the current state of carbon emission-related risk reporting and disclosure system in Indonesia nickel companies by using seven guidelines including POJK 51/2017, PROPER, IRMA, GRI Emission and Mining Metals, IFRS S2, and ESRS E1. The novelty of this study lies in its combined methods of content analysis and interviews to examine standards conformity and the quality of carbon emission-related risk disclosure information adaptation, framed within legitimacy theory. This study uses purposive methods sampling of integrated leading nickel mining and processing companies in Indonesia stand-alone sustainability report published from 2021 to 2022.

The study reveals Indonesia's nickel industry lacks awareness about carbon emission-related risk disclosure, with 89% not reporting sustainability let their carbon footprint. Among three Indonesian nickel companies which published the report shows high conformity with national reporting standards, while their conformity with sectoral and global standards ranges between 50% and 70%. The quality of information disclosed varies, with moderate to high-quality explanatory information for expository indicators and low-quality disclosure of numerical indicators. The most widely disclosed topics include energy consumption, emissions, climate change policies and emissions reduction initiatives. Conformity of sustainability reports to various corporate reporting standards serves as a strategic communication tool, helping companies gain legitimacy and meet stakeholder interests regarding their commitment to carbon emissions management and climate change transition efforts.

Keywords: Carbon Emission Disclosure, Climate Change Disclosure, Nickel Industry, Sustainability Report, Content Analysis