



Compliance in Sustainability Reporting: Progression or Regression?

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<http://dx.doi.org/10.18415/ijmmu.v10i2.4584>

Abstract

Along with the government's plan to develop Sustainability Report (SR) standards tailored to Indonesia, numerous studies on Indonesian companies' SR compliance with previously used standards must be conducted. As a result, the goal of this study was to dig deeper into the advancements in company compliance in Indonesia in 2017 versus 2018, as well as to assess companies' readiness to implement new standards. This study took a qualitative approach with content analysis. According to the findings of this study, the average reporting compliance of PT Pertamina Persero, PT KPC, and PT Antam Tbk. in 2017 and 2018 decreased, with an average SR compliance level that falling below 80% with the "core" option. So that, the government needs to create standards for SRs that are specifically designed for companies in Indonesia. With these specific standards, it is expected that their application to the SRs of Indonesian companies would be easier because they are more relevant to the business conditions in Indonesia.

Keywords: *Sustainability Reporting; Compliance; GRI; Mining Company; CSR*

Introduction

To mitigate pollution and damage to the environment, the Indonesian government has made Corporate Social Responsibility (CSR) initiatives mandatory for all companies doing business in the natural resource sector. Law Number 40 of 2007 requires natural resource businesses to fulfill this duty. Despite the fact that the law makes it clear that it is required, many businesses in the natural resource sector do not consistently engage in CSR operations (Wulolo & Rahmawati, 2017). CSR can only be carried out through one-time acts, such as charitable giving, that do not last. If this problem is not addressed, environmental degradation and pollution will eventually lead to natural disasters, global warming, and climate change, all of which will endanger human life in the future. Furthermore, extreme weather, which frequently leads to natural disasters, is another way that humanity is currently experiencing the effects of global warming. Companies are seen as bearing the most responsibility when environmental quality deteriorates (Türk, Uslu, & Ertaş, 2019; Tu & Huang, 2015). Companies' level of awareness is still widely regarded as low. Even when businesses are willing to spend money on the environment, it is sometimes done simply to comply with the regulations.

One of the causes of companies' lack of compliance with CSR activities that should be performed sustainably is a lack of clarity and firmness from the authoritative institution, such as the Financial

Services Authority namely *Otoritas Jasa Keuangan* (OJK), toward these violations. Sanctions for violations of sustainability reports are only administrative in nature, consisting of simple written warnings; there are no fines or other harsher sanctions. As a result, Indonesian businesses still regard these requirements for reporting sustainability reports as insignificant. Due to the limited analysis that can be done on CSR reports as a result of corporations' lack of compliance with reporting CSR, the government has difficulty gauging the commitment of CSR programs as well as overseeing their execution on the ground (Inge, 2019). As a result, supervision is required to facilitate the long-term application of the CSR (Wei, 2018). This necessitates a needs-based system as well as gradual adoption in order to build trustworthy and reliable SRs (Kan & Meng, 2015; Ma & Ma, 2019).

Corporate social responsibility issues are governed by Law No. 40 of 2007, which states on Article 77 that all businesses must practice environmental and social responsibility and that all businesses must disclose performance, social responsibility, and environmental information in the Board of Directors' Annual Report at the General Shareholders' Meeting (Article 66). In 2012, companies were required to comply with Government Regulation No. 47 of 2012 on the practice of Corporate Responsibility on Social and Environment, in addition to Law No. 40 of 2007.

In 2017, the Indonesian government issued OJK Regulation Number 51/POJK.03/2017 on the Application of Sustainable Financing for Financial Service Institutions, Bankers, and Public Companies, which outlined the requirements for sustainability reporting. The government has mandated that financial service providers, banks, and publicly traded companies produce a sustainability report, which can be done separately or alongside the annual report. Depending on the type of the company's business, the regulation's applicability is divided into stages that range from 2019 to 2025. This regulation also specifies the minimum amount of information that must be included in a company's Sustainability Report, whether separate or in conjunction with the Annual Report. All financial service providers, banks, publicly traded companies, and companies in the natural resources industry are required to create sustainability reports as a result of the presence of this regulation. The OJK Regulation's Article 13 fines, which are restricted to administrative sanctions in the form of straightforward written warnings, aren't especially severe, though.

By the year 2020, many financial organizations and mining companies will have created Sustainability Reports (SR), which are distinct from annual reports. An SR is a technique for informing the public about the impacts of companies or organizations' actions on the economy, the environment, and society, as well as how well or poorly they contribute to the overall objective of sustainable development (NCSR, 2019). It is believed that a standalone SR can provide more information about an enterprise's sustainability than merely referencing it in the annual report (Orazalin & Mahmood, 2018). These businesses compile their SRs according to OJK requirements as well as any additional standards that do not go against OJK regulations. The Global Reporting Initiative's standards are one of the standards that are generally accepted and frequently applied in Indonesia (GRI). GRI is a global nonprofit organization. GRI is responsible for assisting companies, governments, and other organizations in comprehending and communicating the effects of their enterprise actions on the economy, community, and environment through the GRI SR Standards (NCSR, 2019). In addition, Orazalin & Mahmood (2019) contend in their study that developing nations, such as Indonesia, can implement GRI standards for particular SRs because the standards can incentivize businesses to report their SR in accordance with the focus issue of enterprise sustainability that the businesses are currently and specifically experiencing. The GRI standards are extensively used in nations other than Indonesia, like Sri Lanka. The GRI Standards are the most pertinent to and suitable for the characteristics of Sri Lankan companies (Dissanayake & Qian, 2019).

The quality and dependability of an organization's SR are determined by two usage possibilities that are involved in the construction of an SR in line with GRI criteria. The two choices are "core" and "comprehensive." Companies' SRs only need to provide the bare minimum of information if they choose the "core" option; however, if they choose the "comprehensive" option, they must also include additional

information above what is required by the GRI criteria (NCSR, 2019). The vast majority of publicly traded businesses in Indonesia choose the "core" option, that means their SRs will only contain the absolute minimal amount of information required to meet GRI specifications. Although the publicly traded companies selected the "core" option for their SRs, a conducted preliminary study found that not all of the necessary information has been included in those companies' SRs, which can lower the SRs' quality and dependability. The creation of the SRs by the government appears to be a blatant attempt to avoid accountability while ignoring their contributions to sustainable development (Harahap et al., 2020).

The results of a study by Laskar & Gopal (2018) show that, in comparison to the average disclosure quality of other Asian nations, Indonesia's SRs for enterprises continue to have a significantly poor level of disclosure quality. Additionally, Nara et al. (2019) found that Brazilian tobacco companies use the "triple bottom line" concept in an unbalanced way, placing a greater focus on social responsibility than on the other triple bottom line elements. This contradicts the findings of a study conducted by Papoutsis & Sodhi (2020), who concluded that a company's SR actually represents the performance of its enterprise sustainability. According to Higgins, Tang & Stubbs (2020), notwithstanding its limits, a sustainability report may be able to offer details on the kinds, reasons for, and effects of organizational hypocrisy that can be investigated from the SR of the relevant company. As a result, it is critical to conduct additional research to determine whether mining companies in Indonesia are complying with the requirement to present their SRs in depth.

This research aims to examine the sustainability reports of Indonesian mining companies in 2017 and 2018. There has been prior investigation into the standard of SRs in Indonesia, but the majority of those investigations relied on quantitative techniques and statistical analysis. By carefully examining the company SRs for the 2017 report and contrasting them with the 2018 report, this research applied qualitative methodology. This comparison was analyzed based on the evaluation of the quality of the SRs for the companies against GRI for the years of 2017 and 2018. This research is expected to be able to contribute to provide input to regulators as the consideration for creating standards of sustainability reports that are specific for companies that are present in Indonesia, as well as to make a review of the preparedness of companies in Indonesia to comply with the standards that are to be created. As a result of the implementation of OJK Regulation Number 51/POJK.03/2017, which requires financial service institutions, banks, and public companies to use sustainable financing and report on the progress of enterprise sustainability, it is expected that the government, through the OJK, will consider the creation of specific SR standards that are suitable for businesses in Indonesia. This may very well be a reference to GRI or other pertinent standards. This study is anticipated to be able to provide information to the government regarding the assessment of company sustainability reports (SRs) to be made as further analysis regarding points that are typically interpreted as ways or loopholes for businesses to continue exploiting nature without taking its conservation into account, which may result in environmental damage and endanger human life in the future. In this way, the government might modify SR legislation in a sustainable fashion that would make them better in the long run as a means of recording and evaluating corporate social responsibility.

Methods

This study's qualitative research methodology included content analysis. The narrative technique was then applied to the research findings. According to Creswell (2016), narrative research in the humanities and social studies can take many different forms and has roots in various (fields of) disciplines. A narrative can be a topic given to a particular text or discourse, a text used as a tool for inquiry, or it can be used in the context of qualitative research (Chase, 2005).

The utilized sampling technique in this research was the technique of purposive sampling, with the condition that the companies are mining companies that published SRs separately from the annual

report in 2017 and 2018. Additionally, the size of the companies was made equal to one another in order to be able to represent each mining subsector. After obtaining samples that comprised the representatives of each mining subsector, the SRs of those companies were then analysed further in depth. The four principal subsectors of mining companies were coal, metals and minerals, oil and natural gas, and gemstones (BEI, 2020). One business that published an SR separately from the annual report in 2017 and 2018 was selected as the representative sample for each of these four subsectors.

This study's data type and source include secondary data. Secondary data came from the 2017 and 2018 SRs of Indonesian mining companies. The benchmarks used as a guide for this research were the 2016 GRI Standards, also known as G4. A document analysis of CSR and SR-related cases, research, journals, policies, rules, and legislation were also performed.

The analysis of the data for this study incorporated the interactive model created by Miles and Huberman (1992). This interactive model's components are (1) data collection, (2) data reduction, (3) data display, (4) data comparison, and (5) conclusion drawing. The first stage of the analysis process is SRs of Indonesian mining companies were subjected to content analysis in order to obtain data for this study. The research began by identifying whether a corporation chose the "core" or "complete" option when reporting the SR based on GRI. The facts and requirements that the organization must meet in order to report the SR using the defined choice were reanalyzed after the choice was made. The SRs of the companies were then examined for conformity with those criteria, covering the minimum standard criteria for reporting that are constituted of general standards and specialized issue standards once the suitable criteria had been identified. GRI 101 related to Foundation, GRI 102 related to General Disclosures, and GRI 103 related to Management Approach are the three components that comprise the global standards. The standards for specific subjects are GRI 200, GRI 300, and GRI 400 in the interim. Despite the fact that GRI 101 is divided into several sub-chapters, there are no sub-standards because all of the mining companies in this study that represented each subsector submitted their SRs with the GRI "core" option. The GRI 102 requires the corporate SR to include 33 sub-standards from the 56 criteria. There are three sub-standards that the company's SR must satisfy out of the total of three criteria for GRI 103. The number of disclosure points for each firm varied for the various issue standards that comprise GRI 200, GRI 300, and GRI 400 because companies' decisions about which specific topics to bring up for discussion were based on the results of company-conducted preliminary research. The mandatory minimum reporting requirements that are mandated based on the "core" option were then used to evaluate the SRs of the companies (the assertions received checkmarks for each of the sub-standards' explanations). Based on these minimum requirements for the sub standards, the compliance percentage level was calculated, producing a calculated level% that could be contrasted based on what was and wasn't used in the business SR. The degree of compliance was categorized in a table and created after calculating the percentages of compliance for each sub-standard.

The second stage for the data analysis in this study includes data reduction included summarizing, choosing the information that was most crucial, focusing on that information, searching for themes and patterns, and removing irrelevant information. Now that the results of the previous stage's summarization and classification have been condensed and re-selected, it is simpler to show the businesses' level of compliance with the GRI standards. The third step is that the data were condensed and summarized, and then presented in table form to help readers better comprehend the study's findings. The table was then inspected and described after that. An essay with a narrative text is used to demonstrate how the data was understood and clarified. The fourth step is data comparison in this research refers to the contrasting of compliance data for each company in 2017 and 2018 that had been reduced and presented earlier. The comparison would later on be displayed again in a comparative table. The fifth step is the conclusion drawing which is the stage where a conclusion is made from the compliance data for the SRs of companies in 2017 and 2018 that had been collected, reduced, presented, and compared. Through this process, the primary objectives and problem formulations would be able to be answered, having clarified what matters were vague.

Results and Discussion

The sampling technique that was utilized in this research was purposive sampling. The following are the criteria for purposive sampling that were utilized in this research are (1) Mining companies in Indonesia, (2) Publication of SRs separately from annual reports in 2017 and 2018 and (3) Usage of the GRI, G4 2016 standards as the reference for the SRs.

Coal, metals and minerals, oil and gas, natural gas, and gemstone made up the four main sub-sectors of the mining companies (BEI, 2020). Each of the sub-sectors was represented by a company, which published SR separately from its annual report in 2017. The following companies represent each subsector: PT Kalimantan Premier Coal (PT KPC) for the coal sector, PT Pertamina Persero for the oil and gas sector, and PT Antam Tbk for the metals and minerals sector. In 2017 and 2018, no businesses from the subsector of rocks reported a separate SR from the annual report, so neither a sample nor a representative existed. As a consequence, we were unable to evaluate the SR compliance of the companies in this subsector.

Each company's compliance, which served as the representative of each mining subsector, will be provided on the research's findings discussion. All of the companies that comprise each subsector made the decision to adopt an SR using the "core" option in light of the results of the analysis conducted for this study.

The Compliance of PT KPC's SR

The findings of the assessment of PT KPC's SR in relation to the GRI Standards are shown in Table 1. For the SR, PT KPC used the "core" option.

Table 1. Evaluation of PT KPC's SR Compliance with the GRI Standards in 2017 and 2018.

No.	Required Criteria	GRI Standard (Core Option)	Average Percentage of Reporting		Remarks
			2017	2018	
1	GRI Standards-based SR disclosure claim or statement.	Inclusion of the statement: "This report was prepared in accordance with the GRI Standards: Core Option".	100%	100%	No Change
2	GRI 101: Foundation - participate in the fundamental process of creating a sustainability report.	Completion of all prerequisites in GRI 101: Foundation Part 2 (The GRI standard usage for Sustainability Reporting).	55%	33%	Decreased
3	GRI 102: General Disclosures: This section provides background information about the group.	Compliance with all reporting requirements for the subsequent GRI 102 disclosures related to General Disclosures, including:	94%	84%	Decreased
		1. Organizational Profile Disclosure.	81%	71%	Decreased
		2. Strategy Disclosure	100%	100%	No Change
		3. Ethics and Integrity Disclosure	100%	100%	No Change
		4. Management Disclosure	100%	50%	Decreased
		5. Involvement of Stakeholders Disclosures	100%	100%	No Change

No.	Required Criteria	GRI Standard (Core Option)	Average Percentage of Reporting		Remarks
			2017	2018	
		6. Reporting Practices Disclosures	85%	81%	Decreased
4	GRI 103 related to Management Approach - to report management approaches as well as subject limitations for all material topics (covering the GRI Standards' contents and exclusions).	Compliance with GRI 103 (Management Approach) for all reporting requirements for each material subject. Only reasons for not including are allowed for Disclosures 103-2 and 103-3.	94%	100%	Increased
5	GRI Standards to Report Material Topics (specific topics series 200, 300, 400).	Adherence with all reporting requirements for at least one disclosure of a specific topic and with all reporting requirements for at least one material subject that is covered by a specific topic of GRI Standards. All disclosures of specific topics may be accompanied by justifications for not including.	93%	70%	Decreased
6	Ensure that any reasons for not including are used properly.	Proper inclusion of reasons for not including (if any) according to the conditions of GRI.	0%	0%	No Change
7	Notifying GRI about the application of the GRI Standard.	GRI is informed that the GRI Standard are being used for the SR.	100%	100%	No Change
Overall Average SR Reporting Rate Based on GRI			77%	70%	Decreased

Source: Processed Data

According to the findings of the evaluation of PT KPC's SR, the general average level of reporting based on the "core" option decreased from 77% to 70%. This suggests that the "core" option's compliance with the GRI criteria was still below 100% and far from 80%. Although overall compliance decreased, compliance with GRI 103 standards for management approaches and subject limitations for material topics covering what is and is not covered by the GRI Standards increased from 94% to 100%. In 2017, PT KPC did not fully comply with GRI 103 requirements 103-1 (95%) and 103-3 (86%). In relation to GRI 103-1, PT KPC did not provide an explanation regarding the material topics that cover locations of impacts and organizational involvement for the impacts that arose. In relation to GRI 103-3, PT KPC did not report the results of evaluation for management approaches and any adjustments that are related to management approaches. Generally, of the 7 criteria above, 3 points decreased in compliance toward the GRI standards, and 3 points were consistent, having neither decreased nor increased.

The Compliance of PT Pertamina Persero's SR

Details of the findings from the evaluation of the PT Pertamina Persero SR's compliance with the GRI Standards using the "core" choice are presented in Table 2.

Table 2. Evaluation of the SR Compliance for PT Pertamina (Persero) in 2017 and 2018

No.	Required Criteria	GRI Standard (Core Option)	Average Percentage of Reporting		Remarks
			2017	2018	
1	GRI Standards-based SR disclosure claim or statement.	Inclusion of the statement: "This report was prepared in accordance with the GRI Standards: Core Option".	100%	100%	No Change
2	GRI 101: Foundation - participate in the fundamental process of creating a sustainability report.	Completion of all prerequisites in GRI 101: Foundation Part 2 (The GRI standard usage for Sustainability Reporting).	64%	82%	Increased
3	GRI 102: General Disclosures: This section provides background information about the group.	Compliance with all reporting requirements for the subsequent GRI 102 disclosures related to General Disclosures, including:	94%	92%	Decreased
		1. Organizational Profile Disclosure.	70%	81%	Increased
		2. Strategy Disclosure	100%	100%	No Change
		3. Ethics and Integrity Disclosure	100%	100%	No Change
		4. Management Disclosure	100%	100%	No Change
		5. Involvement of Stakeholders Disclosures	100%	80%	Decreased
		6. Reporting Practices Disclosures	96%	90%	Decreased
4	GRI 103 related to Management Approach - to report management approaches as well as subject limitations for all material topics (covering the GRI Standards' contents and exclusions).	Compliance with GRI 103 (Management Approach) for all reporting requirements for each material subject. Only reasons for not including are allowed for Disclosures 103-2 and 103-3.	100%	100%	No Change
5	GRI Standards to Report Material Topics (specific topics series 200, 300, 400).	Adherence with all reporting requirements for at least one disclosure of a specific topic and with all reporting requirements for at least one material subject that is covered by a specific topic of GRI Standards. All disclosures of specific topics may be accompanied by justifications for not including.	63%	56%	Decreased
6	Ensure that any reasons for not including are used properly.	Proper inclusion of reasons for not including (if any) according to the conditions of GRI.	0%	0%	No Change
7	Notifying GRI about the application of the GRI Standard.	GRI is informed that the GRI Standard are being used for the SR.	100%	100%	No Change
Overall Average SR Reporting Rate Based on GRI			74%	76%	Increased

Source: Processed Data

According to Table 2, the average level of compliance of PT Pertamina Persero's SR with the GRI Standards in 2017 was 74%, and it improved slightly by 2% to 76% in 2018. The results of assessing PT Pertamina Persero's SR compliance vary from those of PT KPC, which decreased from 2017 to 2018. However, identical to PT KPC, PT Pertamina Persero's compliance with the GRI standards in both 2017 and 2018 with the "core" option was not 100% and was not even close to 80%. PT Pertamina Persero's SR average compliance increased overall, but when each standard point was more closely scrutinized, some of them showed a decrease. Table 2 shows that of the seven GRI standards, four were consistent in that they did not decrease or rise from 2017 to 2018, while one increased and two decreased. The rise in PT Pertamina Persero's SR compliance was only to GRI 101 on the foundation to participate in the fundamental process of preparing reports on sustainability, from 64% in 2017 to 82%, a significant increase, even though average compliance increased. The GRI Standards on specific topics (series 200, 300, and 400) that are used to report on material topics and GRI 102 on general disclosure to report contextual information about the organization both saw a decrease in PT Pertamina Persero's compliance. Compliance with GRI Standards 102 decreased from 94% to 92% between 2017 and 2018, while compliance with GRI Standards on particular topics decreased from 63% to 56%. Concerning GRI Standards 102, the SR of PT Pertamina Persero's compliance decreased from 100% to 80% for the disclosure of standards 102-40 to 102-44 on stakeholder participation, with the undisclosed standard being GRI 102-43. Another factor contributing to the drop in compliance with GRI 102 is the drop in compliance with disclosures 102-45 to 102-56 on reporting procedures, which fell from 96% to 90%. The decline was caused by noncompliance with GRI 102-48 and 102-55 disclosures in 2018.

The Compliance of PT Antam Tbk's SR

Table 3. details the findings of the assessment of PT Antam Tbk's SR's adherence to the GRI Standards using the "core" choice.

Table 3. Evaluation of the SR Compliance for PT Antam Tbk. in 2017 and 2018

No.	Required Criteria	GRI Standard (Core Option)	Average Percentage of Reporting		Remarks
			2017	2018	
1	GRI Standards-based SR disclosure claim or statement.	Inclusion of the statement: "This report was prepared in accordance with the GRI Standards: Core Option".	100%	100%	No Change
2	GRI 101: Foundation - participate in the fundamental process of creating a sustainability report.	Completion of all prerequisites in GRI 101: Foundation Part 2 (The GRI standard usage for Sustainability Reporting).	62%	85%	Increased
3	GRI 102: General Disclosures: This section provides background information about the group.	Compliance with all reporting requirements for the subsequent GRI 102 disclosures related to General Disclosures, including:	98%	97%	Decreased
		1. Organizational Profile Disclosure.	85%	84%	Decreased
		2. Strategy Disclosure	100%	100%	No Change
		3. Ethics and Integrity Disclosure	100%	100%	No Change
		4. Management Disclosure	100%	100%	No Change
	5. Involvement of Stakeholders Disclosures	100%	100%	No Change	

No.	Required Criteria	GRI Standard (Core Option)	Average Percentage of Reporting		Remarks
			2017	2018	
		6. Reporting Practices Disclosures	100%	100%	No Change
4	GRI 103 related to Management Approach - to report management approaches as well as subject limitations for all material topics (covering the GRI Standards' contents and exclusions).	Compliance with GRI 103 (Management Approach) for all reporting requirements for each material subject. Only reasons for not including are allowed for Disclosures 103-2 and 103-3.	100%	100%	No Change
5	GRI Standards to Report Material Topics (specific topics series 200, 300, 400).	Adherence with all reporting requirements for at least one disclosure of a specific topic and with all reporting requirements for at least one material subject that is covered by a specific topic of GRI Standards. All disclosures of specific topics may be accompanied by justifications for not including.	73%	68%	Decreased
6	Ensure that any reasons for not including are used properly.	Proper inclusion of reasons for not including (if any) according to the conditions of GRI.	0%	0%	No Change
7	Notifying GRI about the application of the GRI Standard.	GRI is informed that the GRI Standard are being used for the SR.	100%	100%	No Change
Overall Average SR Reporting Rate Based on GRI			76%	79%	Increased

Source: Processed Data

The SR of PT Antam Tbk. generally, rose in compliance from an average of 76% to 79%, a negligible increase. In contrast, when looking closely at each disclosure, as with PT Pertamina Persero, there were several standard instances where compliance declined. Three of the seven requirements for the "core" choice were constant between 2017 and 2018, and they did not go up or down. However, out of the seven points, compliance dropped by two and increased by one standard point. As was the case for PT Pertamina Persero, PT Antam Tbk. also had a decrease in compliance toward GRI Standard 102, which is the general disclosures for the reporting of contextual information regarding the organization as well as toward GRI standards for specific topics (series 200, 300, 400) for the reporting of material topics. PT Antam Tbk. had a 98% conformance rate with GRI 102 in 2017, which dropped to 97% in 2018. Only the Organizational Profile reports 102-1 to 102-13 were associated with the decline in GRI 102 compliance. PT Antam Tbk.'s compliance with GRI standards for specific topics (series 200, 300, 400) decreased by 5% from 73% in 2017 to 68% in 2018. As with PT Pertamina Persero, the only GRI standard compliance that increased for PT Antam Tbk. was for GRI 101, the basis for involvement in the fundamental process of producing sustainability reports, which increased from 62% in 2017 to 85% in 2018.

Discussion

The results of the assessment of the SRs of all of the companies on this research toward the GRI standards in 2017 and 2018 are compared in Table 4.

Table 4. Comparison of the GRI Standard's Compliance of the SRs of All Companies

No.	Evaluation Criteria	Average Percentage of Reporting								
		PT KPC			PT Pertamina Persero			PT Antam Tbk.		
		2017	2018	Rem.	2017	2018	Rem.	2017	2018	Rem.
1	GRI Standards-based SR disclosure claim or statement.	100%	100%	Same	100%	100%	Same	100%	100%	Same
2	GRI 101: Foundation - participate in the fundamental process of creating a sustainability report.	55%	33%	Dec.	64%	82%	Inc.	62%	85%	Inc.
3	GRI 102: General Disclosures: This section provides background information about the group.	94%	84%	Dec.	94%	92%	Dec.	98%	97%	Dec.
4	GRI 103 related to Management Approach - to report management approaches as well as subject limitations for all material topics (covering the GRI Standards' contents and exclusions).	94%	100%	Inc.	100%	100%	Same	100%	100%	Same
5	GRI Standards to Report Material Topics (specific topics series 200, 300, 400).	93%	70%	Dec.	63%	56%	Dec.	73%	68%	Dec.
6	Ensure that any reasons for not including are used properly.	0%	0%	Same	0%	0%	Same	0%	0%	Same
7	Notifying GRI about the application of the GRI Standard.	100%	100%	Same	100%	100%	Same	100%	100%	Same
Overall		77%	70%		74%	76%		76%	79%	
Remarks		Decreased			Increased			Increased		
Average compliance in 2017		76%								
Average compliance in 2018		75%								

Source: Processed Data

According to the findings of this study, the average conformance from 2017 to 2018 increased by only 2% for PT Pertamina Persero and 3% for PT Antam Tbk. Only PT KPC had a lower amount of reporting, with a 7% decrease. Therefore, based on the overall average reporting compliance of the three companies in 2017 and 2018, a decrease of 1% occurred, from 76% in 2017 to 75% in 2018. When seen and analyzed in further detail, the two companies that had an increase in compliance, PT Pertamina Persero and PT Antam Tbk., also experienced a decrease in compliance for several standard points. For the analysis of compliance for PT Pertamina Persero and PT Antam Tbk, it was found that there were 2 standard points that decreased together (GRI 102 and specific topics), only 1 standard point that increased in compliance (GRI 101), and 3 standard points that remained the same.

According to the findings of this study's evaluation of the three companies' compliance, one area of compliance for which all three had disclosed this issue in their SRs did not grow or decrease over time. This was for the SR disclosure claim or declaration based on the GRI Standards. The requirement to

ensure that the reasons for exclusion are properly used (if any) was another standard that was consistent with neither a decline nor an increase. The three companies did not disclose this problem in any of their SRs, however. The final standard point that stayed constant was point 7 for informing GRI about the use of the GRI Standards, which had been done consistently by the three companies in 2017 and 2018. One point of reduction in compliance that happened concurrently for the three businesses was for GRI 102 and GRI Standards for specific topics (series 200, 300, 400) for reporting material topics. GRI 102 and specific subjects are the essence of each company's prior enterprise sustainability report, but in this study, it was discovered that the three companies' compliance with this specific standard has consistently declined from 2017 to 2018. The results of this study allow us to conclude that there has been a general decline in the compliance with the standards of GRI for PT Pertamina Persero, PT KPC, and PT Antam Tbk's SR.

The SR of the companies must comply to all of the minimal requirements for providing information about the company SR as described in the GRI 101: Foundation standard of 2016 in order to indicate that the reports were written in accordance with the GRI Standards based on the "core" option. In contrast to the "comprehensive" option, which requires fulfillment of all standard points, the "core" option only requires the minimum requirements, which are for the standard statements that are given box marks in the guidelines of each GRI standard. However, this study's results show that businesses in 2017 and 2018 fell short of 80% or even close to 100% of the minimum requirements. According to the results of analyzing the SRs of PT Pertamina Persero, PT KPC, and PT Antam Tbk. in 2017 and 2018, this is true. A company must also include a table of contents or index in every SR based on GRI standards, with page numbers referring to the minimum GRI standards based on the base option, so that readers of the SR can quickly find the information they need. The findings of this study, however, revealed that not all of the standard contents mentioned in the index or table of contents met the minimum requirements for each of the standards. The table of contents or index alone cannot be used to evaluate a company's SR compliance with the GRI standards selected as a reference. Furthermore, it is critical to confirm compliance by conducting additional in-depth analyses of each point of reporting in the SRs of the companies included in this research.

The results of this research indicate that PT Pertamina Persero, PT KPC, and PT Antam Tbk's general adherence toward GRI standards has decreased, with a level of reporting compliance that is still low, at or below 80%. The results of Adhariani & Siregar (2018), who discovered that despite an increase from 2012 to 2016, the level of concern voiced by businesses in Indonesia in distinct annual reports and SRs is still low, support the findings of this research. The findings of Harahap et al. (2020), who discovered that mining companies in Indonesia were not completely compliant for reporting SRs in accordance with GRI Standards with the "core" option, support the findings of this study. The findings of this study are consistent with those of Azzouz and Jack (2020), who discovered that environmental and socioeconomic variables were not fully disclosed in the SRs of high-speed railway companies (HSR). The findings of this study are also consistent with the previous study that conducted by Pratama, Adam, & Kamardi (2019), who came to the conclusion that Indonesian businesses' 2017 GRI-based social responsibility disclosure was only of mediocre quality. Based on this study, it is also possible to see mining companies in Indonesia's readiness to adopt new standards that would later be established by the government through an authoritative organization. This is because the three businesses must make several re-adaptations to new regulations, while compliance with GRI, the presently recognized standard, remains low.

As well, in referring to this study, the government should immediately create standards for the reporting of enterprise sustainability that are specially designated for all companies in Indonesia as a developing country. This is because the business situation in Indonesia is certainly different from that of developed countries or other developing countries, and thus it is necessary to establish standards that represent guidelines that make it easier for business entities in Indonesia to report on the sustainability of their enterprises. With new regulations that are unique to the business situation in Indonesia, it is expected

that enterprise sustainability reporting will become simpler to perform in order to support the compliance of companies in Indonesia to follow existing standards for SRs. As a result, Indonesian sustainability reporting is expected to grow steadily to support the implementation of integrated reporting, which has demonstrated 60% format conformity with Indonesian SR reporting (Adhariani & Sciulli, 2020). Based on the findings of this study, it is expected that Indonesian authorities will develop or implement unique standards for sustainability reporting in order to more effectively assess compliance. This is because there are already uniform, pertinent, and comparable standards in place. The SR standards may refer to or adopt the GRI standards, along with different adjustments relevant to the Indonesian situation.

Furthermore, the authoritative institution should be able to supervise mining companies' SRs by emphasizing supervision on reporting, which has consistently decreased in percentage from 2017 to 2018 for the three companies, which would be GRI 102 and GRI Standards for specific topics (series 200, 300, 400). Considering that GRI 102 and specific topics are the essence of the reporting of enterprise sustainability, it is expected that the government can focus on providing encouragement and supervision in order that compliance with these standards can improve and that the reporting of enterprise sustainability by Indonesian companies can be of a higher quality. With such a supervision, it is expected that the quality of reporting for SRs of Indonesian companies can increase consistently each year and thus be able to achieve compliance toward the GRI to 100% with the "core" criteria and can improve the level of compliance with the "comprehensive" criteria.

Managerial Implications

The results of this research suggest that mining company management can raise the SRs' content compliance with GRI Standards, which is currently low and falls below 80% with the "core" option. The "core" option chosen by mining firms indicates that only the minimum disclosure criteria (not all) are reported in the SRs. Furthermore, mining management should be able to concentrate on points of reporting compliance that still experienced a decrease in compliance from 2017 to 2018, which would be GRI 102 and GRI for specific topics standards (series 200, 300, 400). Considering that these two standard points are very important, the management of companies should be able to focus on continuing to improve compliance toward these standards. Mining companies are businesses that operate through natural exploration; consequently, if their operations do not abide by environmental standards that should have allowed for the sustainability of the society, environment, and the local population, they have a good chance of destroying the environment.

Conclusion

The purpose of this study is to compare the development of sustainability reporting by mining companies in Indonesia in 2017 and 2018. This study employed the qualitative method, performing an in-depth content analysis of company SRs in 2017 versus 2018. The data of this study were the mining companies' SRs in 2017 and 2018 which reported their SRs separately from their annual reports. These mining companies made use of the "core" choice of GRI Standards. The "core" option of GRI Standards shows that to develop the SRs, a company is not required to include all of the standard statements as a whole compared as it is with the "comprehensive" option. Instead, they only include the minimum requirements for disclosures. According to the findings of this study, overall reporting compliance for the three businesses decreased by 1% between 2017 and 2018, falling from 76% in 2017 to 75% in 2018. The compliance level of SR reporting of PT KPC decreased by a greater percentage than the overall increase in compliance for PT Pertamina Persero and PT Antam Tbk, which was 7%, despite the average compliance increasing insignificantly from 2017 to 2018, being only 2% for PT Pertamina Persero and 3% for PT Antam Tbk. Additionally, when the "core" option is chosen, the average compliance rate for the SRs of the three companies stays low, dropping below 80%. The decrease in compliance for and GRI

Standards for specific topics for the reporting of material topics occurred concurrently for all three companies. The core of each company's sustainability reporting is GRI 102 and specific subjects, but in this study, it was found that the three companies' compliance with this standard declined consistently from 2017 to 2018. Furthermore, PT Pertamina Persero, PT KPC, and PT Antam Tbk. have decreased their overall compliance with the GRI Standards, according to the study's results. According to the findings of this study, mining firms in Indonesia are still not prepared to adopt new standards that will be developed by the government in the future. This is because, even if they must re-adapt to adopt new standards, compliance toward GRI under the "core" choice is still less than 80%. As a result, there must be a constant increase in the quality of reporting for SRs each year in order to achieve GRI compliance up to 100% with the "core" criteria and improve the level of compliance with the "comprehensive" criteria. Government oversight of standards like GRI 102 and GRI for specific topics Standard, which have low levels of compliance as well as declining compliance, is one way to increase the quality of reporting for company SRs (series 200, 300, 400). In addition to supervision, there needs to be the application of firm and clear sanctions for the violation of regulations on the SR to create a deterrent effect. Aside from supervision and clear sanctions, the government needs to create standards for SRs that are specifically designed for companies in Indonesia, which has different characteristics compared to international companies. With these specific standards, it is expected that their application to the SRs of Indonesian companies would be easier because they are more relevant to the business conditions in Indonesia.

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