

Disclosure of Wood Processing Industry Sustainability: Economic, Social, or Environment?

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ABSTRACT

Every activity of the companies has its own impact both for the companies and the surrounding environment. In this case, the companies are expected to be capable to properly implement corporate social responsibility to minimize the negative impact of their activities. This research was conducted to know the sustainability disclosures carried out by the companies on aspects of raw materials, biological diversity, wastewater, waste, as well as compliance with economic, social, and environmental aspects in accordance with the 2016 GRI Standards. This study applies a qualitative approach method with content analysis in which within its implementation is based on a statement according to certain criteria and is classified through keywords. The results of the study indicate that all observed companies have carried out disclosures based on the 2016 GRI Standards, although they are so undetailed and there are still several key words in aspects that have been unsubmitted by all the observed companies.

Keywords: Disclosure, Sustainability, Economic, Social, Environment

INTRODUCTION

Every company is responsible for carrying out operational activities to achieve its goals. Generally, a company's pros and cons can be seen from several indicators presented in the company's financial statements (Sinulingga, 2020). However, indicators in financial statements alone cannot be a parameter of a company's pros and cons if the company still has a negative impact on the environment and does not pay attention to its social responsibility (Pratama *et al.*, 2020). Every company activity, especially in the manufacturing sector, will impact the environment, both positive and negative (Riyadi & Nurdin, 2021). The impact can be an essential indicator of a company's success. In this situation, companies are required to positively impact their surrounding environment and minimize negative impacts that are detrimental to the environment.

In response to this, companies are expected to implement corporate social responsibility. The Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies in Chapter V Article 74 requires every company with links with natural resources to carry out environmental and social responsibilities. Based on the Global Standard for the Implementation of Corporate Social Responsibility (CSR) ISO 26000 2016, the implementation of CSR must be thoroughly integrated into company activities and be oriented to several aspects, one of which is the environmental aspect. Elkington (1997) developed three main aspects of CSR, the Triple Bottom Line, which is oriented to economic, social, and environmental aspects. The implementation of CSR is a form of company service in building a sustainable economy to improve the community's welfare by prioritizing the company's internal and external environmental aspects (Kusuma & Aryani, 2020). The Financial Services Authority (2017) stated that a sustainability report is a form of company reporting on the disclosure of company performance on economic, social, and environmental aspects to stakeholders. Sustainability disclosure by companies can be a means for companies to establish relationships, convey information, minimize misunderstandings between companies and stakeholders, and become a driving factor for creating a good image for the company (Indriyani & Merina, 2017).

In March 2021, data showed that the world had experienced deforestation or forest loss with 10 million hectares of forest (Firdaus, 2021). Based on World Resources Institute records, Indonesia's deforestation rate in 2018 decreased from the previous year. However, it was still quite significant, such as in Eastern Indonesia, which experienced deforestation of around 245 thousand forests per year (Sodikin, 2020). However, research conducted by Rahmadanty *et al.* (2021) stated that the rate of deforestation in Indonesia in 2018 increased by 5.2%. Furthermore, Taufik *et al.* (2021) research also stated that in 2020 the deforestation rate would increase due to the conversion of forests to dry agricultural land.

Based on 2016 GRI standards, environmental aspects include aspects related to the environment. This research will focus on environmental aspects, including GRI 301 material, GRI 304 biodiversity, and GRI 306 wastewater and waste, which will then be connected to the disclosure of compliance with economic, social, and environmental aspects contained in GRI 419 and 307. Material or raw materials are the primary sources in implementing the company's business activities and become essential in disclosing the company's sustainability based on the Global Reporting Initiative (GRI) standard. In addition, using raw materials sourced from natural resources also impacts earth's biodiversity. Furthermore, the processing of natural resources can produce industrial waste, which of course can have an impact on the surrounding environment.

In response to this, every company that has a close relationship with nature must be able to increase the value of compliance with the economy, society, and environment.

Based on the research problem, the question in this study is how to disclose sustainability in wood processing industry companies based on the 2016 GRI Standards, which focus on aspects of raw materials, biodiversity, wastewater, and waste, as well as company compliance with economic, social, and environmental aspects? This study aims to analyze the sustainability disclosures of wood processing companies that focus on aspects of raw materials, biodiversity, wastewater, and waste, as well as the company's compliance with economic, social, and environmental standards based on GRI 2016. This research is expected to provide benefits for wood processing companies to understand the company's sustainability disclosures better. The disclosures are based on the 2016 GRI Standards, which focus on raw materials, biodiversity, wastewater and waste, and company compliance with economic, social, and environmental aspects.

LITERATURE REVIEW

Legitimacy Theory

Legitimacy theory is a theory that is oriented towards the focus of the company by interacting with the community. Heidhues and Patel (2012) suggest that the role of legitimacy is an important aspect of the sustainability and sustainability of a company. A company's sustainability relies on the wealth owned by nature and how well the interaction between the company and the environment can be created (Johnson, 2004). Therefore, every company must be able to implement appropriate interactions with the environment in carrying out company activities to create the sustainability and sustainability for the company.

Sustainability Report

The Global Reporting Initiative (1997) reveals that a company's sustainability report illustrates the company's participation in realizing sustainable development. Disclosure in the sustainability report focuses more on the impact of the company's operational activities on the social environment (Pistoni & Songini, 2015). Khafid and Mulyaningsih (2017) reveal that the sustainability report can be used to communicate corporate responsibility in the economic, social, and environmental sectors. With this communication, stakeholders expect that the needs of stakeholders can be appropriately fulfilled to create an appropriate correlation between the company and its stakeholders (Bukhori & Sopian, 2017).

Environment

Based on GRI Standard 307 of 2016 concerning Environmental Compliance, the form of environmental compliance is a benchmark for the company in ensuring that all business activities are following applicable regulations and laws. Previous research on the disclosure of sustainability aspects has been done quite a lot. For example, Sejati and Prastiwi (2015) revealed that an environmental aspect is a form of corporate responsibility in accordance with the rules that apply to the environment around the company, which refers to aspects of GRI 419 and 307 regarding compliance with the economy, society, and environment and can have a positive impact on the image and performance of a company, as disclosure of the company's environmental performance can reduce the level of public anxiety and stakeholder doubt.

RESEARCH METHOD

Data

The data analysis technique used in this research is descriptive qualitative. Qualitative descriptive techniques will describe the issues. It included the disclosure of the sustainability of the wood processing industry, which focuses on aspects of raw materials, biodiversity, wastewater, and waste, as well as company compliance with economic, social, and environmental aspects based on GRI 2016 standards. The source of data used in this study is secondary data. Secondary data is obtained using data already available in the form of an annual report and a sustainability report.

PT. Dharma Satya Nusantara Tbk (DSNG) and PT. Integra Indocabinet Tbk (WOOD) was chosen as the company observed in this study. The observed companies are determined based on the adequacy of information on sustainability information from each company from 2017 to 2020. Sustainability information data from each sample starts from 2017 to 2020 because GRI standards have been in effect since 2016. This information is available in the form of an annual report and a sustainability report for each company.

Analysis Techniques

The analysis technique used in this research is content analysis. Eriyanto (2011) revealed that the content analysis technique is a research technique used to review and identify the essence of a study by paying attention to certain aspects. There are several stages in carrying out content analysis adapted from Eriyanto (2011) and adapted for qualitative descriptive research, as follows:

1. Conceptualization and operationalization. This step will focus on formulating concepts and operations based on the 2016 GRI standard. The GRI concept used in this study focuses on aspects of GRI 301 on raw materials, GRI 304 on biodiversity, GRI 306 on wastewater and sewage, and GRI 419 and 307 on compliance with economic, social, and environmental aspects. In addition, these concepts will include disclosure standards that companies must report on every aspect of GRI that is the focus of research (disclosure details of the concept are described in Tables 1, 2, 3, 4, and 5 :

Table 1. GRI 301 on Raw Materials

No	Disclosure Aspect
1	Organisational efforts to describe organisational systems in managing raw materials and related impacts.
2	Raw materials used are based on weight or volume.
3	Raw materials input from recycling are used.
4	Reclaimed products and their raw materials for each product group.

Table 2. GRI 304 on Biodiversity

No	Disclosure Aspect
1	Organisational efforts to describe organisational systems for managing biodiversity and associated impacts.
2	Management of operating sites adjacent to areas of high biodiversity value.
3	Positive and negative impacts on biodiversity due to the implementation of the organisation's activities.
4	The organisation's efforts to protect the habitat in the vicinity of the

5	operation site. Number of species based on the level of risk of extinction due to the organisation's operating activities.
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Table 3. GRI 306 on Wastewater and Waste

No	Disclosure Aspect
1	The organisation's efforts to describe the organisation's system in managing wastewater and waste due to the impact of the organisation's operating activities.
2	Water release based on quality and purpose.
3	Classification of waste by type and method of disposal.
4	Significant spill.
5	Hazardous waste transportation.
6	A body of water that is affected by the overflow of water.

Table 4. GRI 419 on Socio-Economic Compliance

No	Disclosure Aspect
1	Organisational efforts in describing organisational compliance with social and economic aspects.
2	The level of organisational compliance with applicable laws and regulations.

Table 5. GRI 307 on Environmental Compliance

No	Disclosure Aspect
1	Organisational efforts in describing organisational compliance with environmental aspects.
2	The level of organisational compliance with applicable laws and regulations.

2. Coding process. At this stage, the disclosure process will be carried out by analyzing each aspect using different keywords. In the raw material aspect, the keywords to be used include availability and impact. In the aspect of biodiversity, the keywords used include control and conservation. In the aspect of wastewater and waste the keywords used include control and management. The keywords used include regulations and laws for the company's compliance with the economy, society, and environment. The unit of grouping in this process is the paragraph that presents the keywords. The coding process can also add new keywords obtained in the data review process and used as the basis for analysis using the Miner Lite software.
3. Data input and analysis. The next stage is carrying out data input from the results of the coding, continued by conducting an analysis related to the company's sustainability disclosure.
4. Presenting disclosure patterns, as well as providing examples of disclosure. The pattern of disclosure of each aspect is presented in the form of a percentage graph with a scale of 1-10%. The graph is the result of calculations from the Miner Lite software with the basis of calculation derived from the total disclosures presented in a report compared to the total number of cases in a report. The graph will show the percentage of disclosure of each aspect based on each keyword used.

RESULTS

The analysis process is carried out by identifying all reporting requirements of each GRI aspect listed in Tables 1, 2, 3, 4, and 5. This analysis utilized keywords described in the second stage of the analysis technique. Disclosures related to aspects of raw materials, including the availability and impact of the use of raw materials, have been disclosed in the sustainability reports of the two companies observed in this study, PT. Dharma Satya Nusantara Tbk (DSNG) and PT. Integra Indocabinet Tbk (WOOD).

Raw Material Aspect

Disclosure of raw material aspects in DSNG, which includes the availability and impact of the use of raw materials, is depicted in the following figure:

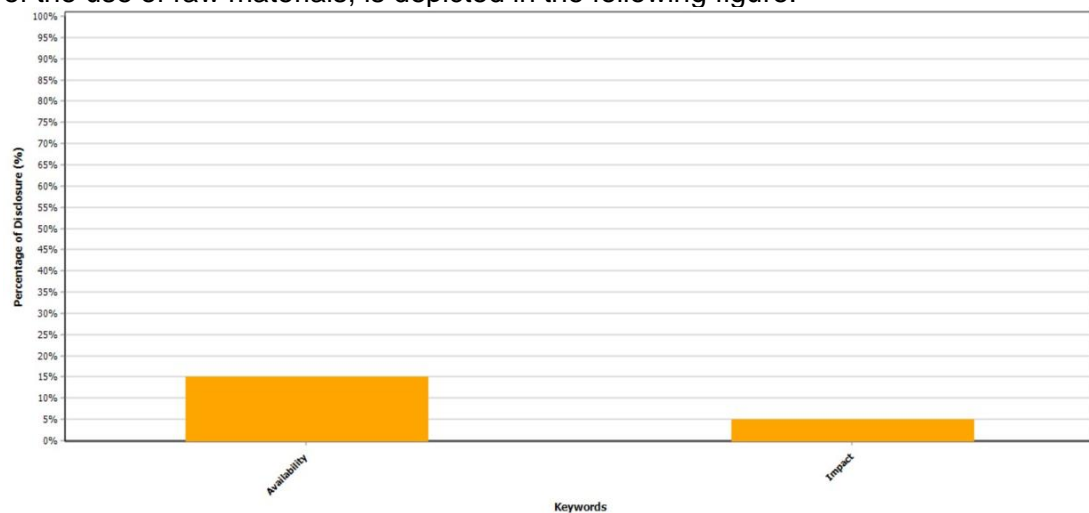


Figure 1. Raw Material Disclosures PT. Dharma Satya Nusantara Tbk (DSNG)

The figure above is the result of data processing related to aspects of raw materials, which include elements of availability and impact of the use of raw materials that have been presented in the sustainability report of DSNG. The figure above shows that DSNG has made disclosures on aspects of raw materials that the 2016 GRI Standards guide. Disclosure by companies related to aspects of raw materials is evidenced by disclosures about the company's efforts to ensure the availability of company raw materials through collaboration with related parties. Based on the analysis results, evidence was found that the company's *Corporate Social Responsibility* in the disclosure of aspects of raw materials is quite consistent. This level of consistency is based on the company's annual disclosure of raw material aspects and is presented following the company's annual report reporting period from 2017 to 2020.

Utilization of raw materials sourced from nature can undoubtedly have an impact on the surrounding environment, both positive and negative impacts. In terms of the impact of using raw materials, DS NG has made disclosures both in the sustainability report and in the company's annual report. Disclosure of raw material aspects in WOOD which includes the availability and impact of the use of raw materials, is depicted in the following figure:

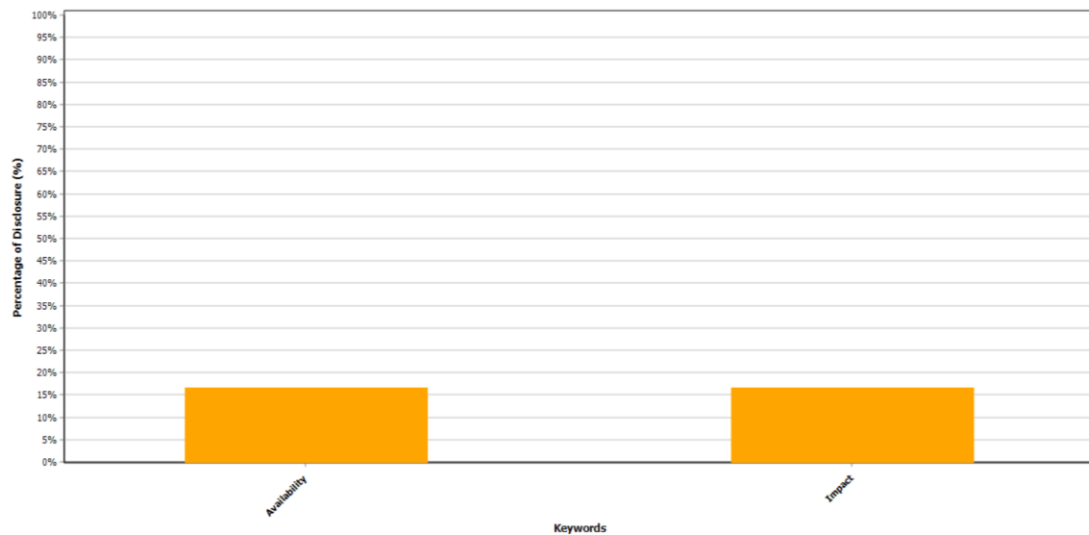


Figure 2. Raw Material Disclosures PT. Integra Indocabinet Tbk (WOOD)

Figure 2 is the result of data processing related to aspects of raw materials, which include elements of availability and impact of the use of raw materials that have been presented in the sustainability report of WOOD. The raw material aspect disclosed by the company with a focus on availability and impact was almost 20%. In addition, the disclosures showed that WOOD had made disclosures on aspects of raw materials that the 2016 GRI Standards guide.

Aspects of Biodiversity

DSNG and WOOD utilizes raw materials sourced from nature. Suppose the level of availability of raw materials is running low, and the resulting impact cannot be handled properly by the company. In that case, it will pose more threats to the environment, including various kinds of biodiversity. Therefore, the subsequent disclosure analysis is on aspects of biodiversity using keywords including control and conservation. Disclosure of biodiversity aspects in the DSNG sustainability report, which includes control and conservation, is illustrated in the following figure:

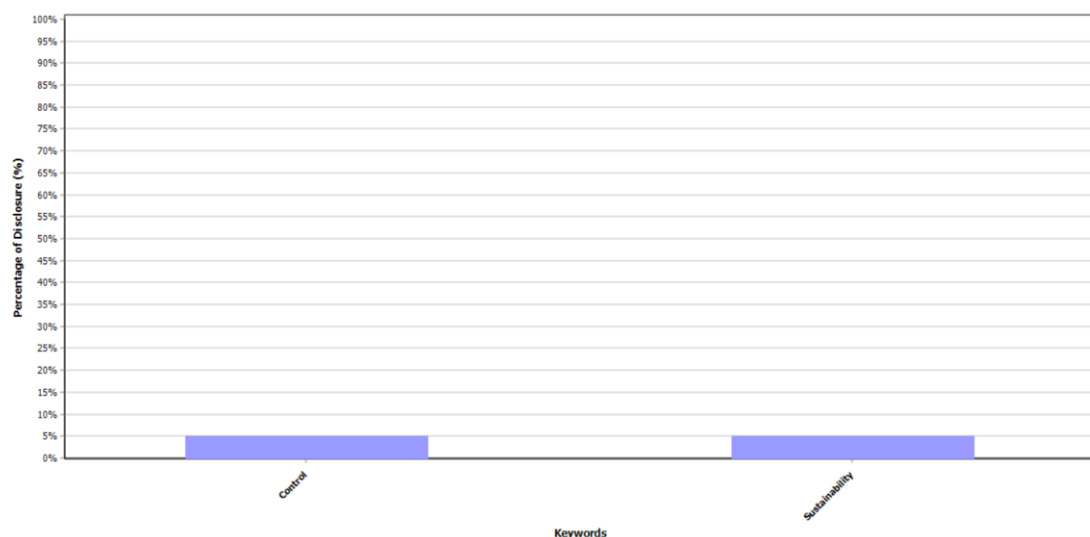


Figure 3. Biodiversity Disclosures PT. Dharma Satya Nusantara Tbk (DSNG)

Figure 3 is the result of data processing related to aspects of biodiversity, including elements of control and conservation presented in the sustainability report of DSNG. The figure above shows that DSNG has made disclosures on aspects of biodiversity that the 2016 GRI Standards guide. The level of disclosure made by DSNG on elements of control and conservation reached 5%. The company discloses biodiversity aspects in the sustainability report and the annual report of PT. Dharma Satya Nusantara Tbk from 2017 to 2020. PT Integra Indocabinet Tbk (WOOD), in the company's 2020 sustainability report, has also disclosed biodiversity aspects including control and conservation. The disclosures by WOOD are depicted in the following figure:

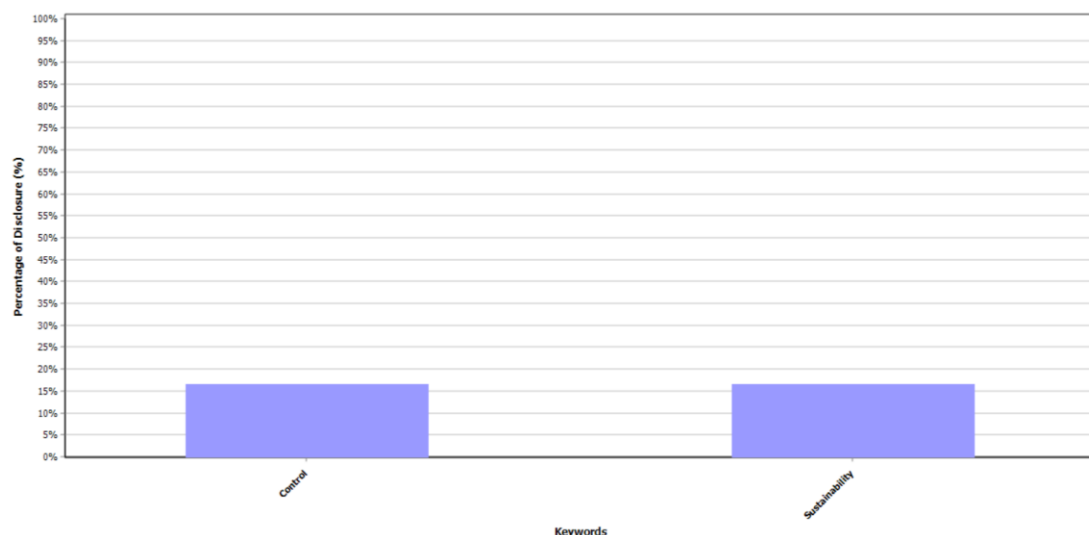


Figure 4. Biodiversity Disclosures PT. Integra Indocabinet Tbk (WOOD)

Figure 4 is the result of data processing related to aspects of biodiversity, which includes elements of control and preservation that have been presented in the sustainability report of WOOD. The figure above shows that WOOD has made disclosures on aspects of biodiversity that the 2016 GRI Standards guide. WOOD's disclosure level on elements of control and conservation reached more than 15%. Based on the analysis results, evidence was found of the disclosure of the company's efforts to control and preserve the biodiversity that is threatened due to the company's business activities. WOOD not only discloses aspects of biodiversity in the company's sustainability report but also in the WOOD annual report for 2017 to 2020. The excerpts from the disclosures are in the Appendix.

Aspects of Wastewater and Waste

Using biodiversity as a source of company activities will undoubtedly impact biodiversity and the environment around the company—implementing the activities of DSNG and WOOD, which is engaged in the wood processing sector, will certainly impact the environment, one of which is through waste from the company's business activities. If the company cannot minimize this correctly, it will pose more threats to nature, including various kinds of biodiversity. Therefore, the subsequent disclosure analysis is on aspects of wastewater and waste using keywords including management and control. Disclosure of aspects of wastewater and waste in the DSNG sustainability report is illustrated in the following figure:

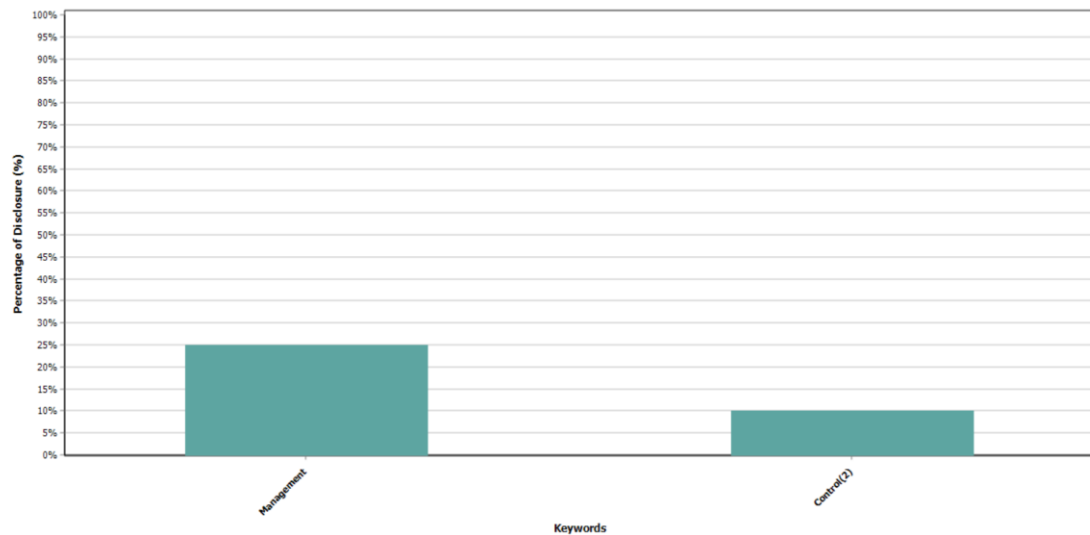


Figure 5. Wastewater and Waste Disclosures PT. Dharma Satya Nusantara Tbk (DSNG)

Figure 5 is the result of data processing related to aspects of wastewater and waste, including management and control elements that have been presented in the sustainability report of DSNG. The figure above shows that DSNG has made disclosures on aspects of wastewater and waste that the 2016 GRI Standards guide. The level of disclosure made by DSNG on management elements reached 25%, and control elements reached 10%.

Based on the analysis results, evidence was found of the disclosure about the company's efforts in managing and controlling waste due to the company's industrial activities. Disclosure of aspects of wastewater and waste is not only carried out by DSNG in the company's sustainability report but also in the company's annual report from 2017 to 2020. DSNG has also disclosed aspects of wastewater and waste in the company's 2017 to 2020 annual reports.

WOOD in the company's 2020 sustainability report. The disclosures by WOOD are depicted in the following figure:

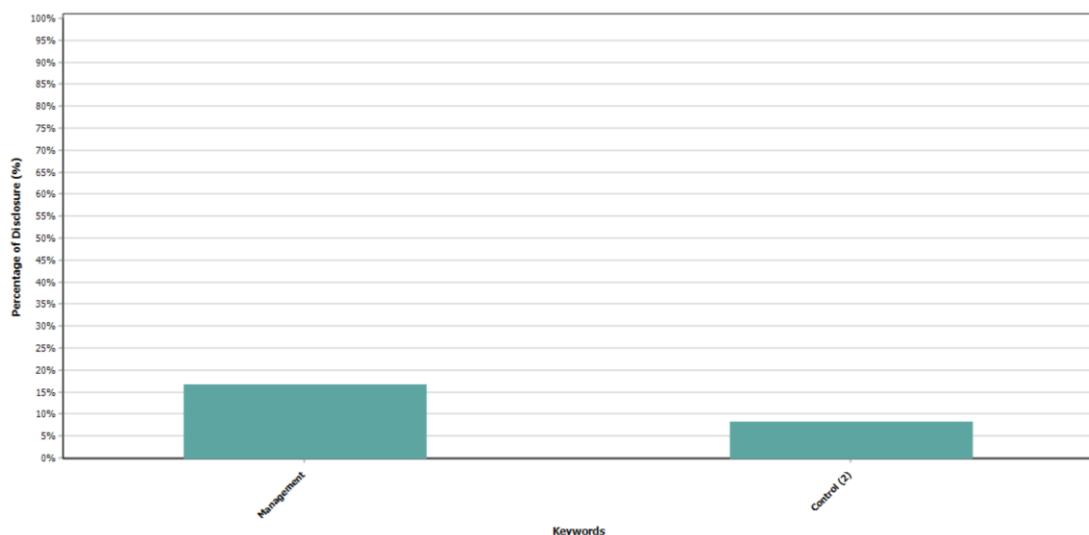


Figure 6. Wastewater and Waste Disclosures PT. Integra Indocabinet Tbk (WOOD)

Figure 6 shows the level of disclosure carried out by WOOD on aspects of wastewater and waste, especially in terms of management and control, in the company's 2020 sustainability report. The diagram above shows that the disclosure level on the company's waste management has reached more than 15%. Meanwhile, the control over corporate waste has been disclosed at less than 10%. Although the disclosure has been carried out on aspects of wastewater and waste, the disclosures are still inadequate. Evidence that strengthens this is the disclosures made by companies regarding aspects of water and waste are still minimally found in sustainability reports and are disclosed in less detail. Furthermore, disclosure of aspects of wastewater and waste is not only carried out by WOOD in the company's sustainability report but also in the company's annual report. 2017, 2019, and 2020 WOOD annual reports have the same disclosures related to industrial waste management. On the other hand, the company's annual report carried out the disclosure of aspects of wastewater and waste in terms of control.

Aspects of Compliance with the Economy, Society, and Environment

Management and control of the company's industrial waste is the right step to be taken by the company in reducing the pollution level due to industrial waste. However, it should be noted that the company's level of disclosure cannot be a benchmark that the company has provided good feedback on its activities to the surrounding environment. In this case, there is a need for special attention to the company's disclosures, especially regarding company compliance in economic, social, and environmental aspects.

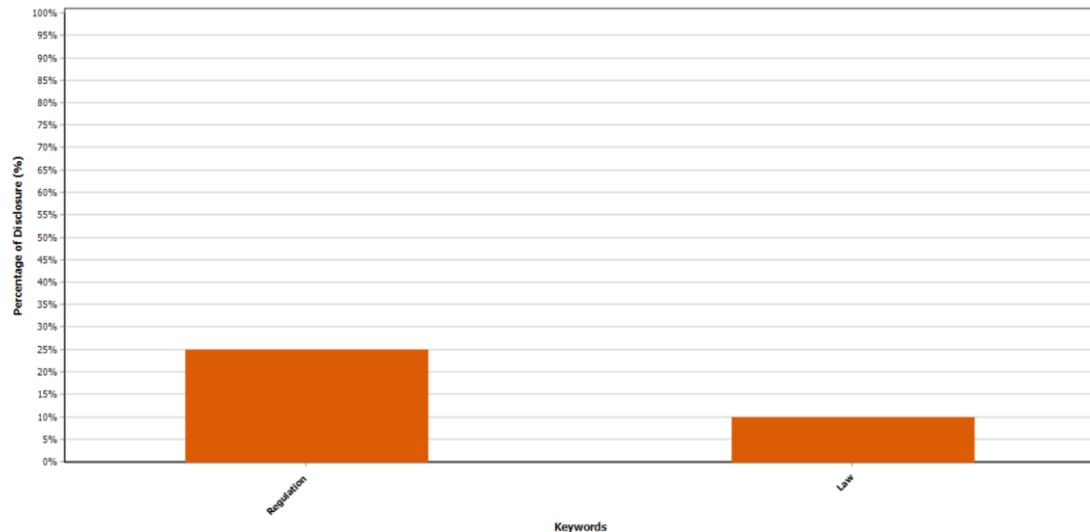


Figure 7. Economic, Social and Environmental Compliance Disclosures PT. Dharma Satya Nusantara Tbk (DSNG)

Disclosure of the company's economic, social, and environmental compliance focuses on how the company describes the company's compliance with applicable regulations and laws from the economic, social, and environmental aspects. Therefore, the subsequent disclosure analysis is the aspect of compliance with the economy, social, and environment by using keywords including regulations and laws. Disclosure of compliance with economic, social, and environmental aspects in the sustainability report of DSNG as presented in Figure 7.

Figure 7 results from data processing related to compliance with the economy, social, and environment, which includes elements of regulations and laws presented in the DSNG sustainability report. The figure above shows that DSNG has made disclosures on aspects of compliance with the economy, society, and environment based on the 2016 GRI Standards. The level of disclosure made by DSNG on regulatory elements reached 25%, and legal elements reached more than 10%. Disclosure of aspects of compliance with economic, social, and environmental aspects is not only carries out by DSNG in the sustainability report and the company's annual report for 2017 to 2020.

WOOD in the company's 2020 sustainability report. The disclosures by WOOD are depicted in Figure 8.

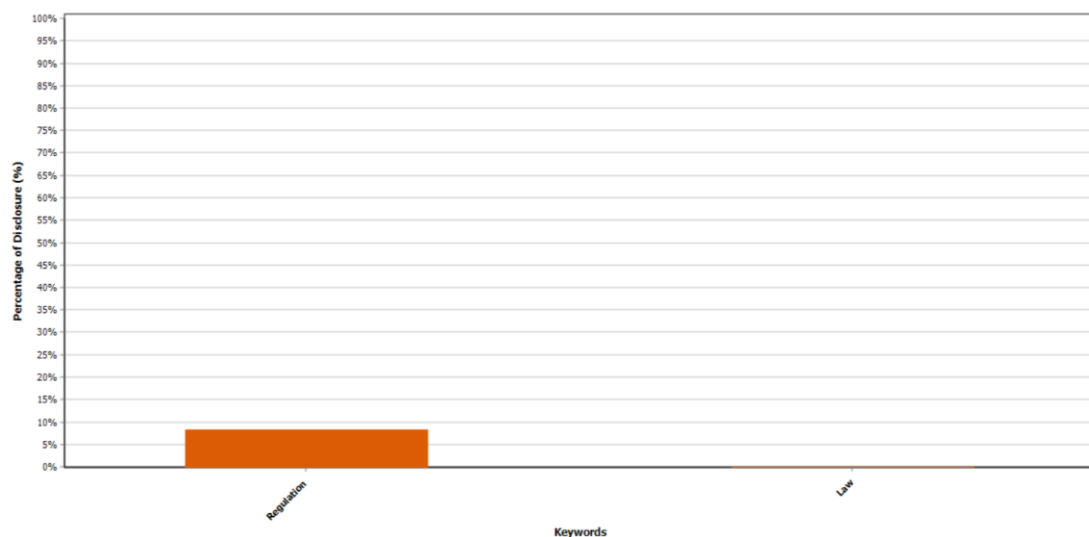


Figure 8. Economical, Social and Environmental Compliance Disclosures
PT. Integra Indocabinet Tbk (WOOD)

Figure 8 is the result of data processing related to compliance with the economy, society, and environment, which includes elements of regulations and laws that have been presented in the sustainability report of WOOD. The figure above shows that WOOD has made disclosures on aspects of compliance with the economy, society and environment based on the 2016 GRI Standards. WOOD's disclosure level on regulatory elements reached more than 5%. However, there was no disclosure of the elements of the Law in the WOOD sustainability report.

DISCUSSION

Raw Material Aspect

Based on the analysis results, evidence was found of the company's Corporate Social Responsibility in disclosing aspects of raw materials in the company's annual report from 2017 to 2020, which focuses on the availability of raw materials. In terms of the impact of using raw materials, WOOD has also made disclosures both in the sustainability report and the company's annual report. Based on the results of the analysis, DSNG and WOOD have made disclosures on aspects of raw materials, including availability and impact. Disclosure of the two companies in the aspect of availability emphasizes the company's efforts in maintaining the availability of industrial raw materials. Disclosure of the impact aspects carried out by the two companies emphasizes the company's efforts in combating the negative impacts of business

activities as a form of the company's commitment to the environment. The excerpts from the disclosures are in the Appendix.

A similar study related to the disclosure of raw material aspects has been carried out by Rani (2021). The study revealed that the disclosure of aspects of raw materials had been presented well. The presentation is evidenced by the conformity of the disclosures made by the company with disclosure indicators based on GRI standards. In addition, the company observed that the raw materials used by the company in carrying out business activities were used in such a way as to produce products while still focusing on the level of availability and impact of the use of raw materials.

Aspects of Biodiversity

The analysis above shows that DSNG and WOOD have made disclosures on aspects of biodiversity, including control and conservation. However, the disclosures carried out by the two companies focus more on each company's supporting activities to preserve biodiversity. DSNG carries out several supporting activities in its disclosure, such as implementing integrated pest control and providing land with competent planting procedures. On the other hand, the supporting activities carried out by WOOD in maintaining biodiversity include minimizing illegal logging, replanting, and always prioritizing the go-green principle in every activity carried out, one of which is by rejecting illegal logging.

Other wood processing industries did not fully implement supporting activities to maintain the level of biodiversity conservation. Research conducted by Apriani (2016) shows that wood processing companies still have not carried out corporate responsibility for aspects of biodiversity. The study revealed that the company's commitment to the aspect of biodiversity was still minimally felt. One piece of evidence that strengthens the disclosure is the frequent occurrence of fires on plantation land. This fire will certainly have an impact on the level of sustainability of biodiversity and the surrounding environment.

Aspects of Wastewater and Waste

Based on the analysis results, DSNG and WOOD have disclosures on aspects of wastewater and waste, including management and control. The disclosures carried out by the two companies focus more on the company's efforts in managing industrial waste and controlling the level of waste expenditure due to the company's operating activities. In the company's 2020 sustainability report, DSNG revealed that it has made several efforts to reduce environmental pollution due to company waste, such as processing waste, so that it can be reused by the company and implementing Best Management Practices/BMPs. In addition, in the company's annual report, DSNG revealed that it had converted liquid waste into plantation fertilizer and solid waste as company fuel by established rules. WOOD has also made disclosures on aspects of wastewater and waste. For example, the company's efforts to recycle and reuse liquid waste through water treatment processes, convert waste from wood processing into fuel for drying machines and reduce waste pollution by implementing Reduce Impact Logging (RIL) practices.

Accordingly, DSNG and WOOD have the same focus, i.e., on processing company waste so that each company can reuse it. The process is one of the breakthroughs that need to be made by wood processing companies to reduce environmental pollution due to the company's operating activities. DSNG sustainability report reveals that the company has participated in developing the Environmental and Social Management

Framework and has implemented a capable system for managing waste in production, storage, and production activities. Disposal. In the annual report, DSNG also reveals that the company has carried out recycling activities in the form of waste treatment under the provisions that have been set.

Furthermore, disclosures related to the same aspects and elements have also been made by WOOD. For example, the company's sustainability report states that WOOD has conducted routine analytical tests on the air quality around the area to reduce pollution due to company waste. Not only that, but the WOOD annual report also revealed that the company continues to strive to use environmentally friendly products and utilize other supporting facilities such as waste processing equipment, dust collectors, and the use of biomass machines. Based on the analysis results, it can be concluded that both DSNG and WOOD have made disclosures on wastewater and waste that focus on the element of control by implementing control over industrial waste in a different way from each company. The excerpts from the disclosures are in the Appendix.

A similar study conducted by Nawangsari & Ika Nugroho (2019) shows that there are disclosures of the same aspects by different wood processing industries. The study revealed that the wood industry's waste is processed so that it does not cause environmental pollution around the industrial area. The company is committed to continuing to implement oven water management and filtration to minimize the appearance of industrial smoke waste.

Aspects of Compliance with the Economy, Society, and Environment

The disclosure of compliance on economic, social, and environmental aspects is not only carried out by WOOD in the sustainability report but also in the company's annual report. However, the disclosures made by WOOD are only found in the company's 2019 and 2020 annual reports. Further, DSNG and WOOD have disclosures on compliance with economic, social, and environmental aspects. For example, the disclosure carried out by DSNG in the company's sustainability report says that to create a responsible and sustainable industry, the company implements a sustainability policy that refers to the applicable regulations. DSNG also creates a structured environmental management framework and social policy per the International Finance Corporation and Performance Standards requirements. Not only that, but DSNG is also committed to supporting the preservation of the natural biosphere and tropical forests and ensuring the quality of water sources per established regulations.

Disclosure of aspects of compliance with economic, social, and environmental aspects is not only carried out by DSNG in the sustainability report and the company's annual report for 2017 to 2020. For example, the company's annual report, DSNG reveals that the company participates in managing industrial waste following applicable regulations. Furthermore, DSNG did not only focus on environmental aspects but also economic and social aspects. In the economic aspect, DSNG has developed a sustainable economy by providing business opportunities. Meanwhile, in the social aspect, DSNG has implemented village governance in accordance with the applicable law.

WOOD has also made disclosures regarding the same aspects and elements. The sustainability report states that WOOD has strived to become a sustainable industry while maintaining the company's commitment to minimizing global warming due to industrial activities following the provisions of The United Nations Sustainable Development Goals. In addition, WOOD's annual report reveals that the company participates in implementing community development through community development

and empowerment programs in accordance with applicable laws and regulations. The excerpts from the disclosures are in the Appendix.

Accordingly, it can be concluded that both DSNG and WOOD have continued carrying out company activities by providing concrete actions on economic, social, and environmental aspects guided by applicable standards, regulations, and laws. Real actions manifest the company's commitment to compliance with the economic, social and environmental aspects are not only carried out by DSNG and WOOD. Research conducted by Rani (2021) revealed that similar industries disclose these aspects according to GRI Standards, such as PT. Holcim Indonesia Tbk. The research reveals that compliance is related to the company's vision, namely, carrying out industrial activities by providing benefits to the company and to other interrelated parties (true value). From an economic aspect, PT. Holcim Indonesia Tbk is committed to generating added value for residents as freelancers. In the social and environmental aspects, the company also provides training and empowerment for freelancers and strives to utilize raw materials derived from nature as wisely as possible while preserving nature.

CONCLUSION

The problem in this study is how to disclose sustainability in wood processing companies based on the 2016 GRI standard, which focuses on aspects of raw materials, biodiversity, wastewater, and waste, as well as company compliance with economic, social, and environmental aspects. GRI standards are the basis for implementing policies related to the impact of company activities, especially in aspects of raw materials, biodiversity, wastewater, and waste, as well as company compliance with economic, social, and environmental aspects. This study is concluded by using several disclosure points based on keywords in every aspect of the company. Based on the results of the analysis, disclosures of every aspect are carried out by PT. Dharma Satya Nusantara Tbk (DSNG) and PT. Integra Indocabinet Tbk (WOOD) was implemented quite well in accordance with the 2016 GRI standards so that the company could implement and communicate corporate social responsibility to stakeholders and the community around the company.

However, the disclosures carried out by both DSNG and WOOD are still not very detailed, and there are several key words in aspects that have not been disclosed. Therefore, with this research, hope is that the company can optimize its disclosures regarding aspects of raw materials, biodiversity, wastewater, and waste, as well as compliance with economic, social, and environmental compliance following 2016 GRI standards. In the future, it could contain information in more detail and better describe the company's overall performance and corporate social responsibility.

LIMITATION

However, in this study, there are also limitations, namely the disclosures made by the two companies are contained in the sustainability reports of each company but not in the annual reports of each company and vice versa. This causes this study to not be able to obtain the required data in the entire observation period.

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DECLARATION OF CONFLICTING INTERESTS

There is no conflicting interest in this study.

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Raw Material Aspect Disclosures Excerpt

The following are excerpts from the disclosure of aspects of raw materials presented in the company's sustainability report:

The company seeks cooperation with various parties in ensuring the availability of wood raw materials, tracking the sources of raw materials, and providing support to suppliers for sustainable plantation management. (DSNG Sustainability Report 2020).

The following is an example of an excerpt of disclosure in the 2020 DSNG annual report:

The company strives not to develop new areas on peatlands and carries out regular monitoring of areas with high fire risk. Routine monitoring is also carried out on climate and weather elements that affect the productivity level of the company's raw materials. (DSNG Annual Report 2020).

The following is an excerpt from the disclosure regarding the impact of the company's use of raw materials:

The company has realised the impact of the company's activities. Therefore, the company seeks to improve the company's industry to become more responsible and sustainable. (DSNG Sustainability Report 2020).

The industrial waste treatment has been carried out by the company in accordance with applicable regulations. As a form of the company's commitment, the company's industrial waste will be processed into fertiliser that can be reused in the plantation area. (DSNG Annual Report 2017, 2018, 2019, 2020).

The following is evidence of excerpts from the disclosure of raw material aspects presented in the WOOD sustainability report:

The company is aware of the risk of raw material availability. Therefore, the company takes steps to minimise this risk by storing raw material supplies and implementing forest recovery and development programs through replanting activities on harvested land and vacant land. (WOOD Sustainability Report 2020).

The following is an excerpt from the disclosure in the WOOD annual report for the years 2017 to 2020:

The company's efforts to increase the availability of raw materials have been carried out by securing the supply of raw materials based on international standard policies. (WOOD Annual Report 2017, 2018, 2019, 2020)

The following is an excerpt from the disclosure regarding the impact of the company's use of raw materials:

The company is committed to combating illegal logging activities and continues to strive to preserve the forests affected by the company's activities by implementing the Reduce Impact Logging (RIL) program. (WOOD Annual Report 2020)

The company continues to carry out periodic environmental monitoring in order to minimise the impact of the company's operational activities on the surrounding environment. (WOOD Sustainability Report 2020)

Aspects of Biodiversity Disclosures Excerpt

The following are excerpts from the disclosure of biodiversity aspects presented in the company's sustainability report:

The company realises that the level of biodiversity is influenced by the condition of healthy plants. In this case, the company seeks to minimise crop losses due to pests and weeds by implementing Integrated Pest Management and providing support for environmental conservation by providing land that is balanced with planting procedures and regular monitoring. (DSNG Sustainability Report 2020)

In carrying out monitoring of the development of plantation seeds, the company was late in implementing several Information Technology which can assist in reviewing the development of weather and rainfall which of course affect the growth and development of plantation seeds. (DSNG Annual Report 2020)

The following are excerpts from the disclosure of biodiversity aspects presented in the company's sustainability report:

The company is committed to protecting biodiversity, one of which is by minimising the occurrence of illegal logging. In this case, the company implements a forest conservation program, namely Reduce Impact Logging (RIL). The company also participates in conserving biodiversity in the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES). (WOOD Sustainability Report 2020)

In the supply chain of industrial raw materials, the company continues to strive to reject illegal logging activities in order to maintain the preservation of biodiversity. The supply chain for industrial raw materials is also provided in accordance with applicable government regulations. (Annual Report of PT. Integra Indocabinet Tbk Year 2020)

Aspects of Wastewater and Waste Disclosures Excerpt

The following are excerpts from the disclosure of aspects of wastewater and waste presented in the company's sustainability report:

The company has made efforts to manage industrial waste so that it can be reused by the company as a renewable energy source by applying a waste management system. Management of toxic and hazardous waste is handled directly by the authorities which are then distributed to the processing site. The company also implements a management system in production, storage, and disposal activities to control the emergence of excess industrial waste. (DSNG Sustainability Report 2020)

The following is an excerpt from the disclosure of aspects of wastewater and waste related to industrial waste management in the 2020 DSNG annual report:

In 2020, the company re-developed the Bio CNG Plant preservation program. This program has succeeded in suppressing the emergence of greenhouse gas emissions and the use of diesel fuel which reaches 2 million litres per year. (DSNG Annual Report 2020)

In order to minimise the level of waste pollution, the company has made efforts to treat industrial waste in accordance with the provisions that have been set. (DSNG Annual Report 2017, 2018)

The following is an excerpt from the disclosure of aspects of wastewater and waste in the WOOD 2020 sustainability report which includes management and control:

The company has been committed to preserving nature by reducing the level of industrial waste generation. The company recycles and reuses liquid waste through a water treatment process. The company also utilises the company's processed wood waste as fuel for the drying machine. The company also conducts regular analytical tests on the air quality around the company's area. Until now, the results of analytical tests still show that the emission level and air quality are still within the reasonable limits that have been set. (WOOD Sustainability Report 2020)

One form of the company's commitment to protecting biodiversity by reducing the level of waste pollution is to implement the practice of Reduce Impact Logging (RIL). (WOOD Annual Report 2017, 2018, 2019, 2020)

The company's efforts in preserving the natural environment by reducing the level of waste pollution are balanced with the use of supporting facilities such as waste processing equipment, dust collectors, to the company's use of biomass machines. (WOOD Annual Report 2019, 2020).

Aspects of Compliance to the Economy, Society, and Environment Disclosures Excerpt

The following are excerpts from the disclosure of aspects of compliance with the economy, social, and environment presented in the DSNG sustainability report:

The company's efforts in preserving the natural environment by reducing the level of waste pollution are balanced with the use of supporting facilities such as waste processing equipment, dust collectors, to the company's use of biomass machines. (WOOD Annual Report 2019, 2020).

The following is an excerpt from the disclosure of aspects of compliance with economic, social, and environmental aspects related to industrial waste management in the DSNG annual reports from 2017 to 2020:

In the environmental conservation program, the company has committed to participate in managing industrial waste in accordance with established rules and regulations. (DSNG Annual Report 2017, 2018, 2019, 2020)

In the economic aspect, the company has developed a sustainable economy by providing business opportunities. Meanwhile, in the social aspect, the company has implemented village governance in order to strengthen community partnerships with the company as well as a form of proactive effort in preparing village government in accordance with Law no. 6 of 2014 concerning Villages. (DSNG Annual Report 2017, 2018)

The following are excerpts from the disclosure of the economic, social and environmental aspects of compliance presented in the WOOD sustainability report:

The Company strives to become a sustainable industry but remains on the right track. In this case, the company has committed to minimise the occurrence of global warming due to the impact of the company's industry in accordance with the provisions of The United Nations Sustainable Development Goals. (WOOD Sustainability Report 2020)

The following is an excerpt from the disclosure of economic, social and environmental compliance aspects related to industrial waste management in the 2019 and 2020 WOOD annual reports:

The Company is committed to participating in community development through community development and empowerment programs that refer to Law no. 40 of 2007 concerning Limited Liability Companies and Government Regulation no. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies. (WOOD Annual Report 2019, 2020)

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