CHAPTER I
INTRODUCTION

1.1 Research Background

Climate change is one of major issue in the today’s world. It gains more attention because climate change that have been occurs now is not only about what happened somewhere in the pole. It’s also what happens in every human daily life. For example, according to Miller (2015), 75% of the United States population face the temperature climb over 60°F in second week of December 2015. In this December 2015, people go to the beach with a very thin shirt instead staying at home in front of the fireplace with some layers of clothes.

The examples above shows how dramatic the climate change affect human daily life. And as the result, people start to give even more attention to environmental and social issue. Today, people increasingly don’t accept unethical business practices or organizations who act irresponsibly. To adjust with the people needs related about company social and environmental impact, company should implement and report on progress of CSR principles.

According to Daniri in Nurkhin (2010), Corporate Social Responsibility (CSR) is a statement about the responsibility of company that is not only focused in single bottom line, which is in financial condition, but the company also run the triple bottom lines which is paying attention in social and environmental problem.
Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet (Chandler in Rionda, 2002). “People” constitute the company’s stakeholders: its employees, customers, business partners, investors, suppliers and vendors, the government, and the community (Rionda, 2002). “Planet” constitute company’s environmental aspect. Combining profit, people and planet means that company run triple bottom lines, as basic components of corporate social responsibility disclosure.

Corporate Social Responsibility (CSR) information disclosure can be seen in sustainability report. Sustainability report is a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities. Sustainability reporting enables organizations to consider their impacts of wide range of sustainability issues, enabling them to be more transparent about the risks and opportunities they face.

To prepare sustainability report, companies must follow certain standards and rules. The international standard that already adapted by Indonesia is Global Reporting Initiatives (GRI). Right now, GRI provides the world’s most widely used standards on sustainability reporting and disclosure, enabling businesses, governments, civil society and citizens to make better decisions based on information that matters. In fact, 93% of the world’s largest 250 corporations report on their sustainability performance (GRI, 2013a).
Topic about sustainability report and its compliance with GRI standard already studied several times before. In this research, author used three research as reference. The first research is studied by Putri (2014). The research analyzes PT Telekomunikasi Indonesia sustainability report fulfillment based on Global Reporting Initiative (GRI) guidelines. The result of this research is the 2012 sustainability report of PT Telekomunikasi Indonesia has already reported performance indicators that recommended by Global Reporting Initiative (GRI). PT Telekomunikasi Indonesia sustainability report has fully fulfilled 45 indicators out of 84 indicators that covers in each performance indicators.

Second research is studied by Mazelfi (2015). The research analyzes the application of the principle of materiality in determining the sustainability report content of PT Bukit Asam (Persero) Tbk 2014. The result shows that the company already follows general standard disclosure of materiality aspect and boundaries set by GRI 4, but not completely.

The third research is studied by Wulandari (2016). The research analyzes generic DMA disclosure of environmental aspect in the sustainability report of PT. Aneka Tambang Tbk. (ANTAM) 2014. The result shows that the company generic DMA disclosures for Environmental Category disclosed in the 2014 Sustainability Report of PT. Aneka Tambang Tbk. have not fully in accordance with the GRI-4.
This thesis is examine about the compliance of company’s sustainability report disclosure with GRI-4 standard. In this opportunity, the author is going to take the different area of industry, which is the financial services area. The company was chosen by author is PT. Bank Negara Indonesia (Persero) Tbk.

PT. Bank Negara Indonesia (Persero) Tbk. was chosen because PT. Bank Negara Indonesia (Persero) Tbk. is one of leading company in sustainability reporting. It can be proven by a lots of achievement related with sustainability report and development received by the company. One of the recent achievement that received by company is Best Sustainability Report 2015 in Financial Service Sector.

This thesis is discuss on specific standard disclosure of company sustainability report. To be exact, the thesis is discuss about generic and specific sector DMA of company sustainability report. So, the focus of this thesis is to analyze generic and specific sector DMA compliance for economic category of PT. Bank Negara Indonesia (Persero) Tbk. sustainability report with GRI-4 standard.

1.2 Problem Definition

Based on the background above, the problems of the study is: Does 2015 Sustainability Report of PT. Bank Negara Indonesia (Persero) Tbk already comply
with DMA disclosure based on GRI-4 Sustainability Reporting Guidelines in disclosing their generic and sector specific DMA in economic category?

1.3 Research Objectives

In accordance with the above problem formulation, objectives to be achieved in this research is to know whether 2015 Sustainability Report of PT. Bank Negara Indonesia (Persero) Tbk already comply with DMA disclosure based on GRI G4 Sustainability Reporting Guidelines in disclosing their generic and sector specific DMA in economic category.

1.4 Research Benefit

This research is expected to:

a. Give knowledge about how to make sustainability report based on GRI 4 Sustainability Reporting Guidelines.

b. Give more knowledge and additional reference related to CSR and Sustainability Reporting.

c. Giving additional information for investor in doing investment activity.

1.5 Writing Systematic

Writing this research will divided into 5 chapters, they will be prepared as following:
Chapter I, Introduction, discuss about general description that become research basic. Consist of background, problem definition, research objective, research benefit, and writing systematic.

Chapter II, Literature Review, discuss about theory that has relation with research problem. This is helpful as think base to solve the problem. Besides that, this chapter also looks previous research that related with this research.

Chapter III, Research Methodology, provide overview of plan in doing the research. Along with theories from literature review, this chapter will encompass the research. This chapter includes type of research, research limitation, types and sources of data, and analysis method.

Chapter IV, Analysis and Discussion, contain data processing result based on research methodology. The last Chapter, Chapter V, Conclusion and Suggestion, contains conclusion about research result. It also contain suggestions for the next research.