

# CHAPTER I

## INTRODUCTION

### 1.1 Research Background

At this era, the company is no longer focus only on a mere economic activity to create profit for the sake of the continuity of his business, but is also responsible for the social aspects and the environment aspects. The basic rationale is to rely solely on financial health does not guarantee the company could grow in a sustainable way (sustainable). Sustainability will be secured, if the company pays attention to other relevant aspects, namely the social and environmental aspects (Budimanta, Prasetijo, Rudito: 2004)

There are several examples of cases, related to the problems that arise due to the company in performing its operations did not pay attention to the environmental and social conditions. First case is PT. Freeport Indonesia, one of the biggest mining company in Indonesia which is located in Papua. PT. Freeport Indonesia has a prolonged conflict with local communities regarded violations of customs, as well as occurrence of social and economic disparities (Wibisono: 2007).

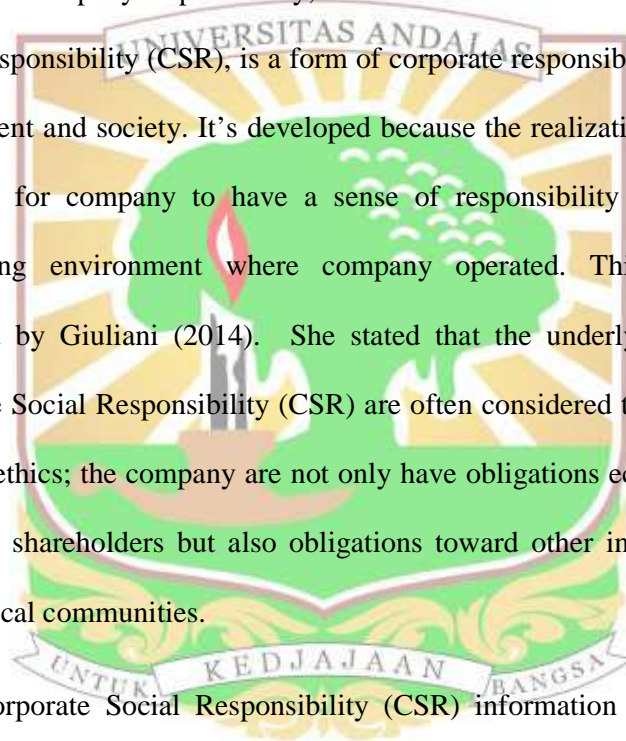
The second case is about deforestation by PT Toba Pulp Lestari. PT Toba Pulp Lestari were cut down trees recklessly in the region of North Sumatra Province. The company irresponsible actions leads to increasing on of air pollution in Northern Sumatra (Sinaga: 2015)

From the cases above, irresponsible action regulated by the company turned out to give a very significant impact, especially to environment and the

people around the area company operated. The impact is not stopped there, it also causes financial loss towards the company. For example, the company will face the decline in customer confidence at companies that can make customer stop purchase their product. Therefore, the issue of social and environmental management can not be ignored and not considered important in the operation of the company.

The company responsibility, or more familiar with the term Corporate Social Responsibility (CSR), is a form of corporate responsibility towards the environment and society. It's developed because the realization that it's very important for company to have a sense of responsibility to develop the surrounding environment where company operated. This argument is supported by Giuliani (2014). She stated that the underlying thought of Corporate Social Responsibility (CSR) are often considered to be the core of business ethics; the company are not only have obligations economically and legally to shareholders but also obligations toward other interested parties, such as local communities.

Corporate Social Responsibility (CSR) information can be seen in company sustainability report. Sustainability report is a report that published by a organization about the economic, environmental and social impacts caused by its daily activities. Sustainability reporting are able the 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 good 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: 2013).

This thesis will examine about the compliance of company's sustainability report disclosure with GRI-4 standard. The company chosen by author is operated on airport operator sectors. The name of the company is PT. Angkasa Pura II (Persero).

PT. Angkasa Pura II (Persero) was chosen because it is a leading company in airports operators sectors in Indonesia. PT. Angkasa Pura II (Persero) is handling regions on the west side of Indonesia. Their responsibility even included to handle the busiest airport in the country, Soekarno-Hatta International Airport.

This thesis will be discuss on specific standard disclosure of company sustainability report. To be exact, the thesis 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 between PT. Angkasa Pura II (Persero) sustainability report and GRI-4 standard within economic and environmental category.

## 1.2 Problem Definition

The problems of the study is: Does 2015 Sustainability Report of PT. Angkasa Pura II (Persero) already comply with DMA disclosure based on GRI-4 Sustainability Reporting Guidelines in disclosing their generic and sector specific DMA in economic and environmental category?

## 1.3 Research Objectives

Objectives of this research is to know whether 2015 Sustainability Report of PT. Angkasa Pura II (Persero) already comply with DMA disclosure based on GRI-4 Sustainability Reporting Guidelines in disclosing their generic and sector specific DMA in economic and environmental category.

## 1.4 Research Benefit

This research is expected to:

- a. Give knowledge about sustainability report based on GRI 4 Sustainability Reporting Guidelines.
- b. Give knowledge and additional reference related to Sustainability Reports



## 1.5 Writing Systematic

This research is compiled with a systematic writing into five chapters as follows:

Chapter one is an Introduction. It discusses the part of general description that becomes research basic. Consist of background, problem definition, research objective, research benefit, and writing systematic.

Chapter two is a Literature Review. It discusses 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 three is a Research Methodology. It provides 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.

Chapters four is Analysis and Discussion. It contains the data processing result based on research methodology. The last chapter, chapter five is Conclusion and Suggestion. It contains conclusion about research result. It also contain suggestions for the next research.