
SUSTAINABILITY REPORTING DISCLOSURE ANALYSIS AND PLATINUM RATING ASRRAT 2023 PT PETROKIMIA GRESIK REPORTING PERIOD 2022

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ABSTRACT

This study aims to reveal sustainability reporting that supports that PT Petrokimia Gresik in 2022 became one of the platinum winners in the 2023 ASRRAT ranking. This type of research uses a qualitative descriptive approach with the content analysis method in the 2022 PT Petrokimia Gresik sustainability report. The company PT Petrokimia Gresik has disclosed their sustainability performance 100% under the 2021 GRI standards, so this shows a strong commitment to transparency and accountability in various aspects of their operations, including economic, social, and environmental performance. Based on the analysis results with the analysis method used, the fully applied test results were obtained to confirm that PT Petrokimia Gresik in 2022 received platinum in the 2023 ASRRAT rating. It is hoped that in the future, the sustainability reporting period will continue to sharpen the level of full applied compliance and continue to strive to improve full applied compliance. and support the concept of sustainability that has a good impact on internal and external stakeholders.

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INTRODUCTION

The development of the business world in the world, so that more and more new companies are emerging and growing rapidly. Of course, companies will be oriented towards getting as much profit as they can. However, in the current era, companies are required not only to make a profit but also to pay attention to social and environmental responsibility for the impacts that occur from the operational and production activities they carry out. Sustainability emerged as a requirement for a balance between the economy, society, and the environment (Barus et al., 2024).

To support and strive for this sustainability concept to run well, the government based on Law No. 40 of 2007 paragraph (1) concerning limited liability companies which states that the commitment and company to strive for sustainable economic development to improve the quality of life and the environment that is beneficial for the company and the surrounding community. Through sustainability reporting, public information is presented containing forms of economic, social, and environmental accountability carried out by a company to internal and external stakeholders (Apriliyani et al., 2021).

Guided by GRI (Global Reporting Initiative) as an international standard for companies regarding corporate sustainability disclosure. This aims to increase the transparency and accountability of organizations regarding environmental and social impacts in the hope of providing more comprehensive and transparent information to stakeholders. This GRI standard supports the understanding and reporting of economic, social, and environmental aspects that allow companies to focus on important and relevant issues to the company and stakeholders (Roofelin et al., 2023).

Many studies have revealed the sustainability activities carried out by companies. One study conducted by Hidayat et al., (2022) which examined sustainability reporting at PT. Indofood CBP Sukses Makmur and PT. Unilever Indonesia in 2021. Based on the results of the analysis, it was found that the level of compliance with disclosure in the sustainability report of Indofood CBP Sukses Makmur was classified as partially applied and PT. Unilever Indonesia was also classified as partially applied so that in addition to seeking economic benefits, both companies handled the impacts arising from the company's activities.

Thus, the analysis conducted on the company PT. Petrokimia Gresik in 2018-2022 by Amaliyah & Andayani, (2022). The results of this study indicate that the sustainability performance of PT PG, which contributes to the achievement of the SDGs, changes every year, and the highest percentage of disclosure is considered good at the 2016 GRI standard of 90.68%. Based on several studies, companies have different disclosure qualities for each company and each year. So this is a motivation to conduct research related to sustainability reporting disclosure, especially in the company PT Petrokimia Gresik in 2022 by updating the previous year.

The company PT Petrokimia Gresik is one of the Platinum Lists from the Asia Sustainability Reporting Rating ASRRAT, (2023). Where ASSRRAT is an initiative that assesses and ranks sustainability reports from companies in Asia. So this study aims to reveal sustainability reporting which is supported by the fact that PT Petrokimia Gresik in 2022 received platinum in the ASRRAT 2023 rating.

LITERATURE REVIEW

Stakeholder theory, developed by R. Edward Freeman, emphasizes the importance of considering the various groups interested in an organization, not just shareholders (Freeman, 2010). According to this theory, stakeholders include individuals or groups that can affect or are affected by the achievement of an organization's goals, such as employees, customers, suppliers, local communities, and governments. Thus, stakeholder theory encourages a more holistic and inclusive approach to management, which can ultimately improve an organization's reputation and sustainability.

Sustainability reporting is the practice of companies disclosing information about their environmental, social, and governance (ESG) impacts in a transparent manner to

stakeholders. This reporting aims to increase accountability and promote sustainable business practices. Sustainability reporting allows companies to assess their performance against sustainability targets, identify areas for improvement, and demonstrate their commitment to social and environmental responsibility. According to KPMG in "The KPMG Survey of Sustainability Reporting 2020," more than 80% of leading companies worldwide now publish sustainability reports, indicating that transparency in ESG impacts is becoming increasingly important to a company's reputation and long-term success (Initiative, 2016; KPMG, 2020).

The Global Reporting Initiative (GRI) is an international organization providing globally accepted sustainability reporting standards. Founded in 1997, GRI aims to help businesses, governments, and other organizations understand and communicate their impacts on critical sustainability issues, including climate change, human rights, governance, and corruption. GRI standards enable organizations to report their performance in a structured and comparative way, increasing transparency and accountability (Brown et al., 2009; Initiative, 2016).

RESEARCH METHODS

A descriptive qualitative approach is used for this research with secondary data sources. The process involves in-depth data collection from various sources of information. Literature and documentation studies are used in this study as data collection techniques. Literature study as one of the data collection techniques used in the study in the form of the 2022 PT Petrokimia Gresik sustainability report obtained from the official website as the object of research. The data analysis method uses the content analysis method. In essence, content analysis is intended to investigate the content and meaning and analysis that aims to identify and categorize elements that arise from the data and relationships explored (Zuchdi & Afifah, 2019). Several stages of the content analysis method are as follows:

Coding

To measure sustainability reporting disclosure with the category of each indicator according to the items referring to the GRI Standard 2021. With a code category of 0 if not disclosed and code 1 if disclosed in the sustainability report.

Compliance Level

In Rusdiono's (2017) research in Syahputra, Helmy, and Mulyani (2019), the results of the calculation of the level of disclosure compliance will be classified into several parts according to the level of disclosure of each company, namely:

- a) 0% : Not Applied
- b) 1%-40% : Limited Disclose
- c) 41-75% : Partially Applied
- d) 76%-99% : Well Applied
- e) 100% : Fully Applied

RESULTS AND DISCUSSION

Research Results

The results of this study indicate that PT Petrokimia Gresik has carried out and reported its sustainable activities using the coding method with sustainability disclosure indicator items referring to the GRI Standard 2021 in the 2022 sustainability report. This refers to the three main aspects of managing economic, social, and environmental performance in the company's operational activities. From the results of this sustainability disclosure, PT Petrokimia Gresik in 2022 has disclosed all indicator items under the GRI 2021 standard as seen from the percentage of findings of 100%.

Table 1. Disclosure of Indicator Items Based on the 2021 GRI Standards

Information	Total items		2022	
		%		%
General Disclosure	30	26%	30	26%
Material Topics				
Material	3	3%	3	3%
Economic Performance Indicators	17	15%	17	15%
Environmental Performance Indicators	31	26%	31	26%
Social Performance Indicators	36	31%	36	31%
Total Disclosure	117	100%	117	100%

Fully Applied

Discussion

PT Petrokimia Gresik has disclosed its sustainability performance 100% in accordance with the 2021 GRI standards, thus demonstrating a strong commitment to transparency and accountability in various aspects of its operations, including economic, social, and environmental performance. The analysis of the level of compliance of PT Petrokimia Gresik's general sustainability reporting disclosure is 100%, which is classified as Fully Applied.

Economic Performance Aspect

Regarding economic performance, PT Petrokimia Gresik has disclosed 17 items out of 17 related to economic performance based on the 2021 GRI standards. The level of compliance of PT Petrokimia Gresik's Economic Performance sustainability reporting disclosure is 100% which is classified as Fully Applied. The items disclosed by PT Petrokimia Gresik include Economic Performance, Market existence, indirect economic impact, procurement practices, anti-corruption, anti-competitive behavior, and taxes. PT Petrokimia Gresik provides complete information regarding their financial impact and economic contribution. This is not only relevant for shareholders and investors seeking stable returns on investment, but is also important for the government concerned with tax contributions and job creation, as well as suppliers and business partners involved in the company's supply chain.

From the overview of PT Petrokimia Gresik's economic performance in 2022, the company obtained an economic value of IDR 39.71 trillion, a significant increase from IDR 29.128 trillion in 2021. This economic value obtained reflects the total income

generated by the company through its various business operations. In addition, the company also distributed an economic value of IDR 36.46 trillion in 2022, compared to IDR 27.187 trillion in the previous year. The distribution of this economic value includes payments to suppliers, employees, shareholders, as well as contributions to the community in the form of taxes and other expenses.

The economic value retained by the company, which is the remainder of the economic value obtained after distribution, reached IDR 3.23 trillion in 2022, an increase from IDR 27.187 trillion in 2021. 1.940 trillion in 2021. This shows an increase in the amount of capital that can be reinvested into the company to support further growth and development. Finally, the contribution of ABC company to the state in the form of taxes and other obligations was recorded at IDR 0.939 trillion in 2022, up from IDR 0.654 trillion in the previous year. This contribution reflects the company's role in supporting the national economy and meeting fiscal obligations. Overall, this figure illustrates the positive economic performance of PT Petrokimia Gresik and shows significant improvements in various key aspects, reflecting strong financial growth and sustainability.

Social Performance Aspect

In terms of social performance, PT Petrokimia Gresik has disclosed 36 indicator items from 36 indicator items related to social performance based on the 2021 GRI standard. The level of compliance of PT Petrokimia Gresik's Social Performance sustainability reporting disclosure is 100% which is classified as Fully Applied. Items disclosed by PT Petrokimia Gresik such as employment, labor/management relations, occupational health and safety, training and education, diversity and equal opportunity, non-discrimination, freedom of association and collective bargaining, child labor, forced or compulsory labor, safety practices, indigenous peoples' rights, local communities, supplier social assessments, public policies, customer health and safety, marketing and labeling.

This disclosure includes how the company PT Petrokimia Gresik treats their employees, promotes human rights, and contributes to the development of local communities. This shows the company's concern for the welfare of employees and the surrounding community, which is important for employees, customers, and local communities who want to see a positive impact from the company's presence in their environment. In terms of employee productivity, there are three main indicators, namely Employee productivity increased from 13.61 million Rupiah per employee in 2021 to 20.33 million Rupiah per employee in 2022. The Employee Engagement Index value increased from 85.70% in 2021 to 87.35% in 2022. The Excellent Performance Assessment Criteria score increased from 654 in 2021 to 682 in 2022. Occupational Safety and Health (K3) aspects in 2022 and 2021 on several indicators such as Work Accident Rate, Work Accident Ratio, Work Day Loss Rate, and Number of Work-Related Deaths.

The available data only shows the total workforce decreasing from 2,429 people in 2021 to 2,267 people in 2022. For the community aspect, there are several indicators, namely the number of fostered partners increased slightly from 330 in 2021 to 337 in 2022. Social investment increased from 52.96 billion Rupiah in 2021 to 53.85 billion Rupiah in 2022. The number of complaints or grievances from the community increased from 53 in 2021 to 77 in 2022. The environmental satisfaction score remained stable with a slight increase from 86.78 in 2021 to 86.80 in 2022. Overall, it shows an increase in most of the company's social performance indicators from 2021 to 2022.

Environmental Performance Aspect

Meanwhile, in environmental performance, PT Petrokimia Gresik has disclosed 31 indicator items from 31 indicator items related to environmental performance based on the 2021 GRI standards. The level of compliance with the disclosure of Environmental Performance sustainability reporting of PT Petrokimia Gresik is 100% which is classified as Fully Applied. The items disclosed by PT Petrokimia Gresik include materials, energy, water and effluent, biodiversity, emissions, waste, and environmental compliance. Comprehensive disclosure of the environmental impact of PT Petrokimia Gresik's operations demonstrates a commitment to sustainable business practices. This information is important for local communities, environmental activists, and regulators who want to ensure that companies minimize negative impacts on the environment and comply with applicable environmental regulations.

By making full disclosures in accordance with the GRI standards, PT Petrokimia Gresik shows that they understand and respond to the interests of their various stakeholders. This is in accordance with the stakeholder theory, which emphasizes that companies must pay attention to the needs and expectations of all parties affected by their operations, not just shareholders. This transparency and accountability build trust and positive relationships with various stakeholders, which can improve the company's reputation, strengthen long-term sustainability, and ensure that the company can continue to grow in a socially and environmentally responsible manner.

PG has a B3 gypsum waste exemption permit from the Ministry of Environment and Forestry. For non-dominant B3 waste, its management is through a B3 waste manager who has a permit from the Ministry of Environment and Forestry. Wastewater measurements are carried out by external and internal parties every month at two arrangement points. Emission measurements are carried out by external and internal parties. Measurements by external parties are carried out by an Independent Laboratory that has been accredited by KAN and are carried out every 6 (six) months for each emission source. Measurements by internal parties are carried out by the PG Chemical Testing Laboratory and are carried out every month for each emission source. During 2022, there were no penalties/fines/sanctions received by PG related to environmental non-compliance.

Revealing sustainability reporting supported by facts PT Petrokimia Gresik in 2022 received platinum in the 2023 ASRRAT rating.

Based on careful data analysis, it can be concluded that PT Petrokimia Gresik in 2022 has consistently achieved a sustainability level of 100% or Fully Applied. This is proven by the disclosure of sustainability reports supported by concrete facts. PT Petrokimia Gresik in 2022 successfully won a platinum award in the 2023 ASRRAT rating. This success demonstrates PT ABC's high commitment and performance in implementing sustainability practices comprehensively, in line with established standards and indicators. Thus, the analysis data confirms that PT Petrokimia Gresik in 2022 has achieved a very high level of sustainability, reflected in achievements that have been verified and recognized externally.

CONCLUSION

Based on the findings of the disclosure of the sustainability report of PT Petrokimia Gresik in 2022 in this study, it can be concluded that:

The level of compliance with the general disclosure of the sustainability report of PT Petrokimia Gresik in 2022, which is 100%, is classified as fully applied and the level of disclosure of economic, social, and environmental aspects is each 100% (full applied).

Therefore, based on the research and conclusions that have been carried out at PT Petrokimia Gresik in 2022, it is recommended that in the future, in the future sustainability reporting period, the level of full applied compliance will be maintained. The sustainability concept will continue to be supported and supported by the sustainability concept that has a good impact on internal and external stakeholders, especially in the 3 main aspects of economy, social, and environment.

This research has been carried out as well as possible, but it is possible that there will be shortcomings that can be corrected in further research. It is hoped that further research can calculate the scoring and update the sustainability reporting period.

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