

A Development of Sustainability Disclosure Practices in the Mining Oil and Gas (MOG) Industries: A Study from Indonesia

Temy Setiawan¹ Yuswar Zainul Basri² Yvonne Augustine Sudiby² Ari Purwanti³
Juniati Gunawan²

1.Student of doctoral programme at Universitas Trisakti, Indonesia and lecturer at Bunda Mulia University, Indonesia

2.Universitas Trisakti, Indonesia

3Universitas Islam As Syafiiyah, Indonesia

Abstract

The objective of this study is to develop the indicators of sustainability disclosure practices in the Mining Oil and Gas (MOG) industries in Indonesia. This study integrates several existing indicators of disclosure practices. The method used is cross references, questionnaires and interviews. The research subjects are 10 common standards which usually used for sustainability disclosure. The respondents of interview are manager level in MOG industries that involved in providing sustainability report. A standard of sustainability disclosure in the MOG industries in Indonesia. From these results it was found that there are 34 aspects with 87 indicators that can be used as disclosure reference of MOG companies in Indonesia as well as in other countries. There are many standards which already provide guidelines for the MOG industries but they have not provided empirical evidence in the establishment of reference based on the results of cross references analysis, questionnaires and interviews.

Keywords - sustainability, disclosure, Mining, Oil and Gas, Indonesia

1. INTRODUCTION

The issue of corporate social responsibility (CSR) is something that has been discussed since 1950 and increasingly peaked in the early 2000s (Porter and Kramer, 2002; Cannon, 2014). This issue has drawn attention of the academic world as well as business practices, thus putting pressure on companies from stakeholders (Kotler and Lee, 2005, Mc Williams et al., 2006). Stakeholder awareness of CSR's corporate social responsibility is increasing; whether it is from the customers, government, investors and the public community (Wilmshurst and Frost, 2000; Deegan, 2002; Ahmad and Sulaiman, 2004). Therefore, the right strategy in CSR will be an important concern of the company in gaining the attention of stakeholders (Palazzo and Richter, 2005; O'Riordan and Fairbrass, 2008).

Corporate CSR is an application of the concept of corporate sustainability which measures not only from economic performance but also environmental and social performance (Elkington, 1997; Porter and Kramer, 2011; Waas, et al., 2014). In Indonesia, the implementation of CSR has been regulated in the Limited Liability Company Regulation number 40 of 2007 which explains that companies which are directly involved in natural resources related activities must perform CSR and may be financed by the company on the basis of propriety and fairness. In addition, there is the CSR Regulation number 47 of 2012, which requires the company to disclose the CSR in its annual report and have it held accountable in a general meeting of shareholders. Regulation number 23 of 2010 also stressed that the company must conduct activities of empowerment and development of the surrounding communities affected by the company's operations and report to the local government periodically. If the company does not meet the provisions, the government will reprimand or even cease the company operation.

Corporate CSRs are certainly different for each industry due to different stakeholders (Raufflet, Cruz and Bres, 2014; Jenkins and Yakovleva, 2005; Burritt and Qian, 2014). This research takes MOG industry as its research subject because: (1). MOG industry is one of the high density industries (Roberts, 1992; Hackston & Milne, 1996; Raar, 2002; Gunawan, 2013). This industry is an extractive industry that directly takes natural produce and if the repair process is ignored it will have a negative impact on the environment and local communities directly and in long term (Epps, 1996; Cowell, et al., 1999; Warhurst, 2001); (2). The industry has a very lengthy production stages so that high technology is needed and consequently bring environmental effects resulting from the production process and the consumption of the final product (Dobele, et al., 2014; Peck and Sinding, 2003); (3). Public opinion that builds the company's reputation MOG is strongly influenced by environmental and social performance more than pricing, quality and security issues (Rae and Rouse, 2001).

In Indonesia, the MOG industry is still one of the important industries which contribute to state revenues. From 1980 to 2000, the MOG industry became a major contributor to the state budget. In the 2000s to date, although not the main contributors of state budget revenues, the MOG industry still contributes 25% of revenues in APBN (Putrohari, 2013). The rapid activity in this industry attracts investors and financial institutions in funding, and other parties which are affected by corporate activities. Therefore, the demands in CSR publications

in this industry continue to increase and become the concern of stakeholders.

The increasing attention to CSR brought with it the increased disclosure to stakeholders (Walter, 2014; Lii and Lee, 2012). Transparent and clear disclosure to stakeholders is a manifestation of the company's commitment to perform CSR (Perez, 2015). Corporate Social Disclosure (CSD) can be integrated in the company's annual report (Neu, Warsame and Pendwell, 1998; Halme, Huse, 1997; Santema, Van De Rijdt, 2001) or published in isolation in the form of Sustainability Report/Report on Social Responsibility, Environmental Report, Environmental and Social Reporting, or through company website (Gunawan, 2015a; Davis-Walling and Batterman, 1997; Williams and Ho Wern Pei, 1999; Line, Hawley and Krut, 2002; Yuen and Yip, 2002; Jenkins and Yakovleva, 2005). This study uses three units of analysis, namely: annual report, sustainability report and company website.

Sustainability disclosure is prepared using certain reference standards. The disclosure of corporate social responsibility is still voluntary in both the extent of its disclosure and the standard form used (Guthrie and Parker, 1990; Milne, Owen and Tilt, 2000; O'Donovan, 2002; Jenkins and Natalia, 2004). However, the current CSD is generally still qualitative rather than quantitative (Harte and Owen, 1991; Bullough and Johnson, 1995; Waas, et al., 2014). Existing standard compilers such as the Global Reporting Initiative (GRI-G4) and the Sustainable Accounting Standards Board (SASB) have provided specific disclosure standards specific to industry but are still globally general.

Specific disclosures in isolated reports are better perceived since the disclosure will be broader and facilitate the stakeholders in finding more detailed information. (Robert, et al., 1997; Yuen and Yip, 2002; Gurvitsh and Sidorova, 2012; Waas, et al., 2014). In addition, the disclosure standards should also be specific to a country because different countries are influenced by different stakeholders (Tilt, 1994; Jenkins and Yakovleva, 2005; Robet, et al., 1997; United Nation, 2007). To obtain a standardized reference appropriate to a particular industry in a country, research that involves cross references analysis of existing standards, questionnaires to the appropriate respondents, and an interview process with competent resource persons, needs to be done to gain input on key disclosure indicators appropriate to stakeholders interests in a country. Therefore, this study is important because it develops disclosure standards specific to mining, oil and gas (MOG) industries for companies in Indonesia.

There is currently no industry-specific disclosure reference in a country. Therefore this study may contribute in the form of: (1). MOG industry-specific CSD indicators that may be used not only in Indonesia, but also in other countries; (2). References to the development of CSD indicators with cross references analysis techniques, questionnaires and interviews so that the indicators produced are specific to an industry and appropriate to the stakeholders in the country.

2. LITERATURE REVIEW

CSR Disclosure

There are so many definitions related to CSR in terms of aspects to be highlighted. Carroll and Buchholtz (2000) describe a CSR definition that is in line with the concept of the CSR pyramid (Carroll, 1991): CSR leads to economic, legal, ethical and philanthropic expectations of a company by society at any given time. Another definition developed (Porter and Kramer, 2011) describes CSR as an expectation that must be met by the company to get the public's attention which will eventually led to the company being able to operate in the community.

CSR should be communicated in the form of CSD to stakeholders to obtain an indirect "operating license" from the community. If the community does not benefit from CSR, the company will face operational constraints facing the goal achievement (Porter and Kramer, 2006).

CSD will be described in a CSR report which is integrated in an annual or isolated report, or company website. CSD is a corporate disclosure that demonstrates the process of inclusion of social and environmental aspects in business operations and their interaction with stakeholders (Perez, 2015). The information disclosed in the CSD is part of the interaction between ethical companies and their stakeholders as a form of legitimacy for corporate behavior and will have an impact on the company's positive reputation (Michelon, 2011; Othman et al., 2011; Li, Wang and Cai, 2011; Colleoni, 2013). The existence of a positive reputation of the company will have an impact on the economic performance of the company (Garriga and Mele, 2004). It is therefore imperative that CSD companies maintain long-term existence through company reputation.

In CSR disclosure there are several reference standards: GRI-G4; Sustainability compass; Sustainability; Sustainability tools; Sustainable Development Goals (SDG); United National Global Compact (UNGC); and Environmental Performance Index (EPI). This research will combine existing standards through a process of cross references, questionnaires and interviews to produce MOG-industry-specific disclosure standards in Indonesia.

Global Reporting Initiative (GRI)

Global Reporting Initiative (GRI) is one of the international organizations based in Amsterdam, The Netherlands.

Its main activities are focused on achieving transparency and reporting of a company, through the development of standards and guidelines for sustainability disclosure. GRI was founded in 1997, and the first GRI version (G1) was launched in 2000. In 2002 GRI version 2 (G2) was launched. After that, in 2006, version 3 (G3) was compiled and was updated in 2011 as version 3.1 (G3.1). In May, 2013 GRI G4 was introduced.

In one of its special standard, GRI-G4 economic category consists of 4 aspects with 9 indicators. The social category consists of 20 aspects with 48 indicators, and the environmental category consists of 12 aspects with 34 indicators. Altogether it consists of 91 disclosure indicators.

Sustainability Accounting Standard Board (SASB)

SASB is an international organization that plays a role in designing disclosure standard reports on sustainability-related corporate activities. SASB helps public companies to disclose matters which will benefit the stakeholders, especially investors in determining sustainable investment decisions. In designing the disclosure standards used, SASB adapts to various sectors of industry called the Sustainable Industry Classification System (SICS). The grouping of this industry sectors is based on the main source of business income. The grouping is not only based on industry sector but also on its sub-sector and specific industry type. SASB distincts industry into 10 sectors. One of them, which is related to this research, is nonrenewable resources. This category is divided into 4 sub-sectors: oil and gas, coal, metal and mining, and construction materials. This study develops only on the MOG-industry specific indicators (2 of 4 sub-sectors).

SASB material map explains that there are 5 aspects of disclosure which is divided into 30 indicators. The five aspects of disclosure presented include: environment (7 indicators); Social Capital (6 indicators); Human Capital (6 indicators); Business Model and Innovation (4 indicators); Leadership and Governance (7 indicators). Corporate disclosure can be tailored to the industry-specific types that exist in the SASB material map.

Principle Of The United National Global Compact (UNGC)

UNGC is a United Nations initiative to encourage businesses worldwide to adopt sustainably responsible policies and report on their implementation. The United Nations Global Compact is a principle-based framework for business, which states ten principles in the areas of human rights, labor, the environment and anti-corruption. UNGC is the world's largest corporate sustainability initiative with 13,000 corporate participants and stakeholders in more than 170 countries. This study uses 10 UNGC principles as an indicator of disclosures that are grouped into 4 aspects.

Sustainability Development Goals (SDGs)

SDGs is one of the UN programs in realizing sustainable development by 2030. This program is supported by many countries. The goal of SDGs is to preserve the environment, and humanity's just and humane welfare. SDGs are described in 17 points. The seventeen points in this research are made into aspects and indicators of disclosure.

Millennium Development Goals (MDGs)

Before the UN launches SDGs in 2015 to achieve sustainable world development in 2030, the UN has MDGs which was launched in 2000. In the MDGs there are 8 points. The eight points in this research are used as aspects and indicators of disclosure.

Environmental Performance Index (EPI)

EPI provides quantitative data (an index) of a country's environmental performance by category. In 2016, EPI conducted a ranking of 180 countries using 9 aspects: health impacts, water quality, water and sanitation, water resources, agriculture, forests, fisheries, biodiversity and habitat, climate and energy. These 9 aspects are spelled out in 20 indicators.

Sustainability Compass

Sustainability Compass is compiled by The Department of Economic and Social Affairs, one of the departments within the United Nations. Sustainability Compass is structured to provide a global benchmark for each country to develop CSD. The third revision of the indicator component was published in 2007, and there are 14 aspects with 96 disclosure indicators. In the last revision it is already a combination of the MDGs, Agenda 21 and The Johannesburg Plan of Implementation (United Nation, 2007).

Sustainability Instrument

Scormation to stakeholders, especially investors investing in green investment. As of December 31, 2014, Sustainhaltegger, et al. (2002), explains that sustainability disclosure instruments related to environmental and social accounting which can be explained in four categories: economic, social, environmental and sustainability. The four categories can be explained in 2 aspects, namely: concepts and instruments with 46 indicators.

Sustainalitics

Sustainalitics is an institution that has its headquarters in Amsterdam with 14 branch offices around the world. Sustainalitics is an independent institution which focuses its attention on corporate research and analysis related to environmental and social management. Sustainalitics plays a role in generating company related reports and providing infalitics has 200 employees which includes 120 analysts with multidisciplinary expertise across more than 40 industries.

International Society Of Sustainability Professionals (ISSP)

ISSP is an organization established in 2006 by the International Sustainable Development Foundation. ISSP has a role in developing sustainability practice standards for companies globally. The standard reference applied is divided specifically on related occupations / professions and 8 industry areas. In this study related to sustainability (economic, social and environmental), the standard used is on government related industries covering 8 aspects with 8 indicators. This is because (1). There is an absence of MOG industry specifications (2). CSD in Indonesia is required by the government and heavily monitored by the government for the MOG industry; (3). Some companies engaged in the MOG industry are also owned by the government.

Table 1 Number of Aspects and Indicators in Various Guidelines

Guidelines/ Standards	Aspects	Indicators
GRI G4	36	91
SASB	5	30
UNGC	4	10
SDGs	17	17
MDGs	8	8
EPI	9	20
Sustainability Compass	14	96
Sustainability Instrument	2	46
Sustainalitics	10	17
ISSP	12	12
Total	117	347

3. Research Methods

This research is a qualitative study. The data collection techniques used are cross references analysis, questionnaires and interviews with respondents.

The data analysis methods are as follows:

A. Cross References Analysis

- Collecting data in the form of references from various disclosure standards.
- Combining the disclosure indicators of guidelines reference shown in table 2

The disclosure points of each reference are identified and tabulated in the following format:

Categories	Aspects	Indicators/disclosure points
Economy/ Social/ Environment	1.	
	2.	

If there are almost identical aspects / indicators between the disclosure standards, it is not tabulated again. From the results of the tabulation obtained as many as 117 indicators with the distribution as follows:

**Table 2
 Distribution of Aspects and Indicators of Any Category of Disclosure**

Categories	Number of Aspects	Number of Indicators/disclosure points
Economy	12	30
Social	12	50
Environment	16	37
Total	40	117

c. Forward backward translation

Forward-backward translation is a process of transferring from the source language to the target language and then translated back to the source language (Pym, 2010; Mohantlane, 2014). If in the process of translating the target language into the source language there is no difference in word or meaning, then the process of first language transfer is appropriate. In the event of a discrepancy, a review is necessary. The forward-backward translation process is necessary because at the time of translating a phrase / sentence there may be a shift of meaning from the source language to the target language. In this study, some standards use English (source language) and will be translated into Indonesian (target language). Disclosure points generated in this study also use the Indonesian, so it is expected that forward-backward translation process will minimize the difference in meanings of translated words / sentences. In the process of back translation, it does not identify the quality of the translation, but rather focuses on accuracy of translation (House, 1981, Vitray, 2007; Yasaman et al., 2013; Lin, Chen and Chin, 2005; Grunwald, et al., 2006).

d. Distribution of questionnaire

After going through the forward backward translation process, the disclosure points are made in the questionnaire model. The questionnaire that is ready to be distributed is divided into 2 parts namely A and B. In section A, it contains the identity of respondents. The most important thing in section A is: current level of work and level of involvement and understanding in CSR activities as well as preparation of CSR reports. Part B is a core part of the research. Part B includes the opinion of respondents on the importance of aspects and indicators, which are arranged in Likert scale.

The questionnaire was made on a scale of 1-4 showing the importance of disclosure of these indicators to the MOG industry. The questionnaires were distributed to respondents who were practitioners in the MOG industry and were instrumental in the preparation, analysis and users of the CSR report. This is so that the expected results are objective and unbiased (Sekaran, 2003).

The researchers contact the sources who are generally in the managerial level in the MOG industry. In this study, the researchers used a sample of 30 people who are willing to be respondents with snowball sampling technique. The researcher contacted several sources who were willing to be the respondent. Then, from their information, the researcher recommended contacting other competent sources related to this research. The researcher contacted the recommended sources to request his willingness to be a respondent.

After obtaining a statement of willingness to be a respondent, the researcher confirmed their willingness to meet or to correspond via email. Five people are willing to meet and the rest via email. When communicating via e-mail, the researcher explains in detail the purpose and objective of the research, and why the respondent was selected. This is important because it shows respect to the respondents and is in line with research ethics (Sekaran, 2003; Dilman, 2000). If the respondent wishes, they can send back the questionnaire that has been answered via email, and if there are any questions before or during the questionnaire, respondents can contact the researcher via email or mobile phone number. If the respondents were not willing to fill up the questionnaire, then the email can be ignored.

Respondents fill out a questionnaire which is a collection of indicators of disclosure of 117 indicators. The indicators are made as questionnaires on a scale of 1 to 4 indicating the importance of indicator disclosure. Score 1 is not important; Score 2 is rather important; Score 3 is important; and Score 4 is very important.

The scale used is only at the intervals of 1 to 4 because researchers use only small samples. The expected results are not used for impact tests but to confirm whether the indicators collected are relevant to the level of importance of disclosure to stakeholders; (3). Short intervals (1 to 4 scale) are suitable for small samples because they narrow down large variations in data; (4). it does not provide an opportunity for respondents to fill in the middle score (sometimes occurs when the interval used is odd). (Brown, 2011; Matell and Jacoby, 1972; Adelson and Mc Coach, 2010; Garland, 1991):

e. Tabulation of the results of the questionnaire

Questionnaire results are tabulated by:

1. Calculating the average of each indicator
2. After that, by calculating the overall average.

From that it is known that the value earned is 3,896. This value indicates that on average the indicators arranged in the questionnaires are in Important categories.

f. Conducting structured interviews

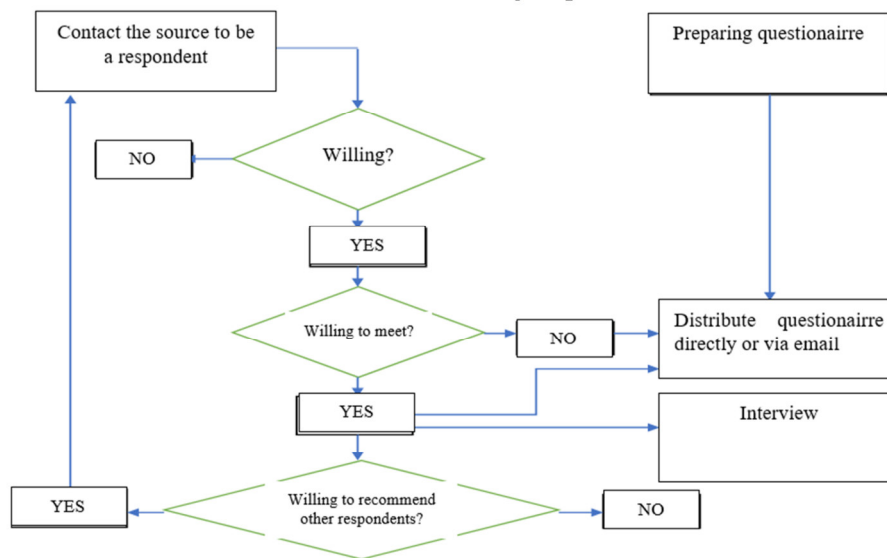
If the respondents can be met face to face, then, in addition to filling in the questionnaire, a structured interview is conducted. With the interview, it further strengthens this research in the development of indicators relevant to the MOG industry in Indonesia. Questions such as "how do you think [...]", "Why is [...] important?", "Are the indicators relevant?" Can help dig up information about the indicators. In addition, both the interviewer and the interviewee's body language will provide indirect information (Punch, 1998; De Vaus, 2002; Sekaran, 2003).

The questions for the interviews provide the development of each indicator. Respondents as the source provide a relevance review of each indicator with CSD that is currently done by the company. Source can provide explanations or inputs for the development of indicators in creating disclosure guidelines. The results of the interviews are recorded and the scripts is summarized into discussions that corroborate the results of this study on CSD indicators relevant to the MOG industry in Indonesia.

The relevance of the interview in this study is in accordance with the benefits described: First,

Respondents provide input on whether the indicator is in accordance with the level of importance in disclosure to stakeholders; Second, Once the indicator is prepared and went through the forward backward translation process, the indicator is first tested to the respondent to see if there are ambiguous indicators. In this case, all respondents are familiar with the indicator written so that no indicator has ambiguous meaning. In this process, the researcher asks whether there are any unclear questionnaires. All questionnaires can be understood by respondents. The statement in the indicator is not complicated to understand because the sentence phrase consists of no more than 15 words. Third, Respondents provide input on current issues related to indicators disclosed and will be discussed in section 4. Fourth, respondents gave an opinion on the number of indicators related to the aspects of disclosure. The number of indicators on every aspect of disclosure is considered sufficient. There is no similar indicator, and all indicators are in important and very important categories.

Figure 2.
Procedures in contacting respondents



Source: made by the researcher

4. Research Results

The results of cross references analysis are as follow: The total aspects and indicators of the ten guidelines which initially contains 117 aspects with 347 indicators (table 1) were combined with 40 aspects with 117 indicators (table 2). The same aspects and indicators are not recalculated to avoid overlapping. After that a questionnaire was prepared which results are then tabulated.

The tabulation results of the questionnaire will be eliminated through 2 stages: (1). Elimination of the yielded average of each indicator (2). Elimination of validity test results.

Elimination of the yielded average of each indicator

Each indicator is answered by respondents by filling the score of 1 to 4 in as many as 30 data. Each indicator is calculated to get an average value (mean). Then the yielded average of each indicator is averaged back to the 117 indicators. The second average result is 3,896. Thus, each indicator below 3,896 is eliminated.

Elimination of validity test results

Indicators that are not eliminated in elimination phase 1 will be eliminated again by validity test of the questionnaire (elimination stage 2).

Economic Categories

In the development of economic indicators, there are 12 aspects with 30 indicators. However, after the validity test, the number of indicators is reduced to 22 indicators as described in table 2.

Table 3. Elimination of Economics Category Indicators (CSR)

Aspects	Number of Indicators	Elimination phase 1	Elimination phase 2	Final Indicator
<i>Economic Development</i>	7	(2)		5
<i>Global Economy Partnership</i>	1	(1)		0
<i>External Financing</i>	1	(1)		0
<i>Product and Service Quality</i>	2			2
<i>Client Satisfaction</i>	3			3
<i>Product and Service Satisfaction</i>	2			2
<i>Impact on Client</i>	1			1
<i>Personal Growth Opportunity</i>	2	(1)		1
<i>Accounting and Management</i>	6	(2)		4
<i>Market Existence</i>	3	(1)		2
<i>Indirect Economic Impact</i>	1			1
<i>Logistic</i>	1			1
<i>Total</i>	30	(8)		22

Source: made by the researcher

Of the 30 indicators grouped in 12 aspects, the first elimination phase left 22 indicators grouped in 10 aspects. Indicators that are eliminated in the first stage are indicators whose mean value is below the mean of the overall indicator asked in the questionnaire to the respondent regarding the importance of disclosure. This means that the eliminated indicator is still below the mean (average) disclosure that is perceived to be important (mean value below 3,896). After the first phase of elimination come the validity test. All indicators (as many as 22 indicators) pass the validity test. The total aspects of CSR economic category disclosure is 10.

The eliminated aspects are that of global economic partnership and external financing. At the time of filling questionnaires, some respondents answered by giving a score of 2 or 3 (rather important and important). This was confirmed through interviews, and explained by one of the sources:

“...the disclosure of foreign aid and investment to the company is very limited because the form of foreign investment in CSR is almost non-existent and if there is any disclosure, it gives no positive perception for stakeholders.”

The opinion of other source related to these aspects is as follows:

“...the participation of firms in global economic organizations is rarely disclosed since it is generally not a form of direct engagement but as a form of involvement through ministries or countries.”

The opinion was also supported by several other sources during the interview so that many questionnaires were answered with a score of 1.2, or 3. Until now, in Indonesia, CSDs still tend to form positive perceptions for stakeholders or foster good relations with stakeholders (Gray, Et al., 1996). The involvement of companies is generally not direct but through the involvement of a country in the United Nations or other international organizations (United Nation, 2007).

Other indicators that are eliminated from several aspects include: the scope of the organization's liability to the defined benefit; significant financial assistance from the government; employee career review; sustainable balanced score card; budget and audit; and employee's regional minimum wages. Seen from the indicators that are eliminated above, financial disclosures are not considered important by the company. Generally, corporate disclosures are more directed towards nonfinancial and positive aspects (Harte and Owen, 1991; Bullough and Johnson, 1995; Waas, et al., 2014).

Social Categories

From the social category, 12 aspects with 50 disclosure indicators are compiled. After going through the process of elimination and validity test, it was then obtained 9 aspects with 35 indicators. The aspect that is eliminated is because the constricting indicators are eliminated, they are: Governance (eliminated indicator is corruption); Demographic (grouping of locals by age, education, gender and effort in improving the quality of society); Communication (indicator: dialogue among stakeholders). This is because the disclosure of governance has been integrated into corporate governance, and as for demographics, they are generally not disclosed much by company although in general data collection is usually done before opening the land (for MOG industry). One source clarified this indicator with the following opinion:

“...the process of land selection, land testing, and exploration is a long one. Therefore, attention to local communities and demographic conditions is a matter of concern. However, since demographic conditions are always changing, the disclosure is made simple to avoid inaccurate disclosure of data over a long period of time.”

Disclosure of communication between stakeholders is still sometimes considered not too important. One of the sources said:

“...companies have conducted a lot of discussion among stakeholders but they are not routinely done, and the forums that have been formed are not yet active. Communications are routinely

held between directors, commissioners and major shareholders. For communication with other stakeholders, it is only done occasionally.”

Actually, communication with stakeholders is an activity that has high benefit value in showing transparency and increasing trust. However, constrained by the cost, time and place, communication is only done one way, i.e. from the company to the stakeholders (no two-way dialogue). This should be an aspect that needs to be improved and increased in effectiveness.

Other indicators that are eliminated but have no impact on aspects of disclosure include: sanitation; health status and risks; level of community education; dialogue with stakeholders, return to work levels for employees who have quitted or those returning from maternity leave; number of employees training time on policy and human rights; operations of suppliers identified by human rights violations; violence against children, women, and high-risk discrimination; the total value of political contributions; the dismissal of suppliers using the impact criteria on society; the number of complaints against companies that affect the community; total incidents of non-compliance; the type of product and service information required by organizational procedures in relation to labeling information on products and services, as well as the percentage of products that have complied with the provisions.

Table 4. Elimination of Social Category Indicator (CSR)

Aspects	Number of Indicators	Elimination phase 1	Elimination phase 2	Final Indicators
<i>Poverty</i>	4	(1)		3
<i>Governance</i>	1	(1)		0
<i>Health</i>	2	(1)		1
<i>Education</i>	2	(1)		1
<i>Demographic</i>	1	(1)		0
<i>Natural hazard</i>	1			1
<i>Communication</i>	1	(1)		0
<i>Protect the labor child</i>	1			1
<i>Labor practices</i>	14	(1)		13
<i>Human Right</i>	9	(1)	(1)	7
<i>Communities</i>	8	(3)		5
<i>Product Responsibility</i>	6	(2)	(1)	3
<i>Total</i>	50	(13)	(2)	35

Source: made by the researcher

The above eliminated information tends to be the information that leads to negative disclosure or informations which negatively impact the company's, such as: the type of corporate infringement or non-compliance, the total political contribution, the number of complaints to the company for the negative impact on the community, and the dialogue among stakeholders. Therefore, companies tend to minimize disclosure or do not disclose at all (Deegan, 2002).

Of the three categories, the social category has the most indicators. This is because in Indonesia in particular, the attention of CSR is quite high on improving human and human rights. The problem of poverty, health, education, and employee safety is an essential issue of corporate concern to society. This is in line with several studies such as: Ahmad and Sulaiman (2004); And Belal (2001) which explain that for Asian countries, CSD is more in the social category because the level of people's welfare is still low so that stakeholder concern is more focused on solving social problems than environmental problems.

Environment Categories

The environmental category consists of 16 aspects with 37 disclosure indicators. After passing the elimination phase on the validity test, the CSR category disclosure consists of 15 aspects with 30 disclosure indicators. The aspect that is eliminated is product and services (which indicators are impact of product and service for environmental, and reclamation level of product packaging). This aspect has actually been represented in the economic category for product and service innovation as well as in other aspects of the environmental categories related to effluent and waste, emissions, water, and complaints.

Table 5. Elimination Environment Categories Indicators (CSR)

Aspects	Number of Indicators	Elimination phase 1	Elimination phase 2	Final Indicators
<i>Material</i>	1			1
<i>Energy</i>	2			2
<i>Water</i>	3			3
<i>Diversity</i>	4			4
<i>Emissions</i>	3			3
<i>Effluent and waste</i>	5			5
<i>Product and services</i>	1		(1)	0
<i>Compliance</i>	3		(2)	1
<i>Transportation</i>	1			1
<i>Investment and cost</i>	1			1
<i>Assessment</i>	1			1
<i>Complaint</i>	1			1
<i>Noise</i>	1			1
<i>Land</i>	1			1
<i>Forestry</i>	1			1
<i>Governance and credibility</i>	8	(2)	(2)	4
<i>Total</i>	37	(2)	(5)	30

Source: made by the researcher

Other eliminated indicators are in the compliance aspect such as indicators of the rate of fines paid for non-compliance with regulations and ISO certification. Here is an opinion of one of the sources:

“...this indicator is rarely or insufficiently disclosed because in MOG industry, regulatory compliance is the most important thing because government monitoring is very detailed and routine. It is impossible for the company to ignore it since it will incur a large penalty. Even if that happens, such disclosure is a negative information that will affect the behavior of stakeholders.”

Therefore, the disclosure of such information is limited. Another indicator is ISO certification. One of the sources provides this explanation:

“...for companies in this industry, passing and having ISO certificate is a must. So it is no longer a competitive advantage for the company. Disclosure of ISO processes and outcomes is not important information for stakeholders.”

This research is in line with Gunawan (2015b) CSD motivational research. Described in the research are 8 motivation of companies in Indonesia to publish CSD. Motives to meet the ISO are in the last order.

In the aspect of governance and credibility, indicators related to corporate involvement in international organizations and NGOs and stakeholder involvement in policy determination were eliminated. This is almost as explanatory as the aspect in the previous category. The company has primarily tried to facilitate dialogue with external stakeholders, but is still not effective. Forums have started to be formed but not yet maximized. This is a challenge that companies must solve in engaging stakeholders in policy making.

In addition to social categories, environment categories also have the most disclosure aspects among the three. This is due to the fact that government regulations and other stakeholder pressures, including financial institutions for companies, compel a comprehensive CSD over environment categories. The company's attention to the environment will have a positive impact on economic performance (Ratnatunga, 2007; Cannon, 2012; Lako, 2014).

5. Conclusions

For MOG industries categorized as high density industry, CSD is undeniable. Pressure from stakeholders is very high. It comes not only from the government, but also investors and communities. There are currently standards that can be used in CSD. This study provides a more comprehensive guideline in sustainability disclosure practices for specific MOG industries in Indonesia as it is built through a process of deep cross references analysis, questionnaires and interviews. The Guideline consists of 3 categories divided into 34 aspects with 87 indicators. Economic category consists of 10 aspects with 22 indicators, social category: 9 aspects with 35 indicators, and environmental categories: 15 aspects with 30 indicators.

The implications of this research are the resulting guideline can be used as a platform for special disclosure lists for the MOG industry. Another practical implication is that this indicator can be used as a reference for the preparation of sustainability reports not only in Indonesia but also in other countries. For future studies, it is expected that there are researches for other industry specific. In addition, this guideline can be used to examine the extent of corporate disclosure of CSD with content analysis techniques.

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