

**“ANALYSIS OF *CORPORATE SOCIAL RESPONSIBILITY*
IMPLEMENTATION EFFECTIVENESS BASED ON GLOBAL
REPORTING INITIATIVE GUIDELINES”
(Case study at PT. Kaltim Prima Coal, Inc)**

Minor Thesis

**Presented in Partial Fulfillment of the Requirement for the degree of
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Yulia Manda Sari (0810237007)

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ABSTRACT

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(Case Study at PT. Kaltim Prima Coal, inc, 2010)**

By:
Yulia Manda Sari
0810237007
Advisory Lecturer:
Dr. Erwin Saraswati, Ak.CPMA

The primary objective of this research is to find out how far is the application of Corporate Social Responsibility and the level of fulfillment applied by PT.Kaltim Prima Coal, Tbk. related to continuous reports in 2010 which was based on indicators of GRI. Indicators that will be discussed comprise economic, environmental, labour, proper work, human right and product responsibility indicators. The researcher made the analysis based on those indicators and divided into 3 criteria of fulfillment including unfulfilled, partially unfulfilled and fully fulfilled. In this research, the method used was a descriptive qualitative with a case study approach. The result of the analysis shows that the sustainable report of PT Kaltim prima coal,tbk, overallly fulfills a 82% main indicator and a-97%-additional indicator while a-10% partially unfulfilled main indicator and a-3%-additional indicator. Therefore, PT. Kaltim Prima Coal, Inc. Is categorized into “B+” as it already fulfilled more than 20 indicators which is a minimum standard determined by GRI.

Keyword: CSR, Sustainability Report, PT Kaltim Prima Coal, GRI

ABSTRACT

ANALISIS EFEKTIFITAS PELAKSANAAN TANGGUNG JAWAB SOSIAL PERUSAHAAN BERDASARKAN PEDOMAN GLOBAL REPORTING INITIATIVE (GRI)

(Studi kasus pada PT. Kaltim Prima Coal, Tbk)

Oleh:

Yulia Manda Sari

0810237007

Dosen Pembimbing:

Dr. Erwin Saraswati, Ak.CPMA

Tujuan utama penelitian ini adalah mengetahui sejauh mana penerapan tanggung jawab sosial perusahaan dan tingkat pemenuhan yang dilaksanakan oleh PT.Kaltim Prima Coal, Tbk. berkaitan dengan laporan keberlanjutan tahun 2010, berdasarkan indikator-indikator GRI. Indikator-indikator yang akan dibahas terdiri indikator ekonomi, lingkungan, tenaga kerja dan pekerjaan yang layak, hak asasi manusia dan tanggung jawab produk. Peneliti membuat analisa berdasarkan indikator-indikator tersebut dan membagi tiga kriteria pemenuhan yang terdiri dari standar tidak terpenuhi, standar terpenuhi sebagian dan standar terpenuhi sepenuhnya. Dalam penelitian ini metode yang digunakan adalah metode penelitian kualitatif deskriptif dengan menggunakan pendekatan studi kasus. Hasil analisis menunjukkan bahwa laporan keberlanjutan PT Kaltim prima coal,tbk, sepenuhnya memenuhi indikator utama 82% dan indikator tambahan 97%, sedangkan sebagian terpenuhi untuk indikator utama 10%, dan indikator tambahan 3%, . Dengan demikian, PT. Kaltim Prima Coal, Inc. masuk dalam kategori “B+” karena telah memenuhi lebih dari 20 indikator yang merupakan standar minimum yang ditetapkan oleh GRI.

Keyword: CSR, Laporan Keberlanjutan, PT Kaltim Prima Coal, GRI

Introduction

Company is one of the economic actors which have a significant role towards society in general, and economic life in particular. In several big companies in Indonesia tend to focus on getting the maximum profit, which the company is more focused on the stockholder and creditors, while stakeholders such as communities get less attention because of their perceived role that can't increase its profit directly. Interests of stakeholders are only judged by the extent to which they can play a role in helping to improve corporate profits directly. Stakeholder is a person, group organization, or systems that effect or be affected by the actions of the organization. Stockholders view a good company is not only companies that can achieve the target and maximum profit, but also see how the company implement a social responsibility towards the environment and communities around the company. *Corporate Social Responsibility (CSR)* is corporate image in the public perception, especially investors and users of financial statements. In the long run, positive image will bring many benefits to the company's CSR actors, both at the time the company is experiencing as well as in facing the crisis. (www.wikipedia.com, accessed on 21 October 2012).

PT. Kaltim Prima Coal,, is one of the companies engaged in mining, especially in the extractive enterprise and eastern Kalimantan is a high level of production, and the largest coal mining company in Indonesia, it implements sustainable corporate social responsibility. This is evident from the consistency of the publishing company's Sustainable Development Report or the Sustainability Development Report since 8 years from 2003 to 2010.

As the largest coal companies in the extractive east Kalimantan PT KPC realized that the company's goal is not just for profit alone, but the company processional expected to provide benefits to the community for the resources have been utilized. Based on the background of the above problems, the formulation of the problem under study are as follow: "How is the implementation of corporate social responsibility by PT. Kaltim Prima Coal, inc. Based on *Sustainability*

Reporting Guidelines & Mining and Metals Sector Supplementnt Global Reporting Initiative (MMSS-GRI)?”

Literature Review

Accounting for Social Responsibility

Globally, the company's performance is only measured by the level of profit generated, so that the company's goal is only to obtain maximum profits without attention to the impact that occurred around it. In addition the company did not pay attention to the parties that contributed to the profit company itself, such as the public and the environment. Until now there has been no definite agreement about the definition of social responsibility accounting. Among the opinions of experts who proposed this definition of social responsibility accounting, each of the opinion is only complement each other.

Belkai (Harahap, 2003:349), would rather use the term *Socio Economic Accounting* (SEA) for social accounting and has its own meaning to it, namely:

"Accounting for socio-economic accounting arising from the application of social science, it involves setting, measurement, analysis and disclosure of social and economic impact of government and corporate activities. This includes activities that are being micro and macro. At the macro level aims to measure and mengungkap country's economic and social activities include *social accounting* and *report*, with establishment of the role of accounting in economics n. At the micro level aims to measure and report on the influence of corporate activities on the environment, including: *financial and managerial social accounting, social auditing*".

Estes (1976:3) in Dewi (2010), using the term *accounting for social accounting* and corporate social responsibility which is defined as follows:

"The measurement and reporting, internal or external of information Concerning the impact of an entity and its activities on society"

Based on the definitions above, it can be concluded that basically social responsibility accounting is to assess, measure and report the impact of economic, social, and environmental impacts of activities of the company's operations, both for internal and external parties. Broadly, the accounting definition of social

responsibility does not only include the impact of company operations, but also social programs held by a company.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) or commonly known as corporate social responsibility has become an important part of companies, especially large companies to maintain the survival of the company itself and as a means of concern to the company's external and internal elements of the company. There are many ways in which various companies in Indonesia run the company's CSR program, such as the aid the development of educational facilities, the capital assistance for Small and Medium Enterprises (SMEs), scholarships, construction of community facilities, and so forth. CSR is expected to not just 'doing good' but 'doing to make it good' to the public welfare and the environment can be achieved in accordance with the purpose of CSR globally.

The scope of CSR should have a guide to understanding and implementing CSR with ease. Related to the scope of CSR, Elkingtons John classified the three aspects of CSR, known as the "Triple Bottom Line" which covers aspects of Profit, Planet, and People (3P).

Sustainability Reporting

Form of corporate social responsibility that is expressed in a report called sustainability reporting. Sustainability Reporting includes reporting on economic, environmental and social influences on organizational performance. Sustainability report should be a high level strategic document that puts the issues, challenges and opportunities Sustainability Development that took him to the core business and industrial sector. Sustainability reporting is one criterion in assessing corporate social responsibility, because the company considers that the continued existence of the report will support the development of corporate strategy, corporate image in the eyes of the public, especially investors, and shows that their commitment to the implementation of corporate social responsibility.

Global Reporting Initiative (GRI)

Global Reporting Initiative (GRI) is a kind of non-profit organization that promotes economic, environmental and social sustainability. Developing and disseminate applicable sustainability reporting guidelines assist organizations in reporting economic, environmental, and social impacts of activities undertaken. Through the GRI guidelines that have been developed to create a sustainability report is intended to assist reporting organizations and their stakeholders in understanding the organization's contribution to sustainable development through their reports. (www.globalreporting.org, accessed on november 20,2012). GRI purpose is to assist investors, governments, companies and the general public to understand more clearly about the process of improving the achievement of sustainability (*sustainability*). In this document, the framework is generally used as a way to improve relations analysis and guidance in making decisions.

GRI application level

The application level indicates that the extent the guidelines have been applied in sustainability reporting. The application levels consist of:

a) Application Level C

Application level C is intended for entry-level reporting organizations. The requirement for application level C is report fully at least 10 performance indicators, either core or additional, including at least one from each of economic, environmental, and social indicators..

b) Application Level B

This application level is intended for intermediate reporters. The requirement for application level B is report fully all profile disclosures (1.1-4.17) and all Disclosures on Management Approach (DMAs) at least 20 Performance Indicators, either core or additional, including at least one from each indicator category (economic, environmental, labor practices and decent work, human rights, society and product responsibility).

c) Application Level A

This level is intended for advanced reporting organizations. These reporting organizations are expected to have executed a thorough materiality process in consultation with their stakeholders. As a result, these reporters are able to “report or explain” to the fullest extent.

So, there are three kind of application levels (C,B,A) which show the grade of sustainability report. In addition, the sustainability report that has been externally assured, the application level status marked with a status of “+” sign. The explanation about the application levels and these requirements discussed above is illustrated the following figure.

Figures 2.2

GRI Application Level

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	
	Disclosures on Management Approach	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	Performance Indicators & Sector Supplement Performance Indicators	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***		Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	
						Report Externally Assured	

* Sector supplement in final version
** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines
*** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines

Source: <https://www.globalreporting.org/information/FAQs/Pages/Application-Levels.aspx>

GRI indicators

GRI indicators consist of indicators that elicit comparable information on the economic, environmental, and social performance of the organization. Reporting

organizations are encouraged to follow this structure in compiling their reports, but other formats may be chosen. The All indicators which are discussed above serve as guidance to evaluate the performance of the sustainability report of a company. Detail aspects will be presented in Appendix I.

Previous Research

Research conducted by Puspitaningrum (2010) used the object of mining companies in the cement industry, and in the analysis using the Indicator Protocols of the Global Reporting Initiative, which is more general and can apply to companies engaging in any field. The results of the study explained that PT. HOLCIM INDONESIA, inc. only meet the 18 core indicators and five additional indicators (total 23 indicators) of 49 core indicators and 30 additional indicators (total 79 indicators) are recommended by the GRI. According to the authors, research conducted by Puspitaningrum (2010) is less specific because the sector does not use a standard supplement in accordance with industry that was subjected to experiments.

Monalisa in his research in 2012 entitled” analysis of 2010 pt indosat sustainability report based on global reporting initiative (GRI) indicators” PT. Indosat Tbk fulfilled partially 15 core indicators out of 49 core indicators and 3 additional indicator out of 30 additional indicators, and fulfilled fully only 3 core indicators out of 49 core indicators and 5 additional indicators out of 30 additional indicators that are recommended by the Global Reporting Initiative (GRI) or in percentages, PT Indosat Tbk partially fulfilled 28% core indicators, and 6% additional indicators and fully fulfilled 6% core indicators and 11% additional indicators. From the analysis and compared with the application level requirement, PT Indosat’s sustainability report cannot achieve even the lowest application level, its sustainability report is still far from grade C because the requirement for application level C are report fully at least 10 performance indicators, either core or additional.

In this study, the authors use the Sustainability Reporting Guidelines & Mining and Metals Sector Supplement Global Reporting Initiative, which is the

standard issued by the Global Reporting Initiative (GRI) as a guide in making sustainability report, which specialize for companies engaged in mining.

Research Method

Type of Research

A method is used to support science and has a function as a data collection tool and a tool for testing the correctness of a study. Such a science must always be followed by the method, which if these two things are unconnected or tied, will result in reduced "levels" scholarship of both..

With the chosen method with a qualitative descriptive case study approach, then this study would describe the fulfillment of *performance indicators* of the *sustainability report* PT. Kaltim Prima Coal, Tbk. based on the *Global Reporting Initiative* (GRI).

Source of Data

The author divided the type of data based on source that was used in the research, and the research was using secondary data. Secondary research fully collects the original data. The author got secondary data through internet media from company web site and data that have been collected in historical report that has published sustainability report.

Data Collection Technique

Data collection method is a method used while researchers collect data or information. In the process of collecting data, researchers used the following methods:

- ✓ Documentation in this research is done through the website of PT. Kaltim Prima Coal, inc.

- ✓ Literature Study is a technique that was chosen by the author for getting data; the data collected was from writer text and soft copy edition for example book, PDF, Journal.

Techniques of Data Analysis

This study uses qualitative methods of content analysis, which is done by:

- ✓ Classifying *sustainability report* PT. Kaltim Prima Coal, Tbk. year 2010 in accordance with the standard *Global Reporting Initiative* (GRI).
- ✓ Comparing the classification results with a standard *Global Reporting Initiative* (GRI).
- ✓ Commenting on the results of the comparison between the classification results with a standard *Global Reporting Initiative* (GRI).
- ✓ Provide an assessment of the *sustainability report* PT. Kaltim Prima Coal, Tbk. year 2010 based on Application Level Criteria from *the Global Reporting Initiative* (GRI).

Discussion

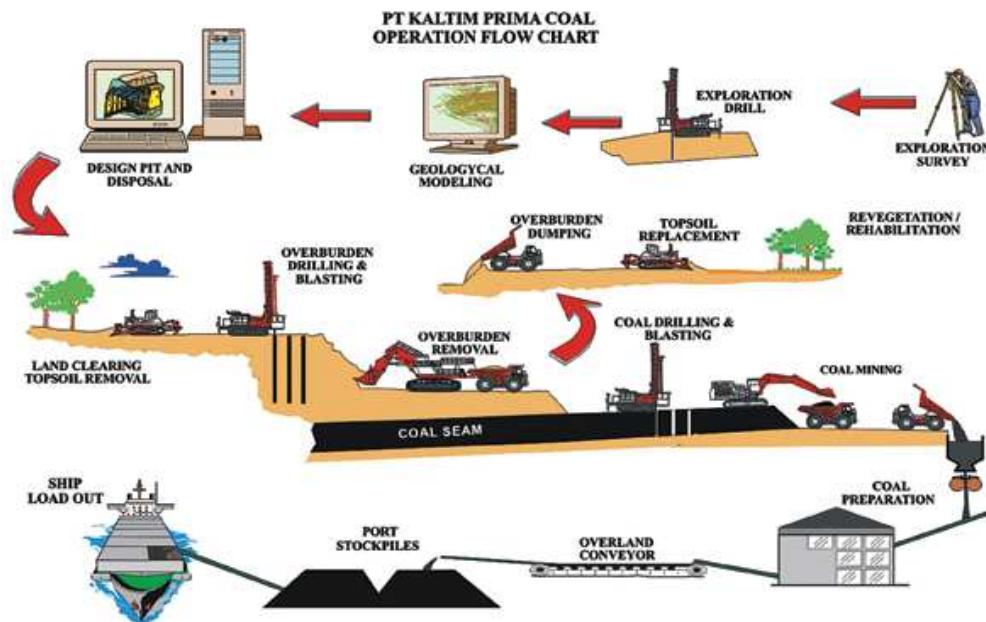
Company Overview

PT.Kaltim Prima Coal, Inc. (PT KPC) is a coal mining company located in East Kutai regency, KPC, hereinafter referred to as the Company, and was previously owned by British Petroleum International Ltd (BP) and Conzinc Rio Tinto of Australia Ltd (Rio Tinto). Through an acquisition process on 70% of shares according to the Notary Deed No 3 dated 18th October, 2005, the company is currently under the ownership of PT. Bumi Resources Tbk as the major owner. Besides that, according to the Notary Deed No. 34 dated 4th May 2007, 30% of the share is owned by Tata Mauritius Ltd. PT. Kaltim Prima Coal, Inc.. in mining operations are supported by a management team consisting of professionals who are skilled and highly competent in their respective fields and have experience of more than ten years.

Business Operation of Pt. Kaltim Prima Coal, Inc.

PT. Kaltim Prima Coal, Inc is classified into several classes based on their quality. The Company's business field is mining and distributing coal to the industrial consumers within as well as outside of the country. All operational activities are done in Indonesia, The Company's coal production is classified into several classes according to their quality, namely Prima((1,36%)), Pinang (65,73%), and Melawan(32,91 %). Prima coal is the highest class with high quality. The next is Pinang, which is also of several specifications according to their heat value. And the third type is Melawan coal whose heat value is below Pinang and Prima.

Figure 4.1
Flowchart of PT. Kaltim Prima Coal Operations



Source : Sustainability Development Report 2010 PT. Kaltim Prima Coal, inc

Sustainability Development Report of PT. Kaltim Prima Coal, Inc.

This report is the eighth sustainable report made by the company since 2003. The report covers the period from 1st January – 31st December, 2010 and made in reference to the Sustainability Reporting Guidelines & Mining and Metal Sector Supplement RG Version 3.0/MMSS Final Version, and applied data measurement relevant to the fields that we are reporting and relevant to the general norms. The information in the report according to the principles of materiality, i.e. presenting information which can affect the decision making for the stakeholders, as well as the information having an important impact on the company's economic, social, and environmental performances.

Analysis of PT. Kaltim Prima Coal, Inc. Sustainability Development Report based on the GRI Indicators.

The analysis in this report includes six key performance indicators that can measure the performance of companies in the fulfillment of corporate social responsibility. The six performance indicator of Economic Performance Indicators (EC), Environmental Performance Indicators (EN), Performance Indicators Labor Practices and Decent Work (LA), Performance Indicators Society (SO), Performance Indicators for Human Rights (HR), and Indicators Performance Product Responsibility (PR). Each of these performance indicators has indicators that serve to measure the extent of the company's performance in implementing its commitment to corporate social responsibility and sustainability reporting in the form of report.

In this research, the researcher makes an analysis based on the indicators from G3 GRI Guidelines which is divided into three criteria:

a Standard Not Fulfilled

In standard not fulfilled criteria, company doesn't describe its indicators or there is no data related to the indicators of GRI.

b Standard Partially Fulfilled

In Partially fulfilled criteria, company describes its indicator briefly and does not explain all components related to the standard indicator.

c Standard Fully Fulfilled

In standard fulfilled criteria, company reports all components in standard indicator

Economic Performance Indicators

The Economic performance indicators are to measure the performance of firms in the economy. In the GRI indicators, consisting of aspects of economic performance (*economic performance*), *this* aspect of the presence of the market (market *presence*), aspects of the indirect economic impacts (*indirect economic Impacts*). Based on the given table it can be seen that from PT. Kaltim Prima Coal, Inc. can meet all the indicators (7 indicators of the core, two additional indicators) suggested by the GRI.

Environmental Performance Indicators

The aspects of the Environmental Indicators is structured to reflect the input, output and methods of organizational influences on the environment. Energy, water and material inputs are introduced in three types of standards used by most organizations. Input shows the output of environmental interest, which was captured by the aspect of Emissions, Effluents, and Waste. Biodiversity is also related to the concept of input where it can be seen as a natural resource. However, biodiversity can also directly affect the output by the waste. Aspects of the environmental performance indicators, among others, aspects of raw material (*material*), energy (*energy*), water (*water*), biodiversity (*biodiversity*), emissions, effluents, and waste (*emissions, effluents, and waste*), aspects of products and services (*product and services*), aspects of the transport / transportation (*transport*), aspects of compliance (*compliance*) and aspects of the overall (*overall*) in terms of environmental performance indicators, there are many indicators that cannot be met by PT. Kaltim Prima Coal, Inc. Based on the given table it can be seen that from PT. Kaltim Prima Coal, Inc. meets the core indicator 6 (of 6 key indicators) and 3 additional indicators (of 3 additional indicators) suggested by the GRI, including the mining and metal an indicator of the sector supplement.

Labor Practices and Decent Work Performance Indicators

Labor practices and decent work performance indicators consist of 5 aspects. The aspects are employment, labor / management relations, occupational health and safety, training and education, diversity and equal opportunity. Based on the given table it can be seen that from PT. Kaltim Prima Coal, Inc. meet the core indicator 8 standards which are fully fulfilled, and 1 standards which are partially fulfilled (of 9 key indicators) and 4 standards which are fully fulfilled, and 1 standards which are partially fulfilled (of 5 additional indicators)

Human Rights Performance Indicators

Performance indicators reveal information about the impact of human which are rights and the activities of organizations of civil rights and political stakeholders. There are five aspects included in this indicator, the aspects of investment and procurement practices (investment and procurements practices), aspects of non-discrimination (non-discrimination), the aspect of freedom of association and collective bargaining (freedom of association and collective bargaining), aspects of child labor (child labor), aspects of forced labor and compulsory labor (forced and compulsory labor), practical aspects of security (security practices), aspects of the rights of indigenous peoples (indigenous rights). Based on the given table it can be seen that from PT. Kaltim Prima Coal, Inc. meets the core indicator 6 (of 6 key indicators) and 3 additional indicators (of 3 additional indicators) suggested by the GRI, including the *mining and metal* an indicator of *the sector supplement*.

Society Performance Indicators

Society Performance Indicators focus on the organizational impact on the community in which it operates, and how the organization's interaction with other social institutions are managed and mediated. In particular, the information sought related to bribery and corruption, involvement in policy making, monopolistic practices, and compliance with applicable laws and regulations outside the workers and the environment. This indicator covers eight aspects, including the aspects of the community (community), aspects of artisanal and small-scale mining (artisanal and small-scale mining), aspects of resettlement (resettlement),

aspects of the planned closure (closure planning), aspects of corruption (corruption), aspects of public policy (public policy), aspects of behavior does not compete (anti-competitive behavior), and aspects of compliance (compliance). Of the explanation, then the PT. Kaltim Prima Coal, Inc. meets the main indicator 8 (of 8 key indicators) and 2 additional indicators (from two additional indicators) suggested GRI, including mining and metals 5 indicators supplement sector.

Product Responsibility Performance Indicators

Indicators of Product Responsibility (PR) describe the impact of management products and services to customers and users. Organizations are expected to give full attention to the design of products and services to ensure that products and services in accordance with the intended use and not harmful to health and safety. In addition, the communications related to company products and services, and users need to pay attention to customer needs for information and their right to privacy (privacy). There are six aspects of this indicator, the *material stewardship*, health and safety aspects of the customer (*customer health and safety*), aspects of the installation of a label for products and services (*product and service labeling*), marketing communication (*marketing communications*), privacy of customer (*customer privacy*), adherence (*compliance*). . Based on the given table it can be seen that from PT. Kaltim Prima Coal, Inc. meet the core indicator 1 standards which are fully fulfilled, 2 standards which are partially fulfilled (of 4 key indicators) and 5 additional indicators (of 5 additional indicators) suggested by the GRI.

Summary of Average Fulfillment of 2010 PT KPC Sustainability Report in based on GRI Indicators

Based on the previous description it can be made regarding the level of compliance summary report on indicators of the global reporting initiative (GRI) is listed table 4.7 as follows:

Table 4.7
Matrix Fulfillment of GRI Indicators

Aspect	Total Indicator	Partially Fulfilled		Fully Fulfilled		Partially Fulfilled		Fully Fulfilled	
		Core	Add	Core	Add	Core %	Add %	Core %	Add%
Economy	9 (7 Core, 2 Add)	0	0	7	2	0%	0 %	100%	100 %
Environment	30 (17 Core, 13 Add)	0	0	16	13	0%	0%	94%	100%
Labor Practice and Decent Work	14 (9 Core, 5 Add)	1	1	8	4	11%	20%	89%	80%
Human Right	9 (6 Core, 3 Add)	0	0	6	3	0%	0%	100%	100%
Society	8 (6 Core, 2 Add)	0	0	5	2	0%	0 %	83%%	100%
Product Responsibility	9 (4 Core, 5 Add)	2	0	1	5	50 %	0 %	25 %	100%
Total Indicator Fulfilled	(46 Core, 30 Add)	3	1	43	29				
Average						10%	3%	82%	97 %

Based on table 4.7 PT. Kaltim Prima Coal inc, fulfilled partially 3 core indicators out of 49 core indicators and 1 additional indicator out of 30 additional indicators, and fulfilled fully only 43 core indicators out of 49 core indicators and 29 additional indicators out of 30 additional indicators that are recommended by the Global Reporting Initiative (GRI) or in percentages, PT KPC partially fulfilled 10% core indicators, and 3% additional indicators and fully fulfilled 82% core indicators and 97% additional indicators. the aspect of product responsibility is an aspect that is at least the low-level of fully fulfillment.

From the analysis and compared with the application level requirement, PT kaltim prima coal inc. sustainability report can achieve even the high application level. Overall, PT. Kaltim Prima Coal, Inc.. has met more than 20 indicators which are the minimum standards set by the Global Reporting Initiative (GRI). Thus, PT. Kaltim Prima Coal, Inc.. into the category of “Good” (' by rating checked by third-party sustainability reporting guidelines and mining and metals sector supplement..

PT. Kaltim Prima Coal, Inc..should more sensitive in dealing with development issues that occur in communities, especially communities surrounding the mine. Because the mining operations are vulnerable to be the onset of the needs of the mutual benefits so as not to feel aggrieved. The Mining

companies should have more priority aspects of environmental performance, due to operational activities that might impact on environmental damage because Companies pay less attention to aspects of water, greenhouse gas emissions, as well as alternative energy instead of non-renewable energy, the fulfillment of the indicators of environmental be a major priority to get the attention of communities around the company.

Conclusion

Based on the analysis in the previous section, the conclusions that can be drawn from this research are:

1. PT. Kaltim Prima Coal, Tbk. consistently continuous environmental effect in the context of sustainable development of enterprises by conducting community development programs and continuous environmental by actively carrying out activities according to plan. Which in this case can be judged from the continuity of disclosure, creation and publication of corporate sustainability development report each year on the consistent use of standard Global Reporting Initiative (GRI) since 2003. In addition, PT. Kaltim Prima Coal, Tbk. also managed to get in as CSR Best Practice for the MDGs' Category Gold from the Coordinating Minister for People's Welfare-October 2010. One Runner Up, Best Sustainability Report 2009 in the 6th Indonesian Sustainability Reporting Award 2010 - December 2010.
2. PT. Kaltim Prima Coal inc, partially fulfilled 3 core indicators out of 49 core indicators and additional indicators 1 out of 30 additional indicators, and fully fulfilled only 43 core indicators out of 49 core indicators and 29 additional indicators out of 30 additional indicators that are recommended by the Global Reporting Initiative (GRI) or in percentages, PT KPC partially fulfilled 10% of core indicators, and 3% additional indicators and fully fulfilled 82% of core indicators and 97% of additional indicators. the aspect of product responsibility is an aspect that is at least the low-level of fully fulfillment.

3. PT kaltim prima coal inc. sustainability report can achieve even the high application level. Overall, PT. Kaltim Prima Coal, Inc.. has met more than 20 indicators which are the minimum standards set by the Global Reporting Initiative (GRI). Thus, PT. Kaltim Prima Coal, Inc.. into the category of “Good” (B+) by rating checked by third-party sustainability reporting guidelines and mining and metals sector supplement. So, there is A grade given to 2010 PT KPC sustainability report.

Limitations of Research

Limitation This study is only based on secondary data Sustainability Development Report 2010 PT. Kaltim Prima Coal, Tbk. Sustainability Reporting Guidelines and the Global Reporting Initiative. None of key data used in this study only researcher doing research based on knowledge that is not doing field research, and research through several related journals and literature. In addition, sustainability reports are used not update because during the time of the study, but the company does not publish the latest sustainability report (2011 Sustainability reports). This study was based on the authors' knowledge based on the relevant literature.

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