

UNDERSTANDING OF SUSTAINABILITY REPORT: SEMIOTIC APPROACH

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The development of industrial sector is followed by increasing environment awareness. Along with that, company is not only obliged to make financial statement but also sustainability report. Sustainability report includes economic, social, and environmental condition of a company. This research presents an understanding of sustainability report from semiotic viewpoint. This research examines environmental aspect of Sustainability Report PT. Aneka Tambang Tbk, in 2011. Generally the research findings are divided into visual analysis and text analysis. The findings show that visual and textual appearances are supporting each other to create an image which is desired by the company. Sometimes, sustainability report becomes a tool for company to mask the reality.

Keywords: sustainability report, semiotic

Sustainability Report as a Mask or Mirror?

Hartanto in Astutik (2011) states that mining industry is one of the economic drivers of Indonesia. Mining industry occupies a vital role because the human needs for energy are never depleted. As a communication tool to stakeholders about their activities, company is obligated to make financial statement based on regulation and standard. However, financial statement is not enough to describe the actual condition of company. Chwastiak and Young (2003) state that annual report relies upon the silencing of injustices in order to make profit appear to be unproblematic measure of success. Chwastiak and Young (2003) further state that annual report sustains unequal distribution of wealth and power and is used by company to silence the negative impact of their activities.

Along with it, awareness of the environment is also increasing. Today, company does not only communicate its financial statements to stakeholders, but also their responsibilities to the social environment. This is in accordance with the concept of sustainable development. Sustainable development requires organization to explicitly consider various aspect of their economic, social, and environmental performance. It commonly is called Triple Bottom Line (TBL) reporting.

Triple bottom line was issued by John Elkington in 1998 in his book *Cannibals with Forks: The Triple Bottom Line (TBL) in 21st Century Business* (Deegan, 2009: 289). It consists of people, planet, and profit. The balance between these three aspects should be maintained in order to achieve sustainability. People are represented by the social aspect, the planet for environmental protection, and profit is illustrated by economic growth or financial position. TBL concept stimulates company to have concern to its stakeholders rather than only to its shareholders.

Along with the development of the concept of TBL reporting, we are now also familiar with the term sustainability reporting. Global Reporting Initiative (2012) defines sustainability reporting as an organizational report that gives company information about economic, environmental, social, and governance performance. Sustainability reporting is a key platform for communicating positive and negative sustainability impacts. Sustainability reporting is therefore a vital step for managing change toward a sustainable global economy. In response to the growing issue of sustainability reporting, DPR RI has passed Law No. 40 of 2007 about Limited Liability Companies and Law No. 25 of 2007 about Investment, a company that deals with natural resources is required to implement corporate social responsibility. This is supported by the PSAK number 1 paragraph 12.

In order to motivate sustainability report disclosure, National Center for Sustainability Reporting (NCSR) holds an annual event named Indonesia Sustainability Reporting Awards since 2005. . PT. Aneka Tambang Tbk, has often won ISRA award. Ironically PT. Aneka Tambang Tbk, (which I will refer to as Antam from here onwards) is a mining industry which exploits natural resources. The issues of natural disasters caused by Antam were inevitable. One of the issues discussed in recent years is the fact that Antam is no longer operating in Gebe Island. The complaints arise from the surrounding people who rely on the mining sector and extend to complaints about destruction of nature (www.anneahira.com/pulau-gebe.htm, 2012). Based on this issue, there is an interesting concept about realities, which were presented in annual or sustainability report, and another which is usually opposing what has been presented in the report. This research is aimed to describe and interpret the environmental aspect of sustainability report PT. Aneka Tambang Tbk, by employing semiotics approach.

Histories and Development of Sustainability Report

As time goes, environmental awareness increases continuously. Yakin in Candra (2003) classifies environment awareness to four periods. First period in 1950 is marked by a new view of human responsibility to the environment with the publication of book titled *Man's Role in Changing the Face of the Earth* from a symposium edited by WL Thomas, Jr. in 1955. This was soon followed by a book written by Rachel Carson that discusses about the negative impact of pesticides on the environment and living beings. The second wave occurred in the 1970s. It was the beginning of the construction of regulation laws that limit the destruction of the environment by human. It was marked with the approval of the establishment

of Environment Protection Agency (EPA) by Richard Nixon and the American congress. The third wave in the 1980s is the beginning of support for the environmental movement. It suggested sustainable development, the development of all aspects for the benefit of the present generation, without compromising the ability of future generations. The fourth wave took place in 1990s. There was an international pressure to countries that damage environment, such as economic embargo. Environmental awareness also affects both the natural sciences and social sciences.

In line with increasing environment awareness, there is Socio Economic Accounting (SEA) that appeared after World War II. Socio Economic Accounting, or also called Social Responsibility Accounting, is defined by Harahap (1995) as accounting knowledge that has function to identify, measure, assess, and report social benefit and social cost incurred by the agency. Belkaoui in his book Socio Economic Accounting in 1984 categorizes the company's involvement with the social environment into five categories (Harahap, 1995:194-196). The first group is a group of company which only aims to find maximum profit regardless of social effects. The second category is company, that besides its goal to gain profit, also considers other particular and interested parties. The third group is company that is not for profit oriented but also expands the management responsibilities to social ethics. The fourth group divides its responsibilities into two, economic and noneconomic. The fifth group, company is totally engaged in social activities, including social obligation, social responsibility, and social responsiveness.

General Assembly of the United Nations discloses a report titled Our Common Future that was presented in 1987 by the World Commission of Environment and Development under the chairmanship of Gro Harlem Brundtland. This document becomes known as The Brundtland Report. It is a global agenda for change in order to relieve the ongoing pressures on the global environment. It defines sustainable development as development that meets the needs of the present world without comprising the ability of future generations to meet their own needs. We must ensure that our generation's consumption patterns do not negatively impact on future generations' quality of life (Deegan, 2009). Barbier (1998) stated that the primary concern of sustainable economic development is ensuring that the poor have access to sustainable and secure livelihoods.

According to Crowther and Aras (2008), there are four component of sustainability: social influence, environmental impact, organizational culture, and finance. Puspitaningrum (2010) states that sustainability accounting can be used to collect information on environmental and socially related expenditure and link them to financial benefits, show how environmental and social external costs can decline over time commitment to sustainability, highlight the social and environmental risks associated with current financial performance and aid risk management, identify which stakeholder relationship present sustainability risk and benefits, and encourage partnership between stakeholder organizations.

With environmental issues, Yusoff and Lehman (2009) argue that companies need to accept that stakeholders nowadays demand more than financial information, including information relating to environmental management

compliance, environmental operational performance, and environmental initiatives. At times, companies use reporting as an avenue to signal to the public their responsible environmental acts. This reporting is commonly known as sustainability reporting.

Sustainability reporting has been emerging globally over the last 15 years (Hubbard, 2011). Global Reporting Initiatives defines sustainability reporting as organizational report that gives information about economic, environmental, social and governance performance. Sustainability reporting helps company to set goals, measure performance, and manage change. A sustainability report is the key platform for communicating positive and negative sustainability impacts. It is monitored on an ongoing basis.

Nowadays, research about sustainability reporting is attracting many parties. Crowther (2002) wrote a book titled *A Social Critique of Corporate Reporting: A Semiotic Analysis of Corporate Financial and Environmental Reporting*. Crowther concludes that environmental report contains both, image building messages and actual reported measures of performance. The reported measures are designed to create an impression of a rigorous scientific control and measurement of performance. Yusoff and Lehman (2009) state that environmental information is a strategic mechanism used towards enhancing good corporate reputation. Ramo (2011) focuses in the case of photograph in CSR report. The findings stated that CSR reporting informs about the responsibility-oriented activities, and is aimed to persuade internal and external audiences that the business is acting responsible, and it also tries to promote a positive image of the business. Hubbard (2011) finds that sustainability reporting is unsustainable in quality and must be improved if it is to provide useful information to users. Castello and Lozano (2011) discuss about corporate responsibility rhetoric. They analyzed 93 report and focused only in CEO statement. Through the analysis of sustainability report, they determine three types of rhetoric: strategic, institutional and dialectic.

In Indonesia a research is done by Kamayanti and Ahmar (2010). The research stated that CSR report of PT. Indah Kiat Pulp and Paper is only masks of the social and environmental damage they have made. Another research by Priyanti *et al* (2012) explores the report of PT. AKR Corporindo Tbk. through semiotics and disclosure index analysis. They find that based semiotic analysis, some of the statements in the annual report is aimed to create a positive image of the company.

Semiotics Approach as Interpretation Tool

This research utilizes sustainability report of PT. Aneka Tambang Tbk, which were issued in 2011 as main source data. It can be downloaded from company's website. As text and media product become the main data, this research uses semiotic approach. Semiotics itself can be defined as the science of signs and their meaning (Ogilvie and Mizerski, 2011). Semiotic helps us see how the sign language is used to interpret events and phenomena. It can be a good analytical tool to analyze the content of media messages. Semiotic emphasis on significance that appear from the meeting between readers with sign.

This research will examine environmental aspect of Antam Sustainability Report 2011 which is divided into two chapters: Antam and GHG Emission Reduction Effort and Antam's Commitment and Managing Environment. The collected data will be examined based on semiotic Barthes by describing its denotative and connotative meaning. Denotation explains relation between signifier with signified that generate explicit, direct, and certain meaning. While connotation explains relation between signifier and signified that generate meaning which is not explicit, indirect and uncertain. Connotation meaning is opened to various possibilities. It creates secondary meaning which is formed when signifier is connected to psychological aspect such as feeling, emotion, or certainty.

Further, study on realities surrounding Antam is conducted by documenting various sources from media on local protest of Antam operations. This is to strengthen findings to see whether sustainability report is representing true condition or not.

Interpretation of Antam Sustainability Report

The environmental aspect in Antam Sustainability Report 2011 is explained in the following sections. First section will describe Antam and GHG Emission Reduction Effort and the second section will elucidate Antam's Commitment in Managing Environment. The findings is divided into two part, visual analysis and text analysis.

First chapter of Antam sustainability report is entitled Antam and GHG Emission Reduction Effort. There are two photographs with a similar theme and composition as follow:



Denotative meanings of these photos are highlight of Antam achievement, calculation of greenhouse gas emission consistently since 2010 and picture of Antam's operation. Connotative layer from this cover is explained as follow. These two photographs bring out company image which is clean and free from pollution. It is suitable with title of this chapter, Antam and GHG Reduction Effort. Antam wants to make impression that their operation has minimized emission. Based on these photos, Antam plant looks lux and big. It is make an impression that Antam is a big company in mining industry. They also want the reader to focus on their activity during this period, calculation of GHG emission. At the top left of the cover, we can find a white *Dayak* motif. This motif depicts the up and down direction which is connected in the middle. The symbol reflects

the company exploration on above and below the ground. White color is used for a positive impression. The white color has a light character that is aesthetically perfect combined with detailed photo of Antam gas clean technology.

Text analysis of this chapter includes page 50 until 53 of Antam Sustainability Report 2011. Based on denotative approach, Antam report on this chapter used report text where represents information about a situation after extensive investigation and thorough consideration. Antam delivered it in story form so it is easier to read but several important things are given in points. In connotative view, the text will be discussed as follows. In a text entitled Antam and GHG Emission Reduction Efforts, Antam trying to show the impression that company has made efforts to reduce greenhouse gas emission. This is symbolized by the appearance of many words such as reduction, calculation, measure, and GHG (greenhouse gas) emissions. However, the data of emission calculation is attached in the back, not displayed here. It implies the data probably will not get reader's attention.

*In the long run, the measurement of GHG emissions will help the Company in determining policy for reducing these emissions. Complete data on the estimated calculation of Antam's GHG emission level is **presented in the Appendix I** of this report.*

Generally, in this chapter Antam try to show the impression that they have been reduced greenhouse gas emission. But in fact, Antam only calculate the emission which is produced from their operation, there is no reduction result.

*...Therefore it becomes important for Antam to help reduce GHG emission into the air, though there **has not been calculation for reduction result** of the initiative....The **calculation of absorption levels is expected to be completed in 2012.***

The reader can not assess how efficient the reduction effort that has been done by Antam. If we look at the attached calculation table, Antam did not even include the use of electricity in calculating emissions. Antam need a lot of electricity during their operation, but they do not report it in their sustainability report. It is because Antam only want to show their positive performance by not include this condition.

Second chapter of the environmental report is entitled Antam's Commitment in Managing Environment.



These two photos have similar impressions. It is a symbol of Antam's commitment to the environment because it involves many green plants. Antam wants to show the impression that they already manage the environment based on their policies. Through the photos, Antam not only shows that they have a conservation area, but they also care and manage it. Antam illustrates that they preserve biodiversity, which is threatened by mining activities.





Pengukuran kadar air di UBPB Pongkor
Water level measurement at UBPB Pongkor



Pengawasan pengolahan limbah B3 di UBPB Sulaia
Monitoring hazardous and toxic waste processing at UBPB Southeast Sulawesi

These pictures are related with waste management and water usage. Waste management is one of the most important thing in mining industry. Denotative meaning of these photos are process of waste management and water measurement in Antam. While based on connotative view, Antam want to make impression that they have a good waste management and use the water efficiently. All of the workers also wear helmet and mask to symbolize Antam's commitment to their worker's safety.



Antam deliver the information in the form green box to attach the reader attention. Antam's involvement in managing TNGHS made pro and contra. By these statements, Antam want to show the reader that they have a good plan to manage TNGHS. The other picture is about outside party's opinion of Antam. This is an important thing to be written separately in order to reinforce impression that Antam has been conducted sustainable development.

Antam is explained their postmining activities in first part of this chapter. They report in in the form of report text. Postmining activities are conducted in five regions: Cikotok, Gebe Island, Kutoarjo, Wawo, and Kijang. Antam's report about postmining activities, in connotative view, is made to increase their positive image to the reader. They did it by write the good activities and achievement that they have been done. They also mentioned that until the end of the period, Antam did not face rejection against its operations. Meanwhile, some media publish news about nature damage in Gebe Island (www.anneahira.com, 2011)

Aktifitas penambangan nikel di pulau Gebe yang dikelola oleh PT.ANTAM telah dimulai sejak tahun 70-an dan baru ditutup tahun 2004. Aktifitas penambangan dalam kurun waktu panjang ini telah menyebabkan kerusakan lingkungan yang cukup parah.

Aktifitas penambangan nikel ini telah merusak hutan, tanah, dan laut di sekitar lokasi. Tanah di wilayah ini telah berubah menjadi warna merah, dan tidak dapat lagi diolah menjadi lahan pertanian. Warna merah akibat aktifitas penambangan ini juga terjadi pada laut.

There is no space for information about the condition of those areas. They also do not complete it with photo, like they always do in another session. It may be done by Antam to cover up the facts that occur in field. Antam do not want to break their positive image that they shape form this report by show a bad photographs.

Water usage and recycling process in Antam is explained with report text and table. It is aimed to make reader easier to understand data about water use and recycle. They not present it in appendix page, thus the reader probably not skip it. The terms which most often appear are “usage” and “recycling”. By those terms, Antam want to make an impression that they nor only use the water, but also do recycle activities.

While for waste management Antam’s explanation is focus of various wastes which is produced. Antam report that they allocate 21,745,699,563 IDR for waste management from 105,656,915,249 IDR total environmental costs that they have. But there is no detailed explanation about this cost in this report.

Based on the discussion above, the research findings can be concluded in this following table

Table 1.1
Research Findings

	Denotative	Connotative	Reality
Antam and GHG Emission Reduction Efforts	<u>Visual</u> Antam’s plant and operation area <u>Text</u> Represent fact about reduction effort of GHG emission in Antam	<u>Visual</u> 1. Make an impression that Antam is a big company in mining industry 2. Bring out company image which is clean and free from pollution <u>Text</u> Try to show the impression that Antam has made some efforts to reduce their GHG emission	1. Antam is one of the big companies in mining industry. 2. Photos were taken at night when the plants stopped operating 3. Absence of reduction calculation 4. The calculation of GHG emission is attached in appendix page
Antam’s	<u>Visual</u>	<u>Visual</u>	1. Antam is

Commitment in Managing Environment	Involvement of many green plants, workers and waste management process	1. Make impression that Antam being committed to the nature and their workers' safety	protested by independent organization related with their activity in TNGHS
	<u>Text</u> Explanation about postmining activities, water usage, and waste management	2. Antam attempt to show that they have managed their waste and not damage the environment	2. Some media publish news about nature damage in Gebe Island, even Antam is doing postmining activities
		<u>Text</u> 1. Increase the positive images by report achievement and postmining activities to repair nature damage 2. Make an impression that Antam not only use water, but also do recycle activities 3. Brings out image that Antam having a commitment to its manage waste	3. There is no detailed explanation about cost of waste management 4. Percentage of recycled cyanide decreased

Conclusion

First chapter of Antam environmental report, Antam and GHG Emission Reduction Effort, used photograph which bring out company image which is glorious but clean and free from pollution. While in the form of text Antam tried to build a company image which is reduce GHG emission. Second chapter of

Antam environmental report is entitled Antam's Commitment in Managing Environment. This chapter is use the photograph which involves green plants and their employees who are working to manage waste. It is done by Antam to create impression that they have commitment to nature by take care of biodiversity and manage waste. Antam Sustainability Report uses a lot of green color which represent environmental value, growth, expectation and fertility. It supports the whole concept of this environmental part where Antam has low GHG emission and commit to conserve nature.

The visual and textual data in Antam Sustainability Report is supporting each other to create an image that company wants to build. The composition of color, angle of camera and shooting, element, word and sentence can be arranged to create a symbol. Through this symbol, company delivers their self-image to the reader. Despite photographs are not disclosure information as detail as text, but photographs are effective tool to strengthen a good impression of company. As assumed before, based on the research findings, sometimes sustainability report is used to mask reality.