

Sustainability Report: Opportunities dan Challenges for Industrialists, Practitioners dan Academicians Through *Imaginary Trialogue*



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Long Journey of the Word of “Sustainability”?

- As early as 18th Century
- Up to 1950s, No Concept
- 1953, Howard Bowen - Social Responsibility of Businessmen
 - *“it refers to the obligation of a businessman to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”*



Long Journey of the Word of “Sustainability”?

- 1960, Davis: “Can Business Afford to Ignore its Social Responsibilities?”
 - “*businesses' decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest*”
 - » a. Providing job employment
 - » b. Contribute to the government by paying taxes.
 - » c. Produce goods at affordable prices
 - For historical thought in order, please read Sukoharson (2010): Metamorphosis of Social and Environmental Accounting to Sustainability Accounting
- 1980, *World Conservation Strategy*
- 1981, Lester R. Brown - *Building a Sustainable Society*
- 1987, *Brundtland Report – Our Common Future*
 - “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”
- 1997, GRI – Sustainability Report

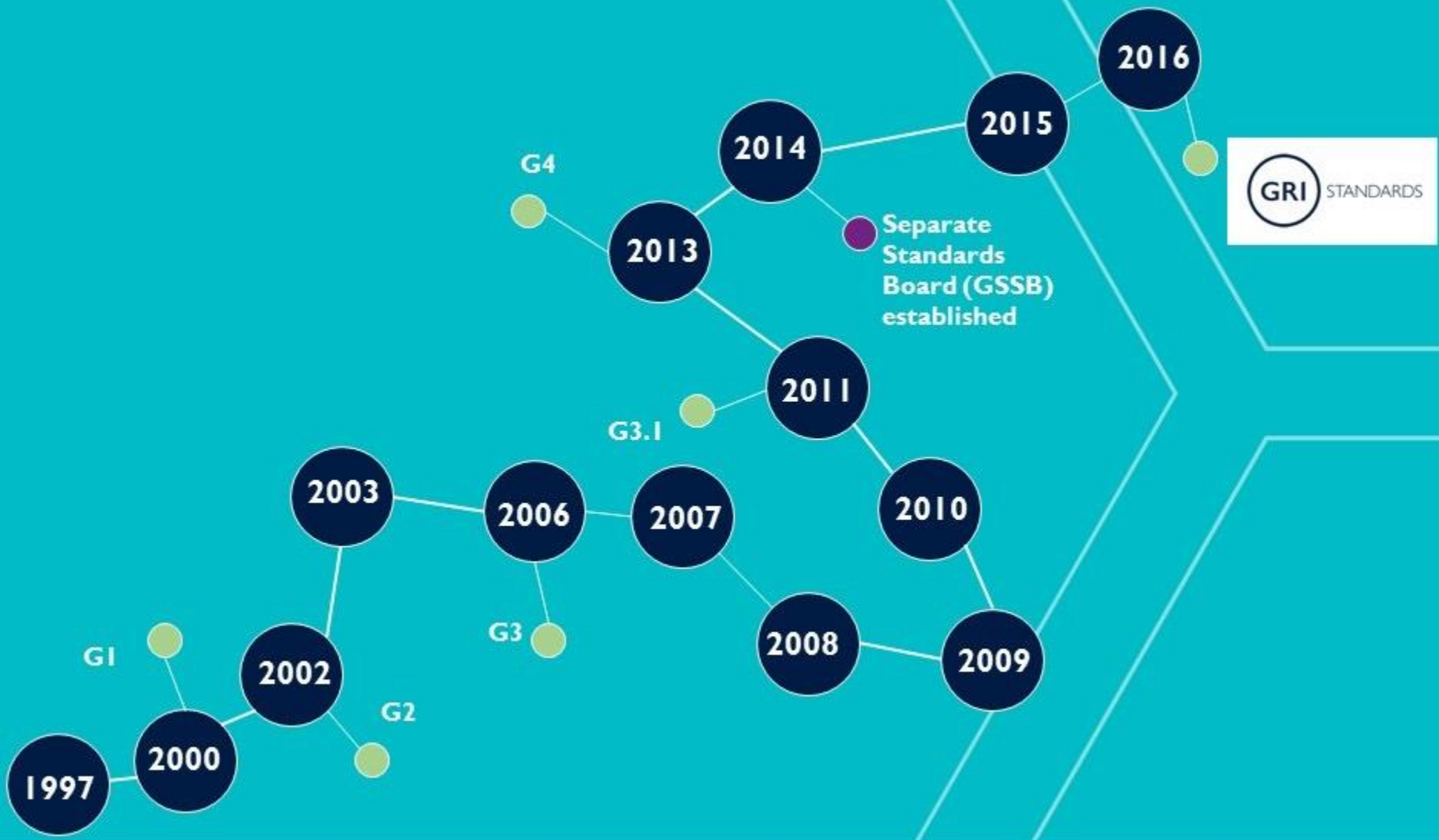


I.2 SUSTAINABILITY REPORTING

Sustainability reporting is an organization's practice of reporting publicly on its economic, environmental, and/or social impacts, and hence its contributions – positive or negative – towards the goal of sustainable development.



STANDARDS DEVELOPMENT



Sustainability Report and Its Opportunity

- The Word “Opportunity” is not simple by meant of “kesempatan”
- Certainty; Uncertainty; Risk
- Opportunity :
 - Logical Opportunity
 - Empirical Opportunity
 - Subjective Opportunity



Sustainability Report: Its Opportunities for Industrialists

Industrialist : Additionally, the benefits of SR could also be split of internal and external benefits. **For internal benefits** to companies and organizations can include:

- Increased understanding of risks and opportunities
- Emphasizing the link between financial and non-financial performance
- Influencing long term management strategy and policy, and business plans
- Streamlining processes, reducing costs and improving efficiency
- Benchmarking and assessing sustainability performance with respect to laws, norms, codes, performance standards, and voluntary initiatives
- Avoiding being implicated in publicized environmental, social and governance failures
- Comparing performance internally, and between organizations and sectors



Sustainability Report: Its Opportunities for Industrialists

Industrialist : Interestingly, SR could also have external benefits

External benefits of sustainability reporting can include:

- Mitigating – or reversing – negative environmental, social and governance impacts
- Improving reputation and brand loyalty
- Enabling external stakeholders to understand the organization's true value, and tangible and intangible assets
- Demonstrating how the organization influences, and is influenced by, expectations about sustainable development



I.2 SUSTAINABILITY REPORTING - VALUE

Indo Tambangraya Megah (ITM)

Indonesia-based company primarily engaged in coal mining

Impacts of organization's operation

- Significant emissions due to energy use
- Significant water consumption from local water sources
- Disruption of local ecosystems due to mine operation.

I.2 SUSTAINABILITY REPORTING - VALUE

Indo Tambangraya Megah (ITM)

How reporting helped address impacts

- Provide data for continuous improvement on management of environmental impacts
- Facilitate discussion with stakeholders especially local stakeholders
- Basic data to plan post-mining rehabilitation

The end result

- Zero complaint from local stakeholders on environmental issue
- Continuous reduction on energy intensity of the product
- Awarded silver and gold for Mining Environmental Management Award.

I.2 SUSTAINABILITY REPORTING - VALUE

Bank Danamon Indonesia

Indonesia-based bank

Impacts of organization's operation

- Around 1,900 branches in 34 provinces in Indonesia
- Manages over IDR 175 trillion assets
- Greatest impact the bank have on the environment and society is through the enterprises financed by the bank.

I.2 SUSTAINABILITY REPORTING - VALUE

Bank Danamon Indonesia

Indonesia-based bank

How reporting helped address impacts

- Enables the company to identify gaps in company's key priorities and what could be done to achieve the priorities
- Understanding of the relevance of specific sustainability topics
- Foundation for development of Danamon Sustainability Policy and Report Card including the Environmental and Social Credit Risk Assessment Policy for all new and existing clients.

The end result

- Danamon is included in the Sustainable and Responsible Investment (SRI) KEHATI Index.

I.2 SUSTAINABILITY REPORTING - VALUE

Wijaya Karya (Wika)

Engineering and construction company based in Indonesia

Impacts of organization's operation

- Large infrastructure projects in urban areas and rural areas all over Indonesia and abroad
- Change patterns in land usage
- Create significant emissions due to waste, energy usage, and pollutions
- Contribution to climate change problem.

1.2 SUSTAINABILITY REPORTING - VALUE

Wijaya Karya (Wika)

How reporting helped address impacts

- Identification and justification of climate change as material aspect for the company
- Presenting key measurement unit for climate changes related impacts
- Providing information in the development of climate change mitigation and adaptation initiatives such as the Green Building initiatives.

The end result

Award of Warta Ekonomi Indonesia Social Business Innovation Company 2016

Sustainability Report: Its Opportunities for Practitioners

Practitioner : As a practitioner in providing services to prepare the SR, this has opportunities as follows:

- SR Could create a new profession: CSRS and CSRA
- New tasks and responsibility
- Getting new knowledge
- Contributing to the development of standards
- Creating new Jobs to prepare SR and its assurance



Sustainability Report: Its Opportunities for Academicians

Academician : Let me think now about the opportunities of SR for me are

- New studies programs offered
- New knowledge and skills
- New research topics
- New community services
- New tasks and responsibilities



Sustainability Report and Its Challenges

- The Word “Challenge” is not simple by meant of “Tantangan”
 - The meaning of the word challenge is the thing or object that inspires determination to improve the ability to overcome problems.
 - Challenge also means stimulation (to work harder and so on).
 - Challenge is a part of everyday life. It makes us stronger and without it life becomes somewhat meaningless



Sustainability Report: Its Challenges for Industrialists

Industrialist : For me, the SR has challenges me and the company with the following:

- Being More Transparent
- Being More Accountable
- Being More Responsible
- Being More Fairness
- New Competency of Employees



Sustainability Report: Its Challenges for Practitioners

Practitioner : Different to the Industrialist, I am really appreciated it with its development, where it creates some positive effects as follows:

- New Knowledge
- New Standards to be learned
- New Competency
- More Time Spent to prepare
- More Team with diverse knowledge
- New Educational Requirements



Sustainability Report: Its Challenges for Academicians

Academician : For me, it really helps to enrich knowledge in the academic atmosphere. The SR could bring challenges such as:

- Create new Knowledge
- Create new Competency
- Create new Curriculum Design
- Build new references
- Enrich New standards to be learned



Partner:



Sustainability Report: Its Challenges for Academics

Academician

: It is believed that for academic atmosphere, the existence of SR has a wide range of teaching/ lecturing techniques in use. Why? The set of lecturing techniques to educate its contents of SR strongly depends on the instructional form of lectures (face to face lecture, education by correspondence or distance education). Apart from the ubiquitous lecture, the consultation revealed the following list (which is far from exhaustive)

- Seminar (small group teaching)
- Tutorials
- Research seminar
- Exercise classes or courses
- Workshops (classroom based practical classes)
- Problem-solving sessions
- Laboratory teaching
- Demonstration classes
- Placement (internship/traineeship)
- Work based practice
- Fieldwork
- Online / Distance or e-learning: which may be paper based or ICT based



THANK YOU

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