IS SUSTAINABILITY REPORT DISCLOSURE IMPLEMENTED PROPERLY? (A CASE STUDY OF COMPANIES LISTED IN SRI-KEHATI INDEX)

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Abstract

This study aims to identify sustainability reports conducted by companies listed in the Sri-Kehati index. This is a qualitative research and the GRI standards are a reference in disclosure. The result of the research shows that there is no guarantee that companies listed in the Sri-Kehati index will make a complete disclosure, especially compliance with GRI standards. Too many aspects or reporting standards should be implemented following global standards such as GRI. Based on SRDI calculation, shows that AKR Corporindo, Perusahaan Gas Negara (PGN), Bank BTN, Cikarang Listrindo, Indofood Sukses Makmur, and Semen Indonesia are classified as companies that make disclosures with the highest GRI index. Meanwhile, companies with low disclosures include Bumi Serpong Damai, Telkom, Jasa Marga, Sido Muncul, PP (Persero), Kalbe Farma, and Adi Sarana Armada.

Keywords: Disclosure; GRI Standards; Sri-Kehati Index; Sustainability Reports.

INTRODUCTION

In order to realize the development of the national economy in a stable, inclusive and sustainable manner, harmony of economic, social and environmental aspects is needed. The logical reason in this case is the creation of economic and social welfare for all Indonesians. If it is not done. there will be potential for social inequality and a decrease in the quality of the environment due to all the implications. The economic growth roadmap, especially in the financial services sector, must implement sustainable finance by taking into account social and environmental aspects. This is realized by implementing regulations that require disclosure of reporting with the application of a sustainability report.

Financial statements are a form of corporate responsibility to all *stakeholders*. With the existence of POJK 51/POJK.03/2017, concerning on sustainable finance for financial service institutions, private company, and public company. Financial services sector, which includes public company, is not only required to make financial statements, but also asked to make a sustainable financial plan that contains economic, social, environmental dimensions and describes a business plan activities and annual sustainable work program in accordance with the principle of sustainability. In terms of the implementation of *sustainable finance*, the realization of work plans and programs should be in accordance with the targets and time set, while still paying attention to the principle of prudence and the application of risk management. With the *sustainability report*, it will certainly help the organization to set goals and also measure and manage the company in order to make the organization run in accordance with long-term goals.

There are six factors that encourage sustainability in Indonesia, the first is the sustainability finance roadmap which means that with the existence of sustainability, a finance roadmap can be made so that it can encourage professional sustainable financial management. Second, there are initiatives from global businesses so that businessman implement sustainabiliity in their business organizations. Third, integrated reporting, which can increase the credibility of an organization. Fourth, there is investor pressure for companies to apply sutainability to their business organizations so that investors will know the direction of the company. Fifth, there is a Global Reporting Intiative (GRI) as a benchmark for the application of sustainability to organizations and finally there is a special index of companies that implement sustainability, namely the Sri-Kehati stock index "Sustainable and Responsible Investment" which selects companies that have implemented good sustainability.

Based on data from the Global Reporting Initiative (GRI) contained in (Astri *et al.*, 2017) the implementation of sustainability reports in Indonesia continues to increase. Disclosure of the sustainability report is able to reduce the asymmetry information that occurs between management and investors, because it can affect the value of the company. With a sustainability report, it can provide stakeholder confidence because it is considered a positive action by the company to maintain trust and good relations with investors and creditors who will decide to invest in the company. The Global Reporting Initiative (GRI) is the world's sustainability reporting authority based in Amsterdam, the Netherlands. Its activities are focused on achieving transparency and reporting of a company through the development of world sustainability disclosure standards and guidelines. The National Center of Sustainability Reporting (NCSR) is an independent organization that develops sustainable reporting in Indonesia and became the first organization to introduce the term sustainability reporting in Indonesia, the organization was appointed as the official GRI training partner for Southeast Asia which includes Indonesia, Malaysia, Singapore and the Philippines which is certified and regularly holds Sustainability Reporting Awards (CFS) starting in 2018 and now growing to become Asia Sustainability Reporting Rating (ASRR).

The context of presenting a sustainable report must include two aspects, in addition to the report must reflect environmental, social and economic impacts, the other aspect is that the report must be substantial according to assessments and stakeholder decisions, and must have a significant short-term or long-term financial impact on the company. The completeness of reporting includes the dimensions of scope of constraints and timing. In research conducted by (Mulpiani, 2019) showed that the disclosure of sustainability reports with economic and environmental dimensions has a significant effect on financial performance, but the social dimension negatively affects financial performance, because the social dimension will increase financing carried out by the company so that it will have an impact on reducing company profits. (Permata Sari & Andreas, 2019) conducts research that aims to determine the effect of sustainability reporting on the financial performance of manufacturing companies on the IDX in 2014 – 2016 with multiple linear regression analysis techniques, obtaining results that sustaininability reporting consisting of economic performance, environmental performance and social performance has a significant effect on financial performance represented by Return on Asset (ROA). Research by (Tarigan & Semuel, 2015) which examined the relationship between sustainability reports and financial performance. They found that sustainability report disclosures have increased in Indonesia, based on the results of testing economic dimensions do not affect financial performance while environmental and social dimensions have a negative effect on financial performance.

What if before we look for the influence on finances, we first examine the extent to which the disclosure of sustainability reports has met the aspects set out in the GRI standards. According to research conducted by (Triana et al., 2019) shows that the quality of disclosure of sustainability reports by companies in Southeast Asia is still relatively low. (Costa and Crissstomo, 2017) revealed in their research that 272 CSR reports of companies in Brazil have followed the GRI Guidelines although there is still a minimum scope of content in their reports, but there is an increase from year to year. In contrast to the research conducted by (Permata Sari and Andreas, 2019) who evaluated 887 sustainability reports of companies in Indonesia and in their research found that the trend of disclosure of sustainability reports has increased from year to year.

Based on the explanation above, researchers want to develop research on how the quality of sustainability report disclosures on companies listed in the Sri-Kehati index in 2021. This study aims to see the extent to which the disclosure of sustainability reports that have been carried out by company management has met GRI standards. We have seen that the companies included in the Sri-Kehati index are companies that have implemented the principles of Sustainable Responsible Investment and Environmental, Social, and Governance (ESG) principles. The performance of the Sri-Kehati index is arguably good, even able to compete with other major exchange indices such as the IDX 30, LQ45 and JII. This is an interesting thing and makes researchers want to evaluate whether the disclosure of sustainability reports is done well and in accordance with GRI standards or not. Especially in today's era, almost all industrial activities have begun to pay attention to other aspects outside the economy and support the concept of sustainability.

LITERATURE REVIEW

Sustainability Report

Reporting on go public companies is a concern for various interested parties (stakeholders), not only financial statements but also non-financial information consisting of information on environmental and social activities that allow the company to expand sustainably. Sustainability report is the practice of measuring, disclosing and accountability efforts of an organization's performance in achieving sustainable development goals to stakeholders both internally and externally. Sustainability report is a general term that is considered synonymous with other terms to describe reports on economic, environmental, and social impacts (e.g. Triple Bottom Line, Corporate Accountability Report) (Global Sustainability Standards Board, 2016).

Corporate sustainability contributes directly to the value of a company. Corporate sustainability is also an important factor in regulating the level of profitability and financial performance of a company. In this case, the level of sustainability is also measured using ESG (Environment, Social, Governance) components which are used as a basis for measuring the level of sustainability practices of a company. Disclosure of sustainability report is a form of accountability of shareholders to agents, apart from making an annual report. The disclosure of the company's sustainability report is voluntary disclosure, disclosed by the company voluntarily without being required by existing standards. The standards for reporting sustainability reports in Indonesia still do not have standards, resulting in a wide variety of disclosures in the annual reports of each company. In Indonesia, regulations regarding awareness of the need to protect the environment and social responsibility have been regulated which explains that companies in carrying out business activities related to natural resources are must carry out social and environmental responsibilities. The disclosure of the sustainability report refers to the standards developed by the GRI. Sustainability reporting helps organizations to measure performance, set goals, and manage change in order to make their operations more sustainable. A sustainability report deliver disclosures about the impact of the organization whether it is positive or negative to the environment, society, and economy.

Sustainability Report Disclosure Principles

Reporting principles play an important role in achieving sustainability report transparency and therefore must be applied by all organizations when compiling sustainability reports. The principles are divided into two groups: Principles for determining the content of reports and principles for determining the quality of reports. The principles for determining report content describe the process that must be applied to identify report content to be discussed taking into account the substantive activities, impacts, and expectations and interests of its stakeholders.

Principles for determining the content of reports listed in the (Global Sustainability Standards Board, 2016), including:

1. Stakeholder Inclusiveness
   Stakeholders can be defined as individuals or entities that are significantly affected or engaged by the activities, products, or services of the reporting organization. Stakeholders can include employees, shareholders, suppliers, vulnerable groups, local communities, and civil society organizations. Systematic stakeholder engagement, which is well done, will result in continuous learning within the organization, as well as increased accountability. Accountability will strengthen trust between the organization and stakeholders, as well as strengthen the credibility of the report.
2. Sustainability Context
   The company shall report information about its impacts in the wider context of sustainable development. The objective of sustainability reporting using the GRI Standards is to provide transparency on how an organization contributes or aims to contribute to sustainable development. For this purpose, the company needs to assess and report information about its impacts in the wider context of sustainable development.
3. Materiality
   The report should include aspects that reflect the significant economic, environmental, and social impacts of the organization or substantially influence stakeholder assessments and decisions. In financial reporting, materiality is generally considered as a threshold for influencing the economic decisions of those who use the financial statements of the organization, in particular investors.
4. Completeness
   The company shall provide sufficient information to enable an assessment of the company's impacts during the reporting period. To implement the Completeness principle, the company should present event, activities and impacts for the reporting period that occur. This includes reporting information about event or activities that have a minimal impact in the short-term, but a

reasonably foreseeable cumulative impact that can become unavoidable or irreversible in the long-term.

GRI Standards

Table 1.
STRUCTURE OF THE STANDARDS

Series	Description
Universal Standards 100 series	"GRI 101: Foundation is the starting point for using the set of GRI Standards. GRI 101 sets out the Reporting Principles for defining report content and quality. It includes requirements for preparing a sustainability report in accordance with the GRI Standards, and describes how the GRI Standards can be used and referenced. GRI 101 also includes the specific claims that are required for organizations preparing a sustainability report in accordance with the Standards, and for those using selected GRI Standards to report specific information." "GRI 102: General Disclosures is used to report contextual information about an organization and its sustainability reporting practices. This includes information about an organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process." "GRI 103: Management Approach is used to report information about how an organization manages a material topic. It is designed to be used for each material topic in a sustainability report, including those covered by the topic- specific GRI Standards (series 200, 300, and 400) and other material topics." "Applying GRI 103 with each material topic allows the organization to provide a narrative explanation of why the topic is material, where the impacts occur (the topic Boundary), and how the organization manages the impacts."
Topic-specific Standards 200 series (Economic topics) 300 series (Environmental topics) 400 series (Social topics)	"The 200, 300, and 400 series include numerous topic-specific Standards. These are used to report information on an organization's impacts related to economic, environmental, and social topics (e.g., Indirect Economic Impacts, Water, or Employment)." "To prepare a sustainability report in accordance with the GRI Standards, an organization applies the Reporting Principles for defining report content from GRI 101: Foundation to identify its material economic, environmental, and/or social topics. These material topics determine which topic-specific Standards the organization uses to prepare its sustainability report."

Series	Description
	Selected topic-specific Standards, or parts of their content, can also be used to report specific information, without preparing a sustainability report.

Source: Global Reporting Initiative (2016)

METHODOLOGY

This is a qualitative research that examines how sustainability report disclosure is carried out comprehensively by companies. A total of 25 companies were listed in the Sri-Kehati index in the period from December 2021 to May 2022. The object to be analyzed is a sustainability report published by the company in the research period. Content analysis was applied in this study with reference to GRI standard indicators. The GRI Standard has upgraded its version from the GRI G4 to the GRI Standard as the final version. Since all the data used is secondary data, the first step is to identify all the sustainability reports that have been published by the company. Furthermore, the researcher will analyze between the GRI matrix reported by the company and the GRI standard using a dummy variable, when there is an implementation of the GRI standard indicator, a value (1) will be given, and when the opposite occurs, a value (0) will be given. Then after all the matrix have been analyzed, the researcher will calculate the index value using the following formula:

$$SRDI_{ij} = \frac{\sum X_{ij}}{n_j}$$

SRDI = Sustainability Report Disclosure Index
ΣX_{ij} = Total item disclosed
N_j = Number of GRI items

Table 2.
CRITERIA FOR THE RESPECTIVE OPTION

Required criteria	Core option	Comprehensive option
Use the correct claim (statement of use) in any published materials with disclosures based on the GRI Standards	"Include the following statement: 'This report has been prepared in accordance with the GRI Standards: Core option'"	"Include the following statement: 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'"
Use GRI 101: Foundation to follow the basic process for preparing a sustainability report	"Comply with all requirements in Section 2 of GRI 101: Foundation ('Using the GRI Standards for sustainability reporting')"	[Same as for Core]
Use GRI 102: General	"Comply with all reporting	"Comply with all

Required criteria	Core option	Comprehensive option
Disclosures to report contextual information about the organization	requirements for the following disclosures from GRI 102: General Disclosures:" • Disclosures 102-1 to 102-13 (Organizational profile) • Disclosure 102-14 (Strategy) • Disclosure 102-16 (Ethics and integrity) • Disclosure 102-18 (Governance) • Disclosures 102-40 to 102-44 (Stakeholder engagement) • Disclosures 102-45 to 102-56 (Reporting practice)	reporting requirements for all disclosures from GRI 102: General Disclosures" "Reasons for omission are only permitted for the following disclosures: Disclosure 102-17 (Ethics and integrity), and Disclosures 102-19 to 102-39 (Governance)."
Use GRI 103: Management Approach to report the management approach and the topic Boundary for all material topics	"For each material topic, comply with all reporting requirements from GRI 103: Management Approach" "Reasons for omission are only permitted for Disclosures 103-2 and 103-3"	[Same as for Core]
Use the topic-specific GRI Standards (series 200, 300, 400) to report on material topics	For each material topic covered by a topic- specific GRI Standard: • "comply with all reporting requirements in the 'Management approach disclosures' section" • "comply with all reporting requirements for at least one topic-specific disclosure" "For each material topic not covered by a GRI Standard, it is recommended to report other appropriate disclosures for that topic"	"For each material topic covered by a topic-specific GRI Standard:" • "comply with all reporting requirements in the 'Management approach disclosures' section" • "comply with all reporting requirements for all topic-specific disclosures"
Ensure that reasons for omission are used correctly, if applicable	Reasons for omission (Comply with all requirements)	[Same as for Core]
Notify GRI of the use of the Standards	Notifying GRI of the use of the Standards (Comply with all requirements)	[Same as for Core]

Source: Global Reporting Initiative (2016)

RESULTS AND DISCUSSION

Sri-Kehati Index is a green index referring to the United Nations' Principles for Responsible Investment (PRI) and issued in cooperation with the Indonesia Stock Exchange (IDX). The company selection standard applies the principles of Sustainable Responsible Investment (SRI) and Environmental, Social, and Governance (ESG) principles. This index is a reference for investors who interest or focus on ESG issues in the capital market. Through this index, mutualism will be created between the business sector and world of conservation. The following table lists the companies that are included in the Sri-Kehati index during the period December 2021 to May 2022:

Table 3.
PUBLIC COMPANIES LISTED ON THE SRI-KEHATI INDEX

Code	Public Companies
AKRA	AKR Corporindo Tbk.
ASII	Astra International Tbk.
ASSA	Adi Sarana Armada Tbk.
BBCA	Bank Central Asia Tbk.
BBNI	Bank Negara Indonesia (Persero) Tbk.
BBRI	Bank Rakyat Indonesia (Persero) Tbk.
BBTN	Bank Tabungan Negara (Persero) Tbk.
BMRI	Bank Mandiri (Persero) Tbk.
BSDE	Bumi Serpong Damai Tbk.
DSNG	Dharma Satya Nusantara Tbk.
INCO	Vale Indonesia Tbk.
INDF	Indofood Sukses Makmur Tbk.
INTP	Indocement Tunggal Prakarsa Tbk.
JSMR	Jasa Marga (Persero) Tbk.
KLBF	Kalbe Farma Tbk.
LSIP	PP London Sumatra Indonesia Tbk.
PGAS	Perusahaan Gas Negara Tbk.
POWR	Cikarang Listrindo Tbk.
PTPP	PP (Persero) Tbk.
SIDO	Industri Jamu dan Farmasi Sido Muncul Tbk.
SMGR	Semen Indonesia (Persero) Tbk.
TLKM	Telkom Indonesia (Persero) Tbk.
UNTR	United Tractors Tbk.
UNVR	Unilever Indonesia Tbk.
WIKA	Wijaya Karya (Persero) Tbk.

Source : Indonesia Stock Exchange (2021)

General Disclosures

In this section, the company reveals an overview of the geographical location, size, types, sectors and activities of the company. This information can assist stakeholders in knowing contextual information about the company and its sustainability reporting practices. The information disclosed includes organizational profile, strategy, ethics and integrity, governance, stakeholder engagement, reporting practices.

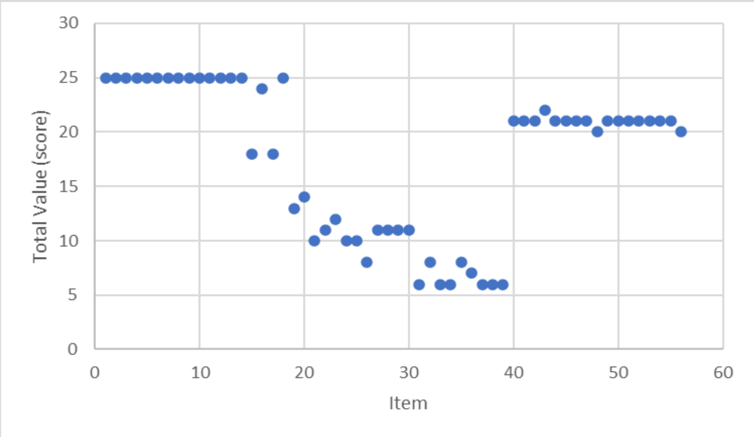

Figure 1. **GRI 102 GENERAL DISCLOSURES**

The tabulation shows that companies have disclosed almost the entirety of the items on general disclosure, in particular the profile of the organization for which all items were disclosed. Only in governance indicators whose several items have a low value, including: assessment of economic, social, and environmental topics, communicating critical matters, the nature and total number of critical matters, stakeholder involvement in remuneration, annual total compensation ratio, percentage increase in the total annual compensation ratio.

Management Approach

Common requirements in the reporting of the management approach are the explanation of material topics and their limitations (103-1), the management approach and its components (103-2), as well as the evaluation of the management approach (103-3). This standard is a universal standard that must be disclosed by the company for each material topic. This approach allows the company to explain how to manage the economic, environmental and social impacts associated with material topics. Information in the form of a narrative that explains how the company identifies, analyzes and responds to its actual and potential impacts. These disclosures provide context for information reported on specific topic standards (series 200, 300, 400) and explain quantitative information to stakeholders. Because this standard has a common form, some companies have compiled and implemented a wide variety of topics. Although there are some companies that do not apply this standard in some topics, specific related topics are still informed in their reports. In the criteria specified by the GRI it is stated that the reasons for not listing are only allowed for disclosures 103-2 and 103-3.

Economics Topics

Economic topics are standards that address the flow of capital among different stakeholders and the main economic impacts of a company throughout the elements of society. This standard reveals several indicators including: economic performance, market existence, indirect economic outcomes, procurement practices, anti-corruption, anti-competitive behavior, and taxes. The results of the tabulation show that “there are two indicators that have low values, namely anti-competitive behavior and taxes. Anti-competitive behavior includes anti-trust and monopoly practices. This refers to the actions of the company or employees of the company that led to the existence of collusion with potential competitors aimed at limiting the effect of market competition.” Examples of what can happen are “pricing or bidding coordination, creating market or outcome restrictions, imposing regional quotas, and allocating customers, suppliers, regions, and product lines. Anti-trust and monopoly practices are actions that can lead to collusion to create barriers to entry into certain sectors or anything else that can prevent competition.” This can potentially lead to unfair business practices, abuse of market positions, cartels, and anti-competition mergers.

The next indicator that has a low value is the tax. The tax approach shows how companies balance tax compliance with business activities and expectations related to ethics, society, and sustainable development (GRI, 2016). Principles such as attitude towards tax planning, the level of risk that the company is willing to accept, and cooperation with tax authorities. An example that can be seen is an overview of the use of tax havens or tax havens and the type of tax incentives used. We can conclude that of the 25 companies listed in the Sri-Kehati index, there is still minimal disclosure of these two indicators.

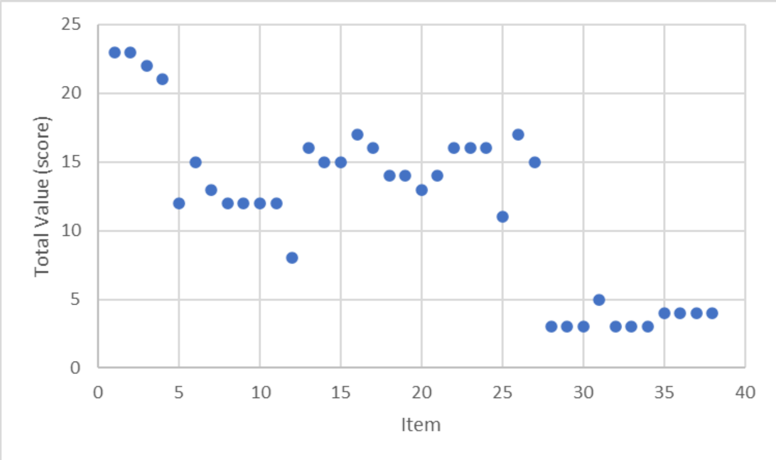

Figure 2. GRI 200 ECONOMIC TOPICS

Environmental Topics

The dimension of environmental sustainability concerns the impact of companies on living and non-living natural systems, including soil, air, water, and ercosystem (Global Sustainability Standards Board, 2016). The environmental aspect consists of several indicators: water and effluent, emissions, energy, waste, biodiversity, environmental compliance, environmental assessment of suppliers, and materials.

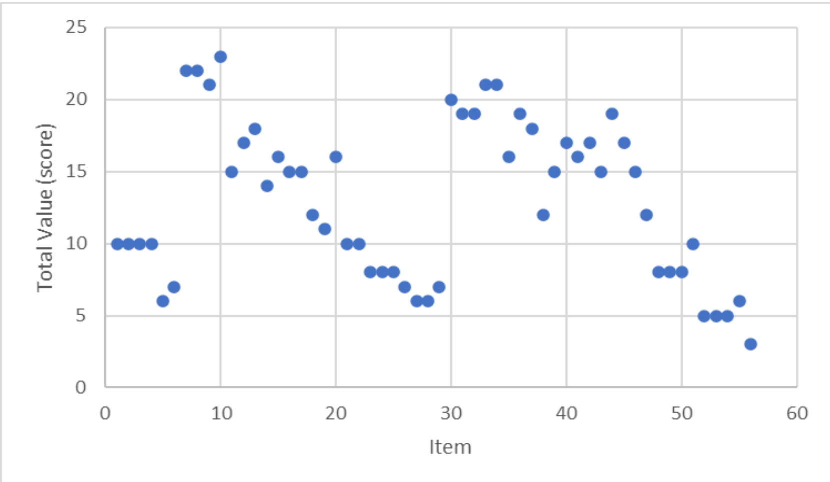

Figure 3. GRI 300 ENVIRONMENTAL TOPICS

The results of the tabulation showed that material indicators, especially input material items from the cycle used, had a low value. Whereas this item shows the percentage of input materials derived from recycling used to produce the main goods and services of the enterprise. Then the biodiversity indicators on the items of significant impact of activities, products, services on biodiversity, to protected and restored habitats also have low values. We need to understand that the direct and indirect impact of the company's activities on biodiversity is bound to occur. The construction of buildings, the entry of substances in the habitat certainly have the potential to occur. Whether there is a reduction in species, the entry of pests, habitat conversion, to ecological changes due to the company's activities will certainly be very good if reported. No less important is to report the condition of the affected species, the range of the affected area to the duration of the impact.

Supplier environmental assessment indicators also received low marks, including selection of new suppliers using environmental criteria and negative environmental impacts in the supply chain and the actions that have been taken. These disclosures provide stakeholders with information about the company's awareness of the significant negative environmental impacts in the supply chain. For other indicators, when viewed as a whole, it still has a value that is not high and unsatisfactory. This shows that the average company in the Sri-Kehati index is still not optimal in reporting activities related to the environment.

Social Topics

In this aspect, it discusses the social dimension of sustainability regarding the impact of the organization on the social system in which the company operates (GRI, 2016). In the context of GRI standards, the indicators include nondiscrimination, staffing, child labor, labor or management relations, forced or compulsory labor, occupational safety and health, training and education, diversity and equality, freedom of association and collective bargaining, security practices, local communities, indigenous peoples' rights, human rights assessments, supplier social assessments, public policy, customer health and safety, marketing and labeling, customer privacy, and socioeconomic compliance.

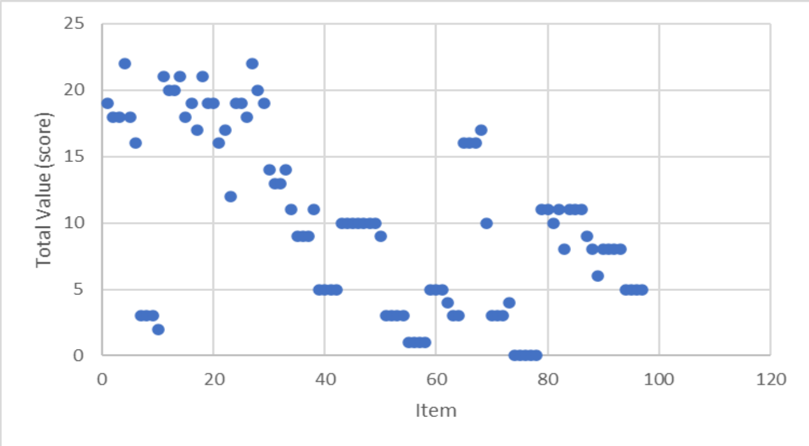

Figure 4. **GRI 400 SOCIAL TOPICS**

The results of the tabulation show that overall the company that reveals the social aspect is still relatively low. Even though this aspect is quite crucial because it concerns all elements of society (including its employees). There is an interesting point when researchers tabulate data, namely that none of them make disclosures on public policy indicators. This indicator includes the participation of the company in the development of public policy, through lobbying activities and contributing in financial terms to political parties and politicians. Perhaps this can be considered quite risky for the company, such as the risks associated with corruption, bribery or gratification. Then indicators related to the rights of indigenous peoples that are only disclosed by one company, namely AKR Corporindo Tbk. Supplier environmental assessment indicators also get low scores, including selection of new suppliers using environmental criteria and negative environmental impacts in the supply chain and actions that have been taken

Sri-Kehati Index Overall Disclosure

Based on the explanation of previous aspects, such as general disclosures, management approaches, economic, environmental, and social topics, researchers create a table that represents the disclosure index of sustainability reports:

Table 4.
SUSTAINABILITY REPORT DISCLOSURE INDEX

Companies (code)	N	SRDI
WIKA	121	0.489879
UNVR	136	0.550607

Companies (code)	N	SRDI
UNTR	104	0.421053
TLKM	84	0.340081
SMGR	150	0.607287
SIDO	88	0.356275
PTPP	90	0.364372
POWR	160	0.647773
PGAS (PGN)	185	0.748988
LSIP	147	0.595142
KLBF	96	0.388664
JSMR	85	0.34413
BBCA	119	0.481781
BBNI	125	0.506073
BBRI	128	0.518219
BBTN	161	0.651822
BMRI	147	0.595142
AKRA	201	0.813765
ASII	116	0.469636
ASSA	92	0.37247
INCO	127	0.51417
DSNG	126	0.510121
INDF	159	0.643725
BSDE	80	0.323887
INTP	99	0.40081

Source: Author's calculations

The green color indicates companies whose relatively high disclosure value is represented by the SRDI value, including AKR Corporindo, Perusahaan Gas Negara (PGN), Bank BTN, Cikarang Listrindo, Indofood Sukses Makmur, and Semen Indonesia. Meanwhile, the red color indicates companies that are relatively low in disclosure, including Bumi Serpong Damai, Telkom, Jasa Marga, Sido Muncul, PP (Persero), Kalbe Farma, and Adi Sarana Armada. Based on the results of the SRDI, the author concludes that there are still many aspects that the company must improve in terms of disclosure of sustainability reports. There are still many companies that have not implemented the GRI standards as they should, even though these companies are included in the Sri-Kehati index and their business activities implement ESG. It is possible that some indicators in the GRI standards may not be suitable or correspond to the specifics and business activities of the enterprise.

According to research conducted by (McKinsey, 2019), non-financial reports do help stimulate sustainable investment growth, but it turns out that many investors say that they cannot easily use corporate sustainability disclosures to accurately inform investment decisions and advice. They state that the disclosure of the sustainability of the company does not have to comply with the prescribed standards. Too many reporting standards should be implemented following global standards such as GRI. This makes investors need to reconcile the company's sustainability disclosures as best as possible. Investors and corporate executives recognize that sustainability reporting could improve in some aspects. Mckinsey's research says executives and investors want a reduction in the number of standards for sustainability reporting. Many executive respondents said they believed it would help their efforts to manage sustainability impact and respond to sustainability-related trends. Examples include climate change, emissions, pollution, and water scarcity. In addition, many investors expect better standardization of reporting to help them allocate capital and engage companies more effectively.

CONCLUSION

Based on the results of research on companies included in the Sri-Kehati index, not all companies carry out sustainable reporting in accordance with GRI standards. It can be concluded that there is no guarantee that companies listed in the Sri-Kehati index will make a complete disclosure, especially compliance with GRI standards. Perhaps this is in line with the opinion that the disclosure of the sustainability of the enterprise does not have to be in accordance with the standards prescribed by the GRI. Too many aspects or reporting standards should be implemented following global standards such as GRI. This makes investors need to reconcile the company's sustainability disclosure as much as possible and require more efforts.

The results of the tabulation show that overall the company that reveals the social aspect is still relatively low. Based on the overall tabulation of indicators that the companies that made the disclosures with the highest scores in disclosures include AKR Corporindo, Perusahaan Gas Negara (PGN), Bank BTN, Cikarang Listrindo, Indofood Sukses Makmur, and Semen Indonesia. Meanwhile, companies with low disclosures include Bumi Serpong Damai, Telkom, Jasa Marga, Sido Muncul, PP (Persero), Kalbe Farma, and Adi Sarana Armada. This study has limitations on the number of populations that only focus on stocks that entered the Sri-Kehati index in one period. For further research, it may be possible to develop research on the method, the population of the company, periode research and the discussion of each aspect in more detail.

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