



APPLICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES INTEGRATED: THE CASE OF PT. SOLUSI BANGUN INDONESIA Tbk. IN REACHING GOLD PROPER IN 2022

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ABSTRACT

This research uses data. Secondary data from the 2018-2022 sustainability report was used with purposive sampling. Data analysis uses the content analysis method. Stakeholders determine materiality by focusing on customers, shareholders, employees, government, work partners, suppliers and mass media. Environmental aspects are considered the main material issue. Highest disclosure of carbon emissions in the Energy Consumption Category or EC sub-sector 2. Corporate governance supports community empowerment programs with an SROI of 8.70 (based on the author's calculations), which results in a Gold PROPER award. Overall, the assessment of materiality, quality of disclosure, governance company, and return on social investment at PT. Solusi Bangun Indonesia Tbk is considered good. Recommendations are provided so that companies can maintain and improve ESG implementation.

INTRODUCTION

A sustainability report is a report presented by a company to disclose all economic, social and environmental related activities as part of its accountability to interested parties, both external and internal. By detailing information about a company's activities and their impact, these reports provide stakeholders, including investors, consumers and the general public, with better insight into a company's business practices. Currently, companies no longer adopt the Single Bottom Line concept, but have switched to the 3P concept, namely Profit, People and Planet, or better known as the Triple Bottom Line introduced by Elkington (1997). This report creates opportunities not only to improve a company's reputation, but also to build strong, sustainable relationships with customers and establish long-term sustainable relationships with the environment in which the company operates. Through the application of the Triple Bottom Line concept, companies not only pursue financial gain (Profit), but also pay attention to social welfare (People) and environmental preservation (Planet). This reflects a commitment to achieving a balance between economic sustainability, social welfare and environmental preservation in every aspect of their operations.

In addition to improving a company's image, sustainability reports provide an opportunity for companies to build strong relationships with customers and other stakeholders. A focus on social and environmental responsibility also helps companies contribute to sustainable community development and maintain the sustainability of the environment where they operate. Therefore, sustainability reports are not only a reporting tool, but also an integral part of a company's business strategy to achieve long-term sustainability. Currently, various environmental issues are a major concern in carrying out business activities, especially in the mining sector. For example, the use of coal as

an energy source has a major impact on health and the environment. Although mining coal can contribute to a country's economic progress, its negative impacts pose a serious challenge in achieving sustainable development.

Coal mining activities, as a form of exploitation of non-renewable natural resources, can cause serious impacts on ecosystems and the environment. Increasingly advanced mining mechanization and technology increases the scale and extraction of coal, causing ecosystem damage and various environmental impacts. Threats to biodiversity arise from vegetation degradation and disturbance of flora and fauna. Water quality has dropped due to coal mining, making river water murky and causing flooding. Mining waste, including sulfuric acid and iron compounds, pollutes the environment and can poison water and agricultural land. Air quality also decreases due to mining activities, which has a negative impact on respiratory health and increases levels of pollutants such as high levels of SO₂, particulates, NO_xes, O₃, benzene and H₂S, which are examples of exhaust gases resulting from industrial activities which cause an increase in respiratory diseases. Cnnindonesia.com (2021)

The consequences of company activities, especially in the coal mining industry, have impacts that need to be managed. Risk management is a necessity for companies to identify, measure and manage negative impacts that may arise. In this context, voluntary disclosure of information by companies becomes important, especially regarding economic, social and environmental aspects. In an effort to manage risk, companies need to transparently identify potential negative impacts, involve stakeholders, measure targets and analyze their achievements. This involves matching the standard norm values that apply in society with the information conveyed to stakeholders. In this way, companies not only consider economic sustainability but also social and environmental impacts that can affect the welfare of society as a whole. One concrete example related to environmental impacts is in the post-operation stage of a coal mine. Disused mine pits and acid mine drainage can leave significant negative impacts on the quality and quantity of groundwater. Heavy metals contained in used mine water can seep into groundwater systems, pollute the water and have an impact on environmental health.

The consequences of company activities, especially in the coal mining industry, have impacts that need to be managed effectively. Risk management is a must for companies to identify, measure and manage negative impacts that may arise. In this context, voluntary disclosure of information by companies becomes very important, especially regarding economic, social and environmental aspects. In an effort to manage risk, companies need to transparently identify potential negative impacts, involve stakeholders, measure targets and analyze their achievements. This involves adapting standard norm values in society to the information conveyed to stakeholders. With this approach, companies not only consider economic sustainability but also take into account social and environmental impacts that can affect the welfare of society as a whole. Concrete examples related to environmental impacts can be found in the post-operation stage of coal mining. Disused mine shafts and acid mine drainage, for example, can leave significant negative impacts on the quality and quantity of groundwater. Heavy metals contained in used mine water can seep into the groundwater system, pollute the water and have an impact on environmental health. Therefore, post-mining preventive and handling measures are crucial in maintaining environmental sustainability after mining operations are completed.

The implementation of ESG and SDGs has become common in Indonesian companies, as can be seen from the Sustainability Report in accordance with rule 51/POJK03/2017. OJK regulations regarding the Implementation of Sustainable Finance aim to strengthen public trust in public companies and commitment to environmental sustainability. Companies that pay attention to ESG tend to ensure growth by adapting to changes in Environmental, Social and Economic Systems. In Indonesia, ESG is defined as Environmental, Social and Governance (LST) according to POJK No. 51 of 2017, as part of sustainable finance. Attention to ESG is reflected in separate annual reporting with the Sustainability Report, demonstrating the company's commitment to environmental, social and governance sustainability. By engaging in this reporting, companies not only comply with regulations, but also communicate a commitment to sustainable business and positive impacts on society and the environment.

The Global Sustainability Standards Board (GSSB), under the Global Reporting Initiative (GRI), is responsible for setting sustainability reporting standards globally. With a diverse membership, the GSSB operates exclusively in the public interest, following formal legal procedures. The GSSB regularly reviews its work to ensure compliance with global best practices in sustainability reporting. Close collaboration with other standard-setting bodies, such as the International Sustainability Standards Board (ISSB), is integral, creating a linked approach to sustainability disclosure. The GSSB's focus is to meet the needs of various stakeholders, creating standards that can be widely adopted to achieve transparency and integrity in global sustainability reporting.

This strategic program which at PT SBI is known as Refused Derived Fuel (RDF) has become an open door for research avenues currently entitled Analysis of Integrated Environmental, Social and Governance Implementation: Case Study of PT SBI obtaining Gold Proper in 2022. The aim of this research is to provide an in-depth view of the integrated ESG implementation at PT SBI and how this has contributed to the achievement of Gold Proper in 2022. It is hoped that the results of this research can become a reference for other companies that want to strengthen social and environmental responsibility and improve sustainable performance within the framework of ESG. In this way, PT SBI is expected to be a good example for other industries in building sustainable business practices and creating a positive impact on society and the environment. It is hoped that this research will provide

valuable guidance for other companies wishing to adopt integrated ESG practices, so that PT SBI's success in achieving Gold Proper can serve as inspiration for similar efforts in other industrial sectors.

LITERATURE REVIEW

Legitimacy theory emphasizes the importance of broad attention from stakeholders, not only limited to the community in the location of the company's operations. This theory states that the existence of a company is influenced by market forces and social expectations. To win stakeholders' attention and maintain its position, companies must strive to understand the public's interests as a whole. An important first step in maintaining a company's existence is a deep understanding of society. Legitimacy theory, as presented by (Zyznarska-Dworczak, 2017) emphasizes that organizations must maintain their social position by responding to needs and fulfilling what society wants. In addition, according to (Burlea-schiopoiu, 2013) legitimacy theory also participates as a mechanism that supports companies in implementing and developing voluntary social and environmental deployments to fulfill social contracts. (Shocker & Sethi, 1973), explains that the social contract involves various social institutions and businesses that operate in society. These contracts can be written or implied, and involve conveying some of the social desires of society as a whole, providing economic, social, and political benefits to groups that provide power to social institutions and businesses. Therefore, the concept of a social contract includes ongoing interaction and communication between a company and its stakeholders, both expressed and implied. Maintaining corporate legitimacy also requires real efforts to understand, respect, and respond to changing social needs.

Freeman & David, (1983) define stakeholders with two meanings. In general, stakeholders include any group or individual that may influence or be affected by an organization's goals, including public interest groups, protest groups, government agencies, trade associations, competitors, labor unions, employees, customer segments, shareholders, and others. On the other hand, more specifically, stakeholders are identified as groups or individuals who are essential to the survival of the organization, such as employees, customer segments, certain suppliers, key government institutions, shareholders, certain financial institutions, and other entities that are crucial to the existence and organizational operations. Empirical research shows the many benefits of stakeholder engagement, such as access to information to respond to social and environmental problems. Katsoulakos & Katsoulacos, (2007) emphasize that profitable relationships with stakeholders support the development of knowledge in organizations, and involving key stakeholders is considered increasingly important for the long-term survival of companies. Stakeholder theory has three components, namely descriptive to explain company characteristics, instrumental to identify the relationship between management and stakeholders and the results obtained, and normative to implement company behavior.

Theory of Change focuses on identifying "islands of certainty" where the logic of action can guide us through the complex sea of social change. Theory of Change provides the ability to design thinking and configure the conditions necessary to achieve desired change. This involves making explicit assumptions, analyzing them critically, and exploring learning questions as well as political questions. (Rogers, 2014) The process of social change requires the ability to learn from the future which is currently not fully understood. Developing a Theory of Change provides tools to monitor actions and opens up space for accountability towards oneself and stakeholders. Thorough use of TOC helps in evaluating assumptions, simplifying the complexity of the context, and formulating strategies. Involving other stakeholders in the process increases the value of the exercise, bringing together diverse views and knowledge to build a shared understanding of the change being undertaken. It is important to remember that the logic of change must be accepted or honestly considered by various actors, taking into account the holographic and multi-stakeholder nature of our reality. This holographic and democratic approach not only advocates harmonious relationships with others but also engages the way we interact with ourselves and our internal complexities.

ESG (Environmental, Social, and Governance) theory emphasizes company management principles and standards that focus on positive impacts on the environment, society, and governance. Companies that comply with ESG integrate these criteria into business operations and decision making. Although there are similarities between Corporate Social Responsibility (CSR) and ESG in showing concern for social and environmental impacts, ESG is broader and includes corporate governance. The main difference lies in ESG's focus on investor decisions, as in "ESG Investing," "Responsible Investing," and "Impact Investing." Governance aspects are more explicitly covered in ESG, while in CSR, this aspect is recognized indirectly because of its connection to environmental and social considerations. Environmental and social disclosures by companies affect natural resources and environmental well-being. Most studies state the positive impact of CSR disclosure and ESG performance on company value, although there are findings that mention a negative impact at certain stages, such as positive CSR disclosure can reduce company value in some contexts. However, ESG engagement and performance remain key factors in assessing a company's value in a sustainability context.

RESEARCH AND METHODOLOGY

The research design used in this research is a case study research design. In this research, what the researchers focus on is materiality analysis of mining issuers. The aim behind using a case study design is to obtain a clear picture of a problem that must be examined in real situations from various angles and perspectives using various data collection methods. Through this research, researchers are trying to get an idea of how each issuer defines materiality, involves stakeholders in the process, and finds out what the main material problems are identified. The qualitative data analysis process in this research follows three main steps, in accordance with the methodology described by Sekaran, Uma Bougie, (2016). The first step is Data Reduction, where researchers reduce the data that has been collected to focus on relevant and significant elements related to materiality assessments, corporate governance, and return on social investment. The second step is Data Display, where the data that has been sorted and reduced is presented in a systematic and clear way. This includes presenting the main findings, additional findings, as well as in-depth interpretations regarding the aspects studied. The final step is drawing a conclusion, where the researcher makes conclusions based on the findings and interpretation of the data that has been processed. This process helps in developing strong conclusions and supporting answers to research questions, as well as presenting research contributions to the understanding of materiality assessment, corporate governance, and return on social investment.

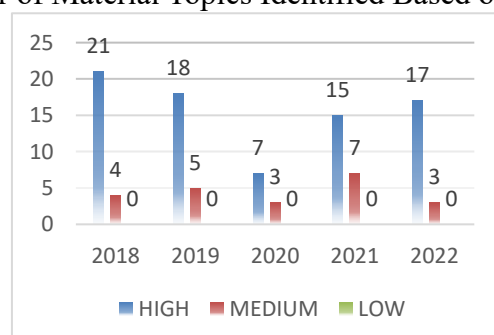
The data collection technique used in this research is data collection techniques through observation and documentation studies. Observations are made by examining and comparing data from events that have occurred. The type of data collected is secondary data in the form of sustainability reports taken from the websites of each research object, especially reports published for the 2020 period. Apart from that, researchers also conducted literature studies by exploring research-related documents, such as journals, books, and other literature sources, which form the theoretical basis for this research.

RESULT AND DISCUSSION

The research results will be presented in three main sections. First, a materiality analysis will be presented at PT. Solusi Bangun Indonesia Tbk. Second, an analysis of the quality and ranking of carbon emission disclosures will be described. Third, an analysis of corporate governance will be carried out. In materiality analysis at PT. SBI

In materiality analysis at PT. SBI will explain the definition of materiality, stakeholder involvement that is considered, and the main material issues identified in the PT Solusi Bangun Indonesia Tbk sustainability report. In 2018-2022. In the materiality category during the 2018-2022 period, PT. Solusi Bangun Indonesia uses 14 keywords in defining materiality in their sustainability report. 2022 recorded the most use of keywords, with 6 times the emphasis on the term. Stakeholder is the keyword most frequently used, in accordance with the definition of GRI standards (2021) which states that stakeholders are individuals or groups who have interests that influence or can be affected by organizational activities. Other keywords that are widely used include materiality issues, social issues and sustainable development goals. All of these definitions reflect the efforts of PT. Bangun Indonesia's solution in interpreting and assessing materiality through various relevant perspectives and standards. The next category, namely stakeholders, this category is the most widely used keyword from 2018-2022. According to GRI standards (2021). Stakeholders are individuals or groups who have interests that influence or can be affected by the activities of the organization. The final category for disclosing material issues, PT.SBI determines the priority of material topics by grouping them into "Low", "Medium" and "High" categories. PT.SBI in detail reveals the priority level for its main material problems through the materiality matrix depicted in Table 1. In 2018, there were 21 main material problem topics with the highest high priority level. 2019 recorded the second highest level of 18 main material issue topics. In 2022, there were 17 topics, 2021 recorded 15 topics, and 2020 had the highest number of low-level main material problems, namely 7 topics.

Table 1
Number of Material Topics Identified Based on Priority Level



Source: Data processed by researchers (2023)

The second part of the research results is an analysis of the quality and ranking of carbon emissions disclosure which is the result of research that has been carried out using a scoring method for PT's sustainability report. Solusi Bangun Indonesia Tbk. From 2018-2022. This scoring is carried out on 2 aspects, namely the quantitative aspect and the

qualitative aspect. The following is a presentation of the results and discussion of the research that has been carried out. The first category in the analysis of the quality and ranking of carbon emission disclosures is the analysis of the suitability of carbon emission disclosures based on 18 subcategories

Tabel 1
Result of Calculation of Compliance with 5 Year Carbon Emission Disclosure

Year	Total	%	Level
2018	8	44%	LOW
2019	7	39%	LOW
2020	9	50%	MEDIUM
2021	7	39%	LOW
2022	11	61%	HIGH

Source: Data processed by researchers (2023)

Information

$$\text{Class intervals} = \frac{61\% - 39\%}{3} = 6\%$$

$$\text{Low quality level} = 39\% - 45\%$$

$$\text{Medium quality level} = 46\% - 53\%$$

$$\text{High quality level} = 54\% - 61\%$$

Source: Data processed by researchers (2023))

Based on the results in table 1 above, it can be concluded that PT. Solusi Bangun Indonesia Tbk. Not consistently increasing the level of disclosure from 2018 – 2022. In 2019, PT. Solusi Bangun Indonesia Tbk. Reveals 7 of the 18 sub-categories in the CDP reference which has been modified by Choi et al. (2013) or 39%. This is the year when the level of compliance with carbon emissions disclosure is lowest. Meanwhile, the year with the highest level of conformity is 2022, where PT. Solusi Bangun Indonesia revealed 10 of 18 indicators or 56%. The next category is, Analysis of the quality of carbon emission disclosure in 5 years. Table 2 shows the results of the average score for the quality of carbon emission disclosure at PT. Solusi Bangun Indonesia Tbk. During 2018-2022 with a quantitative aspect approach.

Table 2
Calculation Results of the Quality of Carbon Emission Disclosure in 5 Years

Quality of Quantitative Disclosure				
Year	Total	Average	Rating	Level
2018	27,0	1,50	1	High
2019	17,0	0,94	4	Low
2020	24,0	1,33	2,5	High
2021	18,0	1,00	3	Low
2022	24,0	1,33	2,5	High

Source: Data processed by researchers (2023)

Information

$$\text{Class intervals} = \frac{1,50 - 0,94}{3} = 0,19$$

$$\text{Low quality level} = 0,94 - 1,12$$

$$\text{Medium quality level} = 1,13 - 1,30$$

$$\text{High quality level} = 1,31 - 1,50$$

Source: Data processed by researchers (2023)

Based on table 2, the quality of carbon emissions disclosure quantitatively was the highest in 2018 with an average score of 1.50. The next rank is because in 2020 and 2021 they have the same score, so the ranking is calculated using $((2+3) / 2) = 2.5$. The following year, namely 2021, had an average score of 1.00 with a low predicate, and the last year, namely 2019, had the lowest predicate with a score of 0.94.

Calculation Results of the Quality of Carbon Emission Disclosure in 5 Years

Year	Total	Average	Rating	Level
2018	44,00	2,44	1	High
2019	36,00	2,00	3	Low
2020	43,00	2,39	2	High
2021	32,00	1,78	4	Low
2022	30,00	1,67	5	Low

Source: Data processed by researchers (2023)

Information

$$\text{Class intervals} = \frac{2,44 - 1,67}{3} = 0,26$$

$$\text{Low quality level} = 1,67 - 1,92$$

$$\text{Medium quality level} = 1,93 - 2,18$$

$$\text{High quality level} = 2,19 - 2,44$$

Source: Data processed by researchers (2023)

Based on table 3 above, the quality of carbon emissions disclosure was qualitatively the highest, namely in 2018 with an average score of 2.44. Furthermore, in second place, in 2020 it had an average score of 2.39 with a high predicate. for third place in 2019 with an average score of 2.00 with a low predicate. In 2021 it was ranked fourth with an average score of 1.78 with a low predicate. and for 2022 which got the lowest score with an average score of 1.67 with a low predicate.

Table 2

Mapping the Level of Conformity and Quality of Carbon Emission Disclosure in 5 Years

		Quantitative Quality Level								
		R			S			T		
Conformity Level	T									2018
	S									2020
	R	2019,2021						2022		
		R	S	T	R	S	T	R	S	T
		Qualitative Quality Level								

Source: Data processed by researchers (2023)

Information

T: High quality level

S: Medium quality level

R: Low quality level

From Table 2 above, it can be concluded that, in 2018, PT. Solusi Bangun Indonesia discloses sustainability reports with the highest level of conformity and disclosure quality over the last 5 years. 2019 & 2021 are the years with the lowest level of conformity and quality of disclosure. The next category is analysis of the quality of carbon emissions disclosure based on 5 categories

Tabel 4
Results of calculating the quality of Carbon Emissions disclosure based on 5 categories
(Quantitative)

	CC	GHG	EC	RC	ACC
2022	4	13	2	6	0
2021	4	4	3	2	2
2020	3	7	4	8	2
2019	4	8	2	2	2
2018	4	6	7	3	2
Average	3,80	7,6	3,60	4,2	1,6
Rating	3	1	4	2	5

Source: Data processed by researchers (2023)

Based on the calculation results in table 4, the GHG category is the category with the highest average score, namely 7.6, then the RC category is in second place with an average score of 4.2. The CC category is in third place with an average score of 3.80. The next category is EC in fourth place with a score of 3.60. And the last category is ACC with the lowest ranking.

Tabel 1
Calculation results of the Quality of Carbon Emission Disclosure Based on 5 categories
(Qualitative Aspect)

	CC	GHG	EC	RC	ACC
2022	6	15	5	15	0
2021	3	10	10	5	5
2020	3	15	5	15	5
2019	5	12	5	5	5
2018	4	7	7	5	5
Average	4,2	11,8	6,4	9	4
Rating	4	1	3	2	5

Source: Data processed by researchers (2023)

Table 5 shows the average score for the quality of carbon emission disclosure in sustainability reports based on 5 categories during 2018 – 2022, taking into account qualitative aspects. Based on the calculation results in table 5 above, the GHG category is the category with the highest quantitative average score, namely 11.8. Then the RC category is in second place with an average score of 6.4. Furthermore, the EC category is in third place with an average score of 3. The CC category is in fourth place with an average score of 4.2. And finally, the ACC category is ranked last with the lowest average score, namely 4.

Table 3
Quantitative and qualitative mapping of the quality of Carbon Emissions disclosure based on 5 categories

		Kualitatif				
		5	4	3	2	1
Kuantitatif	1					GHG
	2				RC	
	3		CC			
	4			EC		
	5	ACC				

Source: Data processed by researchers (2023)

From Table 3, it can be interpreted that in general, GHG is the category with the best quality of disclosure quantitatively and qualitatively of the 5 existing categories, while ACC is the category with the lowest quality of disclosure quantitatively and qualitatively of the 5 existing categories. The next category is Analysis of the Quality of Carbon Emission Disclosure Based on 18 Categories.

Tabel 2
Calculation Results of the Quality of Carbon Emission Disclosure Based on 18 Sub-Categories
(Quantitative Aspect)

Sub Kategori	2022	2021	2020	2019	2018	Average	Rating
CC1	2	4	3	4	4	3,40	1
CC2	2	0	0	0	0	0,40	15
GHG1	5	0	0	0	0	1,00	10
GHG2	0	0	0	0	0	0,00	16
GHG3	0	0	3	2	4	1,80	4
GHG4	4	0	0	0	0	0,80	11
GHG5	0	0	0	4	0	0,80	11
GHG6	2	4	2	0	0	1,60	5
GHG7	2	0	2	2	2	1,60	5
EC1	0	2	0	0	2	0,80	11
EC2	2	1	4	2	5	2,80	2
EC3	0	0	0	0	0	0,00	16
RC1	2	2	4	0	3	2,20	3
RC2	2	0	2	2	0	1,20	8
RC3	2	0	2	0	0	0,80	11
RC4	0	0	0	0	0	0,00	16
ACC1	2	2	0	0	2	1,20	8
ACC2	0	2	2	2	2	1,60	5

Source: Data processed by researchers (2023)

Based on table 6, the quality of quantitative disclosure in the CC1 subcategory is the highest with an average score of 3.40. This shows that the average disclosure for the CC1 sub-category is half a page of A4 paper. The lowest disclosure quality is that the GHG2, EC3, and RC4 sub-categories were not disclosed by the company in the last 5 years. Meanwhile, the CC2 sub-category is ranked 15th, this shows that this sub-category has begun to be expressed, but only in sentences, not in detail.

Tabel 3
Calculation results of the quality of carbon emissions disclosure based on 18 sub-categories
(Qualitative Aspect)

Sub Kategori	2022	2021	2020	2019	2018	Average	Rating
CC1	3	3	3	5	3	3,4	4
CC2	3	0	0	0	0	0,6	15
GHG1	0	5	0	0	0	1	12
GHG2	0	0	0	0	0	0	16
GHG3	0	0	5	5	5	3	5
GHG4	5	0	0	0	0	1	12
GHG5	0	0	0	5	0	1	12
GHG6	5	5	5	0	0	3	5
GHG7	5	0	5	2	2	2,8	8
EC1	0	5	0	0	2	1,4	11
EC2	5	5	5	5	5	5	1
EC3	0	0	0	0	0	0	16
RC1	5	5	5	0	5	4	2
RC2	5	0	5	5	0	3	5
RC3	5	0	5	0	0	2	9
RC4	0	0	0	0	0	0	16

ACC1	3	3	0	0	3	1,8	10
ACC2	0	5	5	5	5	4	2

Source: Data processed by researchers (2023)

Based on table 7, the qualitative quality of disclosure in the EC2 sub-category is the highest with an average score of 5. This shows that on average PT. Solusi Bangun Indonesia explains EC2 qualitatively and non-monetarily. the quality of disclosure in the GHG2, EC3, RC4 sub-categories has not been disclosed by the company in the last 5 years. Meanwhile, the CC2 sub-category is ranked 15th. This shows that this sub-category has begun to be expressed, but only in sentences, not in detail.

Table 1
Mapping the Quality of Carbon Emission Disclosure Quantitatively and Qualitatively
Based on 18 Sub-Categories

		Kualitatif																	
		18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
Kuantitatif	1																		CC1
	2																		EC2
	3																		RC1
	4																		
	5																		
	6																		
	7																		
	8																		
	9																		
	10																		
	11																		
	12																		
	13																		
	14																		
	15																		
	16																		
	17																		
	18																		

Source: Data processed by researchers (2023)

Table 4. Shows that EC 2 sub-category received first place qualitatively and second place quantitatively. This shows that in the sustainability report, PT. Solusi Bangun Indonesia Tbk. Provides information regarding the energy used from renewable sources quantitatively on half a page of A4 paper. Meanwhile, if qualitatively explained on more than one page of A4 paper, sub-category EC 2 quantitatively has values that are less stable from year to year. Meanwhile, qualitatively, EC 2 has a number that grows every year or has a stable value. This means, PT. Solusi Bangun Indonesia Tbk. The more detailed it is in providing information regarding the quantification of energy used from renewable sources. The GHG2, EC3 and RC4 sub-categories have the lowest ranking, namely in 18th place with an average score for each category of 0. This proves that PT. Solusi Bangun Indonesia Tbk. For 5 years (2018-2022) it did not disclose information regarding these three sub-sectors

The next section, namely Corporate Governance Analysis, Solusi Bangun Indonesia (SBI) sustainability strategic program reflects the company's commitment to achieving the values of sustainability and environmental awareness, especially through the success of the Refused Derived Fuel (RDF) program which shows positive social and environmental impacts. To ensure the sustainability strategy runs well, SBI formed the Corporate Environment and Sustainability Department, a special team that has expertise in sustainability aspects. This team works holistically with all company units and functions, managing the entire sustainability program cycle, and reporting results transparently to the Manufacturing Director. Through CSR and environmental initiatives, SBI allocated social and environmental responsibility funds in 2022 amounting to 15.19 billion, which were used to support various programs, such as health, education, building earthquake-resistant houses and planting trees. Social and environmental responsibility programs, including the RDF program, not only reduce waste accumulation, but also contribute to reducing greenhouse gas emissions. Through the involvement of related parties and sustainable efforts, SBI upholds its social and environmental responsibilities, creating long-term value for both the company and the surrounding community.

CONCLUSION

Sustainability reports must reflect the application of Environmental, Social, and Governance (ESG) concepts, which are very important for maintaining business continuity. The focus of this research is to evaluate the ESG implementation of PT Solusi Bangun Indonesia Tbk., with an emphasis on assessing materiality, the quality of carbon emission disclosures, and the introduction of corporate governance and Social Return on Investment (SROI). PT.SBI uses appropriate keywords to define materiality, consider the role of stakeholders, find key material problems, and consider economic, social and environmental impacts. Carbon emissions disclosure continues to improve, although some metrics are not yet ideal. The sustainability report presents all information about company management, but superior programs such as PROPER gold must be discussed in more detail, including the SROI value, which measures the level of success of the program. It is hoped that PT.SBI management will continue to provide information about the assessment. For investors, understanding ESG principles will help investors choose investments. PT.SBI management is expected to continue to improve disclosures regarding materiality assessments, carbon emissions, corporate governance and SROI. To get a broader picture, it is hoped that the research can be expanded to include companies that have received the gold PROPER award and for future researchers it is hoped that they will not only be able to use companies that have won PROPER, but can also conduct research on companies that have won awards such as the Global Corporate Sustainability Awards (GCSA).

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