

SUSTAINABLE BLUE DISCLOSURES IN MARINE AND FISHERIES COMPANY

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“Abstract”

The aim of this paper is to present information from their sustainable activities through the extent of corporate social disclosures, namely Sustainable Blue Disclosures (SBD). Further, the sustainability issues are also discussed to deepen the understanding in the context of sustainability in marine and fisheries companies.

Design/methodology/approach - Qualitative approach is applied in this study by conducting content analysis method. Samples were selected from the annual report of listed marine and fisheries companies for the period of 2015-2019.

Findings -The results shows that the extent of SBD disclosed were limited, with the average 25%. The most disclosures is concerning the economic information and the least is environment. Apart from the limited disclosures, it is found that the companies face some sustainability issues, including the availability and quality of raw materials, changing of environmental quality, working capital (cash flow) performance, fluctuation of the foreign exchange rate, and demand from the global market.

Research limitations/implications – Since many scholars refer to ‘green’ while discussing sustainability, this study discusses SBD (‘blue’), which will lead to an interesting discussion. Further, this study also discusses the “Blue Economy” principle based on Indonesia context which can be an insight for other countries in developing their “Blue Economy” concepts based on countries specifics.

Practical implications - This study is important to provide significant information for stakeholders in understanding sustainability risk in marine and fishery companies. Investors should better consider and provide support to improve these companies and government should take actions to support their supply chains by providing clear and concise regulations.

Originality/value – Sustainable Blue Disclosures (SBD) can be considered as an initial disclosures index to be applied in marine and fishery related industries, while flourish future study in this area. This index can also be imitated in other countries while applicable, and enhance the future research to compare results between countries.

Keywords; Sustainable Blue Disclosure, “Blue Economy”, Annual Report

INTRODUCTION

In Indonesia, Corporate Social Responsible (CSR) development has become a crucial issues as Indonesia meets a number of fundamental problems in perceiving the sustainable development goals (SDGs) that need to be attained by 2030 (Gunawan & SeTin, 2018). In particular, since 2017, Indonesia has acknowledged SDG's as part of national goal through issued the Presidential Regulation No. 59 of 2019 (Perpres 59/2019) on achieving Sustainable Development Goals. There are a number of interpretations correlated to CSR concerning of details that need to be underlined. Carroll and Buchholtz (2000) stated, a description of CSR that is consistent with the idea of the CSR pyramid. (Carroll, 1991). CSR refers to the company's fiscal, legal, ethical and philanthropical expectations at every given moment. Porter and Kramer (2011) CSR as an expectation that the company must satisfy in order to raise awareness among the public, which would eventually contribute to the abilities of the company to function in the society. Gunawan & SeTin, (2018) mention the issues of CSR where it is necessary to mention poverty eradication, human rights, environmental and health problems, waste and deforestation, social and political unrest and a need for foreign direct investment in Indonesian companies.

in Indonesia, the implementation of CSR has been regulated in the Limited Liability Company Regulation number 40 of 2007 which clarify that entities which are straightly associated in natural resources allied to several activities that may conduct CSR and that can be funded by the organization on the grounds of propriety and justice. Furthermore, CSR Regulation number 47 of 2012 also mandates the corporation to declare the CSR in its annual report as well as to keep the company accountable at the general meeting of shareholders (Setiawan, Sudibyo, & Gunawan, 2018). The CSR reports can be reported by several label, namely, "sustainability reports", "environmental reports" or "citizenship reports," and can be distinguish of several aspects on a set of information on corporate social and environmental behaviour (Dilling, 2009). In addition, corporate publication of stand-alone CSR reports, also referred to as sustainability reports, has risen significantly over the last decade (Cho, Michelon, & Patten, 2012). The Corporate Social Disclosure (CSD) is interchangeably used within many studies. In actual fact, CSD underscores the mechanism of 'disclosure' of such subjects of collective social events carried out by businesses. A distinction between 'reporting' and 'disclosure' can also be clarified. Reporting tends to refer to 'reporting' which is used to 'disclose' specific issues, such as sustainability and environmental reports; whereas 'disclosure' appears to re-disclose information; while 'disclosure' appears to make details accessible to readers through a report (Gunawan, 2013).

EY (2016) stated, as companies worldwide have embraced sustainability reporting, the GRI Sustainability Reporting System has become the most commonly accepted framework (GRI Framework or framework). GRI the most used Sustainability Standards and agree with KPMG (2015) that reveals The GRI is the most prevalent voluntary sustainability reporting system implemented worldwide. In Indonesia, the era of sustainability report in Indonesia has change since July 18, 2017, the Financial Services Authority (OJK) has established Financial Services Authority Regulation "No.51/POJK03/2017" ("POJK51/2017") Regarding the Implementation of "sustainable finance" for Financial Services Institutions, Issuers & Public Companies. Before "POJK51/2017" issued, the terms of issuance of sustainable reporting are voluntary for Financial Services Institutions, Issuers & Public Companies. After "POJK51/2017" issued, the issuance of Sustainability Reporting is mandatory which schedule by year and type of business. "POJK51/2017" is the implementation of the Financial Sustainability Roadmap in Indonesia issued by the OJK at the end of 2014. In article 3 of "POJK51/2017", stated that the Implementation of "sustainable finance" must be carried out by financial services institutions, issuers & public companies in compliance with the provisions laid down by OJK. The application of "sustainable

finance” is stated in the sustainability report (article 10), which is mandatory to be issued by separated with annual report or together within annual report.

⁴ Since Indonesia is the largest archipelago nation in the world with 17,504 islands and a sea area of 5.8 million km² contains a territorial sea area of 0,3 million km², island area of 2.95 million km², and Indonesian Economic Executive Zone area of 2.55 million km². In terms of geopolitically aspect, Indonesia has a very strategic role because it is situated between the continents of Asia and Australia and between the Pacific Ocean and Indian Ocean. This condition is placing Indonesia as the world's maritime axis in the context of global trade (the global supply chain system) that ⁴ connects the Asia-Pacific region with Australia. The capacity of Indonesia's marine fish resources is estimated at 7.3 million tons per year distributed around the territorial waters of Indonesia, and the waters of the Indonesian Exclusive Economic Zone (www.indonesia.go.id, 2018). The National Development Agency (BAPPENAS) in 2014 published a paper on the Study of Sustainable Fisheries Management Strategies. In the study, it has been stated that Indonesia has a manageable sea of 5.8 million km² and a vast capacity and the diversity of aquatic and fishery resources. This is a large capital for economic development and can ultimately be used to boost the well-being of the society. In addition, marine and fisheries resources can be used as a food source to fulfill the community's protein requirements. The increase in fisheries production is expected to support national food security. President Jokowi on August 1, 2018, stated that Indonesia's marine economic potential reached Rp. 15,000 trillion per year. This figure is more than six times the amount of the 2018 state budget.

¹¹ In terms of marine and fisheries resources, Indonesia has two law there are Law number 45 of 2009 concerning fisheries and Law No. 34 of 2014 concerning Maritime. In Law number 45 of 2009 at article 2 explicitly states that fisheries management applies the principle of sustainable development, whereas fisheries management carried out in a planned manner and able to improve the prosperity and welfare of the people by prioritizing the preservation of environmental functions for the present and the future which will come. This is also in line with the objectives of marine activities as written in Law No. 34 of 2014 concerning Maritime which sustainably written the utilizing marine resources for the greatest possible welfare for the present generation without accommodating the needs of future generations. Furthermore, the legislation stipulates that coastal conservation shall ensure the full welfare of the people through the use and utilization of marine resources by using the principle of the “Blue Economy”. The 'Blue Economy' includes ocean-based enterprises, including shipping, fishing, offshore wind and marine biotechnology) and the natural resource and ecological services that the ocean offers, including, for example, fish, shipping lanes and CO₂ absorption). Since these two things are inextricably interlinked, the OECD report discusses regarding to ecosystem resources and ecosystem-based management elements, as well as the emphasis on ocean-based industry (Rayner, Jolly, & Gouldman, 2019)

In context with CSD, many scholars research CSD in Indonesia research with scope on banking, manufacture, services, coal, mining or trading areas (Nejati et al., 2017; Octoriawan & Rusliati, 2019; Rahmawardani & Muslichah, 2020; Rusmanto & Williams, 2015). Before POJK 51/2017, many scholars used GRI standard as reference to reveals CSD in Indonesia Company. GRI itself has specific standard based on business sector, like GRI G4 for Financial Services Sector, Financial, Mining and Metal Sector, Event Organizer and so on however for agriculture and fishing as of May 2020, GRI is on developing phase.

There is limited research on disclosure of CSD aspect in companies related to marine or fisheries resources in Indonesia. Meanwhile the others the This paper seeks into what extend CSD in public companies is related to marine or fisheries resources in Indonesia in terms of sustainability aspect

economy, environmental, social, governance and “Blue Economy” principle and also trying to analysis what the issue on sustainability aspect on the companies.

“The objective of this research is to evaluate” the new CSD indicator (SBD) practices on marine and fisheries resources company listed Indonesia Stock Exchange. “To resolve these research goals, the purpose of the thesis is to answer the following research questions” as follows;

RQ1; In what extend CSD in public companies is related to marine or fisheries resources in Indonesia in terms of sustainability aspect economy, environmental, social, governance and “Blue Economy” principle including the most and the least aspect disclose?

RQ2: What the issue on sustainability aspect on the companies?

Qualitative description research is applied in this paper. Content Analysis applied on the annual report or sustainability report of the company is carried out for the period of 2015-2019 fiscal year. The contribution of this paper to increase literacy understanding related to marine or fisheries resources in terms of CSD. Furthermore, this paper trying to constructs a new concept of CSD on marine and fisheries company, namely Sustainable Blue Disclosure (SBD).

LITERATURE REVIEW

Legitimacy Theory

"Legitimacy Theory" in the simplest form claims that the survival of institutions depends on how culture perceives whether the value structure of organizations is commensurate with the value system of society itself; therefore, that corporation should have a contract with society. (Gray et al :1996). Vourvachis and Woodward (2015) explain the legitimacy theory has been oftentimes used in latest generations by scholars attempting to analyze CSR reporting activities, and tends to be the most quoted concept in the CSR field and it agree with Gunawan (2007) found Legitimacy theory is often used by a number of researches to analyze corporate disclosure.

"Legitimacy Theory" focuses on different techniques for business administrators who would want to uphold high expectations in sequence to be legal. (Deegan, 2002a). Dowling and Pfeffer (1975) quoted in O'Donovan (2002, p. 345) define legitimacy theory as "a condition or position that exists when the value system of an entity is aligned with the system of values of the larger social system of which the entity is a part". Another definition suggests that the theory of validity is a principle that, as applied in studies on social and environmental reporting, was fairly clear, but now remains the empirical framework most commonly used to explain corporate social and environmental disclosure policies. (Deegan, 2002a, pp. 318).

“Social disclosures have been used as a mechanism by legal businesses in the USA. Cho and Patten (2007) discovered that companies with lower environmental results have greater levels of transparency relative to those with improved performance. These businesses indicated that the opportunity for monetary disclosure is significantly greater than the equivalent disclosures made by any party of vulnerable sectors or non-groups. This evidence illustrates why firms who need to increase their legal standing still use disclosures as a legitimizing method.

Stakeholder Theory

Clarkson (1995) mentions that, CSR operation is structured to address the expectations and needs of stakeholders so that businesses can move increasingly with the help of these stakeholders. The

stakeholder methodology is most tangible masterpiece of Mitchell et al. (1997) who established the stakeholder theory by defining their influence in 3 components:

1. the capacity of stakeholder to control the institutions;
2. the validity of the partnership of the stakeholder with the institutions; and
3. the urgency of the stakeholder's claim on the institutions.

Gunawan (2015) concluded that shareholders, staff, vendors, consumers, investors or creditors and communities are perceived to be the most widely quoted categories of stakeholders for firms. Each stakeholder has varying impacts on the organization's actions and success. Any stakeholders are more relevant and suitable than others and cannot be assumed to have the exactly similar involvement in any specific sector. Ince (1997) Stakeholders are classified into two types: primary and secondary. Primary stakeholders are people who are involved in ensuring the success of the operations of the company as a matter of concern. (Clarkson, 1995, cited in Ince, 1997). Secondary stakeholders are known as those who influence and are impacted by the company, but are not as relevant as primary stakeholders, such as the media and special interest organizations (Ince, 1997).

Corporate Social Responsible (CSR) & Corporate Social Disclosure (CSD)

"There are a number of" descriptions correlated to CSR concerning of details that need to be underlined. Carroll and Buchholtz (2000) stated, a description of CSR that is consistent with the idea of the CSR pyramid. (Carroll, 1991). CSR refers to the company's fiscal, legal, ethical and philanthropical expectations at every given moment. The other explanation developed by Porter and Kramer (2011) describes CSR as an expectation that the company must satisfy in order to raise awareness among the public, which would eventually contribute to the abilities of the company to function in the society. Gunawan & Setin, (2018) mention the issues of CSR where it is necessary to mention poverty eradication, human rights, environmental and health problems, pollution and carbon, social and political uncertainty and the need for foreign direct investment in Indonesian companies become important things to do.

CSR should be conveyed to stakeholders in the form of a CSD in order to receive an indirect "operating license" from the community. If the community cannot make any profit and gain from CSR, the organization will face organizational restrictions that face the achievement of the objective itself (Porter and Kramer, 2006). The term CSR has evolved over the years and can currently be characterized as the priorities of an organization with regard to social, economic and environmental issues in its business activities in an attempt to enhance its relationships with stakeholders. (Pucheta-Martínez, Bel-Oms, & Nekhili, 2019). Deloitte (2017) stated that The Global Reporting Initiative (GRI) has been described as the most commonly adopted standard in the world.

Sustainability Report in Indonesia

As mention by Gunawan (2013), Indonesia, as one of the largest developed countries, reacted quickly to the topic of Corporate Social Disclosure (CSD). This can be seen in the CSD segment of the annual reports of the listed firms, which continue to expand over the years. Nevertheless, there are also inconclusive results on the causes that decide the magnitude of the CSD. Accordingly, based on extensive studies, this paper explores some of the chosen variables in their relationship to the point of CSD, both quantitatively and qualitatively.

Since December 2014, when OJK has issued a "sustainable finance" Roadmap Indonesia entered a new era of "sustainable finance". The Roadmap show Indonesia's milestone to implement comprehensive "sustainable finance" era. Hand (2014) explained that, as one of the G20 nations, Indonesia expressed its pledge to eliminate greenhouse gas emissions by 2020 at the Pittsburgh

Summit in 2009. Indonesia's pledge to eliminate on its own actions 26% of greenhouse gas emissions and 41% with foreign support has been expressed in the National Action Plan for the Greenhouse Movement. (RAN GRK). OJK, as regulator of the "Sustainable Finance" initiative plays a part in fulfilling this pledge.

Ruhayat and Murwaningsari (2019) stated the purpose of the OJK launching the "sustainable finance" Roadmap in Indonesia in December 2014 are; first, outline the conditions to be achieved related to "sustainable finance" in Indonesia in the medium (5 years) and long (10 years) for financial institutions located in compliance with the jurisdiction of the OJK, such as financial institution (banks), capital markets and non-bank financial institutions and second, determine and set improvement milestones related to "sustainable finance" (Indonesian "sustainable finance" Roadmap 2015-2019). The objectives of the "sustainable finance" program in Indonesia are outlined in the 2015-2019 Indonesian "sustainable finance" Roadmap to increase the durability and the battle of financial institution so that they can develop and evolve in a sustainable manner; endurance improved risk control capability, while sustainability is related to the willingness of financial institutions to develop environmentally friendly products/services; having the sources of financing required by the community relates to the Long Term Development Plan (RPJP) and the Medium Term Development Plan (RPJM) that has been grouped by pro-growth, pro-job, pro-poor, and pro-environment; contribute to national contribution to climate crisis by climate change mitigation and transition to a balanced low-carbon environment.

Sustainability Report Based on POJK 51/POJK.03/2017

As part of the adoption of a sustainable financial Roadmap, on 18 July 2017, OJK issued regulation No. 51/ POJK03/2017 concerning the Implementation of "sustainable finance" for Financial Services Institutions, Issuers & Public Companies (IFC; 2018). On article 10, "POJK51/2017", explains that Financial Services Institutions, Issuers & Public Companies are required to prepare Sustainability Reports as a predetermined schedule. In term of public companies, the issuance of Sustainability Reports is required to start in the fiscal year 2020. (article 10 section 6 POJK 51/2017). The issuance of Sustainability Reports can be separate from the Annual Report or be a part of the Annual Report. (Article 10 paragraph 2 POJK 51/2017).

The POJK 51/2017 determine Sustainability Report as report released to the public containing the economic, strategic, social and environmental success of the services of the financial institution (FSI), Issuer, and Public Company in terms of running a sustainable business. In annexes 2 "POJK51/2017" explains the minimum elements present in the sustainability report is as follow;

- "a. sustainability strategy elaboration";
- "b. summary of sustainability aspects (economic, social and environmental);"
- "c. brief profile of FSI, Issuer or Publicly Listed Company;"
- "d. description on Board of Directors;"
- "e. sustainability governance;"
- "f. sustainability aspect performance"
- "g. written verification from independent parties, if any;"
- "h. feedback sheet for the reader, if any; and"
- "i. FSI, Issuer or Publicly Listed Company response to the previous year's feedback"

Based on discussions with an expert on sustainability report, obtained information that there are 66 indicators in the annexes at POJK 51/2017 part of sustainability report requirement. The 66 indicators may classify into four aspects of sustainability. The four aspects are grouping into economic, environmental, social and governance (EESG). The details grouping disclosure of aspect and indicator referring to POJK 51/2017 are as follows;

Table I. Aspect dan indikator Sustainability Reporting on POJK 51/2917

Aspect	Governance	Environment	Economic	Social	Total
Indicator	22	17	16	11	66
%	33%	26%	24%	17%	100%

Based on Table I, revealing “POJK51/2017” in terms of sustainability report standards, governance aspects are the most widely applied indicators and the least aspect is social. It might be concluded that the sustainability report standard in “POJK51/2017” is more suitable to be applied in industries that focus on governance such as financial institutions.

“Blue Economy”

The terms “Blue Economy” and Blue Carbon began to appear everywhere (Stevenson, 2019). The concept of “Marine Economy” or “Blue Economy” originally emanate from the United Nations Conference on Sustainable Development held in Rio de Janeiro in 2012. The distinction of socio-economic growth from environmental destruction, this has historically been seen as a global status quo, is at the core of the idea. This concept can now be integrated with economic and trading practices and stems from the need to incorporate protection and preservation into maritime management. These can be expanded to cover the ecology or the marine environment. The sustainability factor allows for the incorporation of practices on the basis of habits of consumption and additions though producing lower to no greenhouse gas (GHG) emissions as part of the implementation process. This part of sustainability defined sustainability of the ocean, so that it feeds both animals and humans (Godfrey, 2016). Rayner et al., (2019) mention the “Blue Economy” encompasses ocean-based industries including; shipment, forestry, offshore wind and marine biotechnology) and the services provided by the ocean to natural resources and habitats, including, for example, coral, shipping lanes and CO2 absorption). As both of them are inseparably interlinked, the OECD study discusses various areas of ecological services and ecosystem-based management and focuses on the ocean industry.

“Blue Economy” Principle in Indonesia

WWF (2012) as mention on Mahardianingtyas et al., (2019)The concept of a “Blue Economy” began to be known in Indonesia around 2012. Later, discussions related to the implementation of a “Blue Economy” began to be discussed and even became part of Indonesian maritime regulation and translated further as part of the strategic plan of the Ministry of Marine and Fisheries in 2015–2019. Law No. 32 of 2014 defines “Blue Economy” as an alternative to enhancing the environmental use and protection of aquatic and maritime resources and their ecosystem in order to realize principles of sustainable development including community engagement, cost utilization, emission reduction and multiple revenue. There are four main principles in the “Blue Economy” according to Law 32/2014 as follows;

1. the principle of community involvement,
2. resource efficiency
3. minimize waste
4. double added value (revenue)

Sustainable Blue Disclosure (SBD)

As refer to Table I, reveal the most aspect applied in sustainability report standard on POJK 51/2017 is governance aspect. This standard that might be more suitable to be applied in industries

that focus on governance such as financial institutions or services, this paper argues to add new indicator for company with scope of business related with marine and resource. The new indicator is from “Blue Economy” principle from Law 32/2014. They are the principle of community involvement, resource efficiency, minimize waste and double added value (revenue).

The steps to develop SBD using used cross reference analysis is as follow;

- step 1; collecting data indicators from sustainability report standard “POJK51/2017” (66 indicators)
- step 2; Combining the disclosure indicators with principle of “Blue Economy” Law 32/2014. (4 indicator)
- step 3; Analyst almost identical indicators POJK 51/2017 with “Blue Economy” principle (tabulation).
- Step 4; The results of the tabulation found that there is one blue economic principle similar in the “POJK51/2017” indicator wherein the principle of community involvement is similar with social indicators. The final result obtained 69 indicators applied on SBD as shown on table below;

Table II. Aspect dan Indikator Sustainable Blue Disclosure

Aspect	Governance	Environment	Economic	Social	Blue Principle	Total
Indicator	22	17	16	11	3	69
%	32%	25%	23%	16%	4%	100%

After stage 4 is conducted, additional indicators for SBD namely the blue principle are;

1. Information on the efficiency of the use of marine or fisheries resources or information on maximizing marine or fisheries resources by companies.
2. Information on company policy information in minimizing waste of marine or fisheries resources or maximizing waste generated from marine or fisheries business activities.
3. Information or policy on maximizing the use of marine / fisheries resources in increasing double company profits

RESEARCH APPROACH METHODOLOGY

Research Approach

Methodology

This research is qualitative research with content analysis as an approach or systematic categorization and analysis of content in the annual report or sustainability report. Interviews with experts in the field of sustainability report were also conducted to obtain more information in aspects of environmental, economic, social and governance (EESG) and indicators for disclosure of sustainability reporting in POJK 51/2017.

“The data sample collected using a purposive sample. The population is all companies with main business activities relating to marine and fisheries resources listed in IDX as of May 2020. In terms of the purpose of the study involves the examination of annual reports or sustainability report for the year 2015 until 2018 fiscal year. Initially, the duration of research until 2019 fiscal year, however as of May non company issued annual report or sustainability report. The selection in the fiscal year 2015 as the start of the study signifies the issuance of the OJK Sustainable Financial Roadmap.

Content analysis

This paper used content analysis (CA) method to extend disclosure of SBD on annual report or sustainability report. As an operating procedure, CA is determined "the longest known method of text analysis among the collection of analytical methods of social research" (Titscher et al., 2000). Moreover, Babbie (2013) argues CA can be defined as a study of recorded human contact with a systemic mechanism that attempts to translate the raw text into a perceivable model. Guthrie and Abeysekera (2006), the need for CA as a research method for understanding social and environmental reporting has been recognized and found that this strategy has been "proven to be successful" in this endeavor.

Many scholars used content analysis as measure method in accounting and management research. In this research the process of conducting content analysis was as follows; first, reading the annual reports or sustainability report as the unit of analysis. After reading the annual or sustainability report then analyses to identify whether the information disclosed is suitable or contains information on SBD. Score 1 was awarded if company disclosed SBD indicator and no score was awarded and the information was neglected.

RESULT AND DISCUSSION

Marine and Fisheries listed Company in Indonesia Stock Exchange.

As of May 2020, there are found 4 companies listed in IDX with main business related to marine and fisheries resources, as explain on table below;

Table III. Listed Company Marine and Fisheries Resource in IDX

Company	Establish & Listed	Head Office	Business Area	Total Asset in 2018 (Rp. Million)
PT. Centrina Proteina Prima Tbk (CCP),	1980/1991	Jakarta	Production and sales of aqua feed, seafood based, food production and fry.	6.572.440
PT. Dharma Samudera Fishing Industries Tbk (DSFI)	1973/2000	Jakarta	Marine fisheries, including fisheries products collection, purchase, transportation, processing and cold storage, export-import trading, inter-islands/regions trading.	404.998
PT Inti Agri Resources Tbk (IGR)	1999/2002	Jakarta	Fish Breeding and Trading	298.091
PT Duta Putra Utama Makmur (DPUM)	2012/2015	Central Java	Fishery / Seafood trading	2.106.990

Issuance Annual Report and Sustainability Report.

After identifying the companies related to marine and fisheries resources subsequently search for information about publishing sustainability reports, however from 2015 to the fiscal year 2019, there is no company has issued sustainability report. As of May 2020, there is no companies publish annual report for 2019 fiscal year. Perhaps the companies have not yet published an annual report because the OJK on March 19, 2020 announced that the submission of the annual report (AR) which should have been changed by March 30 at the latest by June 30, 2020. The detailed information about the issuance can be seen in Table IV below;

Table IV. Issuance Annual & Sustainability Report

On marine and fisheries listed Company 2015-2019 per Mei 2019

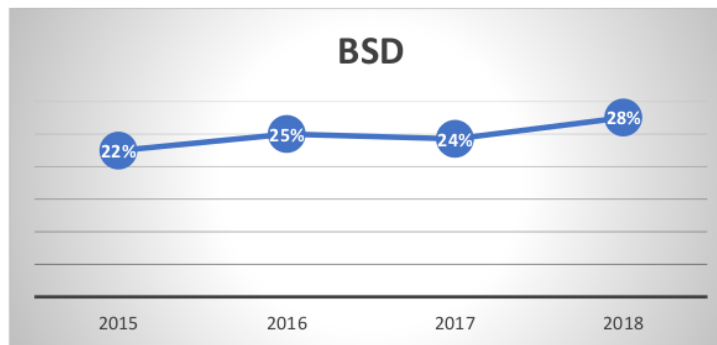
Company	2019		2018		2017		2016		2015	
	AR	SR	AR	SR	AR	SR	AR	SR	AR	SR
CCP	-	-	✓	-	✓	-	✓	-	✓	-
DSFI	-	-	✓	-	✓	-	✓	-	✓	-
IGR	-	-	✓	-	✓	-	✓	-	✓	-
DMUP	-	-	✓	-	✓	-	✓	-	✓	-

Table IV shows that none of the marine and fisheries companies publish sustainability reports. It seems companies waiting till mandatory phase in 2020 fiscal year on publish sustainable report. If company issued publish a sustainability report could be positive impact like "creating a good image," for company (Gunawan, 2015) which will increase company value on investor side.

Sustainable Blue Disclosure on overall disclosure

Through the content analysis with SBD indicator on annual report reveal that percentage of disclosure below from 2015 until 2018 as show on picture below;

Picture 1. SBD Per Year

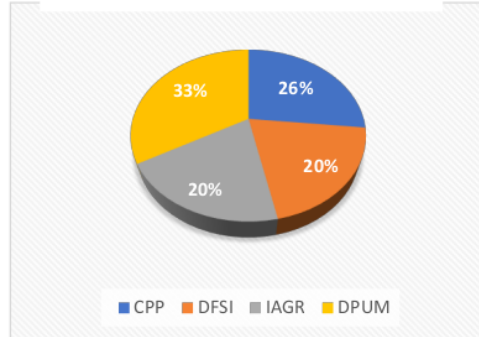


Picture 1, show that percentage of SBD from 2015 till 2018 is under 50% in average 25%. A small percentage of SBD probably agree with Gunawan (2010) explains due to the companies do not recognize the demands of the clients or the other possible justification is that companies continue to practice disclosures in compliance with their individual desires or to legitimize their operations since the study is not yet mandatory. Perhaps after 2020 fiscal year entered, the company have much disclosure on sustainability (SBD) aspect. In this sense, further examination directly with the company should be undertaken to reveal the relevant reasons

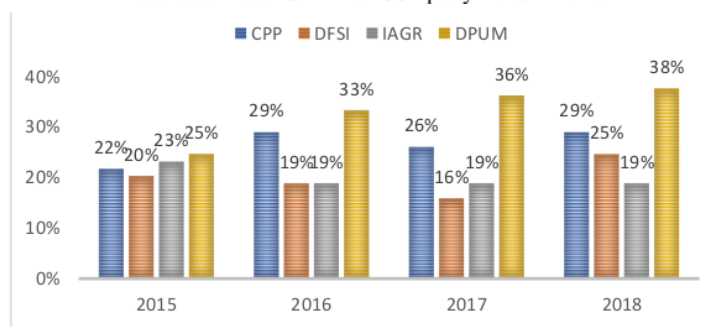
The Disclosure of SBD Aspect

As mention on literature review part of SBD which SBD consist of five aspect. There are economic, environmental, social, governance and blue principle. The percentage of SBD aspect in regards to company year on year, DPUM is the highest. It's surprising since the company has a relatively new listing in IDX compare the others company. The contain of annual report DPUM is more disclosure than the other, DPUM also the most mention about words of sustainable or sustainability on they annual report since 2015. As mention on DPUM annual report 2018, The company has raise awareness that sustainable business execution is a dedication to business growth that is directed towards growing value added in accordance with organizational principles. (Corporate Philosophy & Core Values), legal and moral principles laid down in the Code of Business Conduct) as well as the laws and regulations in effect. The least SBD from 2015 till 2018 is DFSI and IAGR as picture 2. Even though company has been listed more than 15 years, the SBD is not significant. The details of SBD per company shows on Picture No. 3

Picture 2: Total SBD 2015 – 2018

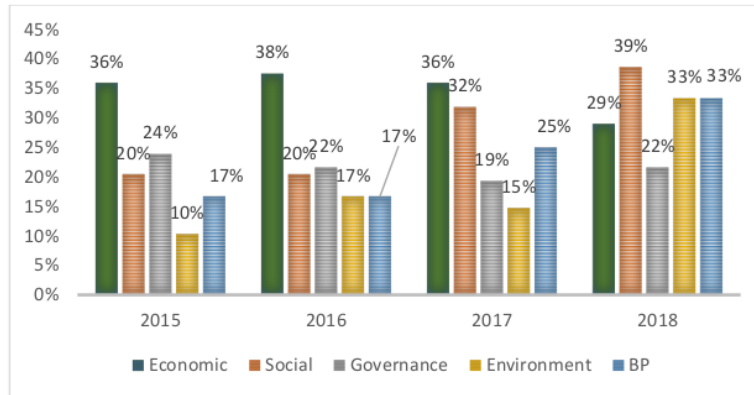


Picture 3: Detail SBD Per Company 2015 – 2018

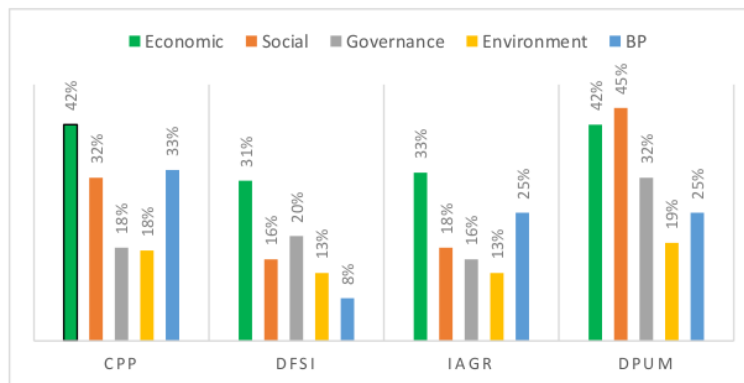


In terms of most SBD aspect is social and economic is the most reveals as picture no.4. This agree with Gunawan (2010) that most companies disclose on social aspects explained that social activities that have been carried out by companies for the interest of the readers mostly show up on company report. In economic aspect is reasonable one of the most disclosure since company will show to investor through annual report. Refer to Picture No. 5 regarding SBD Company per aspect, PT. DPUM is lead on social and economic disclosure consistently. In term of blue principle, all company disclose on resource efficiency indicator however no one company disclosure on double added value (revenue) indicator. Surprising is environmental aspect is the least disclosure which should be the most since companies activities related with natural resource. This could happen because two reason; first the indicator environment is not fit with company business process or company doesn't know to disclosure on annual report.

Picture 4. SBD Aspect Per Year



Picture 5. SBD Company Per aspect



The Challenge of business in marine and fisheries

The number of 0.6% of the total companies in IDX in 2020 is interesting to elaborate in terms of slight number of marine and fisheries companies registered. Based data from Indonesia Statistical Center, as of 2018, there total 258 company recorded with main business related type of culture within marine and fisheries resources area like Brackish Water Pond (126), Hatchery (73), Fresh Water Pond (14) and Marine (45). This paper examines deeper into annual report and found several information that explain most of the companies facing a challenge as follows;

1. Availability and quality of raw materials (like fish and shrimp) to satisfy export needs/buyer's;
2. Changing of environment condition (quality) like water and environmental that effect to raw material.
3. Working capital (Cash flow) is also limited with turnover period for the operating budget
4. Economic global effects on foreign exchange fluctuation.
5. Fluctuating Demand from the global market.

Future studies can be developed through direct interviews with companies and stakeholders such as the Ministry of marine and fisheries, Ministry of Planning and Development, Local Government or business associations.

CONCLUSION

The paper trying to answer two research question are in what extend CSD in public companies is related to marine or fisheries resources in Indonesia in terms of sustainability aspect economy, environmental, social, governance and “Blue Economy” principle (SBD) and what the issue on sustainability aspect on the companies facing,

The blue economic principle indicator is a new indicator which is adding to the existing indicators in “POJK51/2017”. The indicator the blue economic principles is as follows;

1. Information on the efficiency of the use of marine/fisheries resources or information on maximizing marine or fisheries resources by companies.
2. Information on company policy information in minimizing waste of marine or fisheries resources or maximizing waste generated from marine or fisheries business activities.
3. Information or policy on maximizing the use of marine / fisheries resources in increasing double company profits

In summary, the information of aspect and indicator SBD as of follows; governance 22 indicator; of details of aspect and indicator of SBD is as following

1. Information on the efficiency of the use of marine/fisheries resources or information on maximizing marine or fisheries resources by companies.
2. Information on company policy information in minimizing waste of marine or fisheries resources or maximizing waste generated from marine or fisheries business activities.
3. Information or policy on maximizing the use of marine / fisheries resources in increasing double company profits

As of May 2020, in IDX listing four companies with main Business is related to marine and fisheries resources. From 2015 to 2019, four companies have not released a sustainability report the issuance of an annual report by May 2020, available until 2018 fiscal year. According to content analysis of the 2015-2018, IDX's SBD for public companies did not reveal much of its sustainability. All company public scores are less than 50%. The social and economic aspects are the best expressed. PT. DPUM is most disclose on SBD. The least disclosure is environmental aspect. In term of blue principle, all company disclose on resource efficiency indicator however no one company disclosure on double added value (revenue) indicator

With huge of potential resource on marine and fisheries, number of companies listed in IDX is very small. Information retrieves from annual report stated that they facing five items to sustain they business contingency as follows;

1. Availability and quality of raw materials (like fish and shrimp)
2. Changing of environment condition (quality) that effect to raw material.
3. Working capital (Cash flow).
4. Economic global effects on foreign exchange fluctuation.
5. Fluctuating Demand from the global market

This paper has limitation as due to the insufficient availability of data collection and annual report may be in- sufficient for any specific frequency analyses. Since this data used of content analysis method, the level of subjectivity in the coding of the various disclosure products is likely considering the variety of presentations in the annual reports (Gunawan;2013).

Future studies are expected to extend the study period to 2020 book year to confirm the seriousness of public companies that comply with “POJK51/2017”. Research on business stakeholders such as the federal government, state government or business association can be deepened to answer the question of why companies in the fisheries sector are limited than others sectors. In addition, any problems related to the legitimacy of the content analysis approach which emerge since the methodology of coding text into numbers is still considered to be arbitrary. (Gunawan; 2007).

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