

## IMPLEMENTATION OF PT BERAU COAL'S CORPORATE SOCIAL RESPONSIBILITY AND GREEN ACCOUNTING FOR SUSTAINABLE DEVELOPMENT

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### ABSTRACT

*This research aims to analyze the use of Corporate Social Responsibility (CSR) and Green Accounting at PT Berau Coal towards sustainable development. The type of research used in this research is research. This research uses secondary data, obtained from the analysis of PT Berau Coal's annual report. The data analysis technique used in this research is the Miles and Huberman Model data analysis technique. The results of this research indicate that PT. Berau Coal has played a quite good role in efforts to realize sustainable development. PT. Berau Coal increases economic growth by providing substantial regional income and helping communities around the mine to become independent by providing financial assistance, coaching and facilities related to independent economic businesses such as assistance to MSMEs. The role of social activities is to provide educational assistance to the community appropriately and effectively. For environmental contributions, PT. Berau Coal tries to help build independent communities, especially in the agricultural and plantation sectors by providing land, seeds and guidance related to agriculture and plantations. PT. Berau Coal has also implemented green accounting in the form of reporting environmental costs such as environmental prevention costs and internal failure costs in the annual report for each period.*

**Keywords:** Corporate Social Responsibility (CSR), Green Accounting, Sustainable Development, PT Berau Coal.

### Introduction

Information is something that investors and potential investors need in making decisions. With information, investors can make the right decisions so that the results obtained are in line with what was expected. One of the information in question is information regarding the company's Corporate Social Responsibility. Information regarding social responsibility or Corporate Social Responsibility must be disclosed in accordance with the annual financial report so that transparency occurs and can be accounted for in front of the public (Fitriana & Juwita, 2023). In this way, more

operational information will be disclosed by Corporate Social Responsibility in the annual financial report. Disclosure of Corporate Social Responsibility is very important in order to support company sustainability and create reciprocal relationships between the company and the community and surrounding environment (Harprayudi et al., 2022).

Corporate Social Responsibility policies in companies not only have responsibilities to shareholders but also have responsibilities to other interested parties (Syabania & Nurmilah, 2023). This disclosure of Corporate Social Responsibility has been regulated by the Indonesian Accountants Association in PSAK No. 1 Paragraph 9, which states, that "Companies can also present additional reports such as reports on the environment and value added statements, especially for industries where factors The environment plays an important role and for industries that consider employees as a group of report users who hold important reports."

In Indonesia itself, in recent years there have been many impacts on company activities which have caused environmental problems. So, companies inevitably have to carry out social responsibility because society wants the impact of activities to be avoided or minimized. Therefore, the implementation of Corporate Social Responsibility is mandatory for companies as a form of responsibility for the impact of the company's activities on society and the environment (Bado et al., 2023).

PT Berau Coal again won an award in the field of Corporate Social Responsibility (CSR) or also known as the Community Development and Empowerment Program (PPM), namely in the form of the highest award or Star 5 (five stars) in the TOP CSR Awards 2023. Apart from that, the Director of Operations & HSE of PT Berau Coal, namely Arief Wiedhartono, also received the TOP Leader on CSR Commitment 2023 award. This award was given in recognition of the commitment of the Director of Operations & HSE of PT Berau Coal in supporting complete systems, governance and successful implementation of the company's CSR. This award shows that PT Berau Coal has exceeded expectations in implementing sustainable CSR practices. ([www.beraucoalenergy.co.id](http://www.beraucoalenergy.co.id), 2023).

Apart from Corporate Social Responsibility (CSR), implementing green accounting in a company can also contribute to achieving sustainable development goals. In the concept of sustainable development, there are three sectors that must be balanced in development, namely the economic sector, the social sector and environmental protection. This implementation can help the company's efforts to improve the economy which will then play a role in sustainable development. Disclosure of the implementation of green accounting has a good connection to the

future sustainability of the company, by looking at the costs used to maintain and develop the environment around the company (May et al., 2023).

### **Stakeholder Theory**

Stakeholders basically can control or have the ability to influence the use of economic resources used by the company. Stakeholder power can be in the form of the ability to limit the use of limited economic resources (capital and labor), access to influential media, the ability to regulate the company, or the ability to influence consumption of goods and services produced by the company. So then the statement emerges that when stakeholders control economic resources that are important for the company, the company will react in ways that satisfy stakeholder desires. Stakeholder theory states that stakeholders have a complex and dynamic influence on the view of an organization and its environment, influencing each other's true nature in a complex and dynamic manner..

### **Corporate Social Responsibility**

Corporate Social Responsibility is a sustainability commitment to have a positive impact on the environment and society where the company is in addition to its business activities, in order to balance the company's responsibility in generating profits but also benefiting society and the environment. Corporate Social Responsibility is a company's responsibility for various actions that affect humans, communities and the environment in general. From these several definitions it can be concluded that the definition of Corporate Social Responsibility is a form of corporate social responsibility that is based on the triple bottom line concept, namely profit, people (society), planet (environment). The company realizes that the main focus is not just profit, but rather the company must pay more attention to the social and environmental dimensions which indirectly impact business sustainability.

### **Green Accounting**

Green accounting is a business decision taken from combining environmental benefits and costs in an accounting practice (May et al., 2023). Green accounting is a company activity related to the environment which includes identifying, measuring, assessing and disclosing costs related to the environment. Green accounting is a company's financial report which must contain information on the consequences of an incident or events related to the environment. Green accounting is a way of reporting

companies related to the environment. The aim is to provide information about the company's business success based on environmental protection. The motivation behind companies to convey environmental issues is dominated by the voluntary aspect.

## **Sustainable Development**

The definition of sustainable development, since its introduction by the World Commission on Environment and Development (WCED) as stated in Our Common Future or the Brundtland report, is still currently in the realm of debate among environmental experts. This gives rise to many interpretations of the definition of sustainable development. The International Union for Conservation of Nature and Natural Resources (IUCN) (1980) in its World Conservation Strategy defines that to be a sustainable development, the implementation of development must consider environmental, social and economic factors based on living resources and consider long-term and long-term advantages and disadvantages. short of an alternative course of action. Meanwhile, based on Law Number 32 of 2009 concerning Environmental Protection and Management, sustainable development is defined as a conscious and planned effort that combines environmental, social and economic aspects into development strategies to ensure the integrity of the environment as well as safety, capability, welfare, and the quality of life of current and future generations. The Sustainable Development Goals (hereinafter SDGs) represent ambitious development goals with a transformative vision, supported by each of the 193 UN Member States. Therefore, it can be said that the SDGs bring great opportunities and great challenges for developing countries throughout the world, especially Indonesia. Although the SDGs reflect a global consensus on a “desirable future”, they have been adopted at a challenging time (Amirya & Irianto, 2023).

## **Method**

The type of research used in this research is research. This research uses secondary data, obtained from the analysis of PT Berau Coal's annual report. The data analysis technique used in this research is the Miles and Huberman Model data analysis technique. Namely, reducing data means summarizing, selecting the main things, focusing on the important things, looking for themes and patterns. Second, data presentation, all data that has been reduced will be presented in the form of tables,

graphs or narratives. Through the presentation of this data, the data is organized, arranged in a relationship pattern, so that it is easy to understand. Third, drawing conclusions, if the conclusions obtained at the initial stage are supported by valid and consistent evidence when the author returns to the field to collect data, then the conclusions obtained are credible conclusions.

## **Results and Discussion**

### **Implementation of Corporate Social Responsibility by PT Berau Coal**

PT. Berau Coal is a company that operates in the mining sector, especially coal. PT. Berau Coal has been operating since 1983. Until now, PT. Berau Coal has 3 (three) mining land locations, the first is the Lati Site, the second is the Binungan Site and the third is the Sambarata Site.

In connection with sustainable development, every company is obliged to participate in this effort. Apart from the government, multi-national companies are also actors driving development. Companies in various regions have CSR as a way to participate in efforts to realize sustainable development. CSR is a form of company concern for the surrounding community, covering several aspects, namely economic, legal, ethical aspects as well as contributions to social issues. Every company has a responsibility to the surrounding community to realize prosperity. CSR implementation can take the form of social, economic and environmental contributions. This is the basic foundation for sustainable development so that companies can encourage growth and development, especially in the areas where the company operates.

#### **1. Economy**

PT. Berau Coal participates in various economic, social and cultural activities as well as environmental preservation as a form of implementing their CSR as well as an effort to achieve sustainable development goals. In the economy, PT. Berau Coal provides quite large regional income for Berau Regency from the results of mining activities itself. Apart from the taxes provided by PT. Berau Coal, this company also helps the regional economy by assisting the micro, small and medium enterprise (MSME) program in Berau Regency by providing funding and training to these MSMEs.

#### **2. Social**

Apart from contributing to the economy, PT. Berau Coal also contributes to social activities in Berau Regency, especially in the field of education. The education and

knowledge strategy implemented by PT. Berau Coal is based on the philosophy that mining is a natural resource that cannot be renewed, while humans are a resource that can be renewed. If the company succeeds in improving the quality of education in communities around the mine, it is hoped that when mining resources run out, the communities around the mine will be creative and independent to support themselves and achieve prosperity. To achieve an independent society, PT Berau Coal is committed to completing the 12 years of compulsory education as planned by the government. Not only providing educational facilities and scholarships, PT Berau Coal also provides free transportation, such as boats and land transportation, to students from Benabaru, Inaran and Tumbit Dayak villages, in Sambaliung District and other remote areas in Berau, East Kalimantan. PT Berau Coal also provides dormitories to students living in remote areas who do not have access to roads and transportation. In this dormitory, students receive free accommodation and enjoy library facilities from PT Berau Coal.

### 3. Environment

PT. Berau Coal is also fully responsible for the condition of environmental sustainability, especially in surrounding and ex-mining locations. In carrying out mining operations, both exploration and exploitation, PT Berau Coal always complies with environmental laws and regulations. As a mining company operating in East Kalimantan, the company understands that the eyes of the whole world are focused on Kalimantan, including East Kalimantan, due to world concern regarding the rate of tropical forest destruction, while the decline in the quality of water clarity in East Kalimantan's rivers is also thought to be due to forest destruction. as a result of the operations of companies that extract natural resources. Various news stories in the media also often highlight land reclamation and revegetation practices by mining companies.

### **Implementation of *Green Accounting* by PT Berau Coal**

Basically PT. Berau Coal has implemented green accounting, this is interrelated between corporate social responsibility and environmental costs, where every company carries out a social responsibility program as a form of corporate responsibility towards the environment. The following is data on environmental management costs in PT's annual report. Berau Coal in 2022.

**Image 1. Environmental Management Costs of PT. Berau Coal in 2022**



Sources : *Annual Report, 2022*

Based on the data above, it can be concluded that PT. Berau Coal implements green accounting in the form of reporting environmental costs such as environmental prevention costs and internal failure costs in the annual report for each period. By implementing an accounting approach that considers environmental aspects, companies can optimize the use of resources, reduce operational costs, and gain long-term profits. Sustainable practices adopted in green accounting can also improve a company's reputation in the eyes of consumers and investors, opening up new opportunities to increase sales, market share and company value. Although an increase in company profits may not occur immediately, with a strong commitment to sustainable practices, companies can gain greater and more sustainable financial benefits in the future. Therefore, green accounting is an important strategy in achieving good and sustainable financial performance for companies.

### **Sustainable Development of PT Berau Coal**

The analysis was carried out by comparing the data held relating to the implementation of CSR and the implementation of green accounting related to the SDGs against 3 criteria that have been determined based on the UN SDSN.

#### **1. Achieve economic development within planetary boundaries**

Based on these criteria PT. Berau Coal seeks to help regional and state economic growth through the mining sector. As we know, good economic growth must be balanced with environmental sustainability and appropriate exploration and exploitation of nature for future needs. In this regard, PT. Berau Coal in its mining operations in Berau Regency tries to improve the surrounding and post-mining environment. This is done with the aim of improving the conditions of the surrounding and post-mining environment so that it can be used for the next generation. The reclamation and revegetation process is the method carried out by PT. Berau Coal to improve the environment and this can also help future generations to continue to increase economic growth through other sectors in the surrounding and post-mining areas. The reclamation and revegetation process is

part of the post-mining area closure process. Ex-mining land is returned according to its intended use. This ex-mining land was then re-landscaped and also used as farming land.

2. *Ensure effective learning for all children and for youth for their lives and their livelihoods*

In terms of achieving social welfare, PT. Berau Coal is focused on working with the Berau Regency government to improve effective education for the community. PT. Berau Coal contributes by providing facilities and scholarships to local students. Apart from that, PT. Berau Coal also provides transportation for students in areas around the mine as a means of access to school. PT. Berau Coal also provides dormitories for students living inland who do not have access to roads and transportation.

3. *Improve agricultural systems and raise rural productivity*

To achieve environmental resilience and achieve sustainable development PT. Berau Coal helps improve the plantation and agricultural sectors. PT. Berau Coal provides guidance and assistance to cocoa farmers and collaborates with the Jember Coffee & Cocoa research center. Apart from Cocoa PT. Berau Coal is also preparing 1 hectare of main land for a rubber plantation and 50,000 seeds to improve the agricultural and plantation system in Berau Regency as an effort to realize sustainable development.

## **Conclusion**

From the results of the analysis above, it can be concluded that PT. Berau Coal has played a quite good role in efforts to realize sustainable development. PT. Berau Coal increases economic growth by providing substantial regional income and helping communities around the mine to become independent by providing financial assistance, coaching and facilities related to independent economic businesses such as assistance to MSMEs. The role of social activities is to provide educational assistance to the community appropriately and effectively. Providing scholarships to selected students, providing transportation and dormitory assistance to people living in remote areas who have poor access to education. For environmental contributions, PT. Berau Coal tries to help build independent communities, especially in the agricultural and plantation sectors by providing land, seeds and guidance related to agriculture and plantations. Apart from that, PT. Berau Coal has also implemented green accounting in the form of reporting environmental costs such as environmental prevention costs and internal failure costs in the annual report in each period.



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