

ABSTRACT

This study is a case study about corporate social responsibility in a multinational company in regard to identify a link between APP's environmental incidents in Indonesia and its disclosure initiatives subsequent to the incidents in sustainability reporting of PT. Asia Pulp and Paper (APP). This study aims to: understand whether news media attention as proxy for public concern has an impact on APP disclosure practices; analyze the media attention associated with the environmental incidents; analyze the company comply with the standard of Global Reporting Initiative in APP sustainability report; analyze the corporate strategy in its sustainability report after the incidents.

Data collection methods used in this study were analysis of corporate documents and media articles. This study uses semiotic analyses to analyze narrative texts which contained in APP sustainability report. The data obtained were analyzed by using description and interpretation. The analyzed data is 2005-2009 APP sustainability report. APP's sustainability report is obtained by downloading it at company's website, which is www.asiapulppaper.com.

This study concluded that APP complies on Global Reporting Initiative Guidelines in reporting its sustainability performance. This study claims that generally APP has conducted the disclosure standard required by Global Reporting Initiative. This study reviewed local and global news media articles for over six years (subsequent to the incidents) to understand whether or not APP's environmental disclosure initiatives were associated with the media attention pertaining to its environmental incidents in Indonesia. The study also suggests that APP's environmental disclosure was associated with the public pressures as measured by media news coverage towards the APP's incidents. The motivation of firms in conducting environmental disclosure practices is to apply the principles of Global Reporting Initiative, meet the expectations of stakeholders, gain legitimacy, and environmental disclosure practices based on company vision, mission and its sustainability targets.

Keywords: *sustainability report, corporate social responsibility, sustainability performance, environmental disclosure, environmental incidents, Global Reporting Initiative*