

# Development of Sustainability Reporting Framework for Live Below Water: The Case of Indonesia and Malaysia

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## **Abstract**

*This study examines and compares sustainability reporting frameworks related to marine life conservation in Indonesia and Malaysia, two countries with rich marine biodiversity and significant maritime industries. Both nations face unique environmental challenges, such as coral reef degradation, overfishing, and pollution, which threaten marine ecosystems. The research focuses on the effectiveness of sustainability reporting practices in the two countries by analyzing their approaches within the framework of the United Nations' Sustainable Development Goal 14 (SDG 14) - "Life Below Water." Through a comparative analysis of corporate and governmental sustainability reports, this study identifies common practices, reporting standards, and regulatory frameworks used in each country. The findings reveal key differences in transparency, stakeholder engagement, and adherence to international standards like the Global Reporting Initiative (GRI). The study highlights best practices and offers recommendations for enhancing sustainability reporting to better support marine conservation goals. This research contributes to the discourse on sustainability practices in Southeast Asia and suggests improvements to reporting mechanisms that could support effective policy and promote sustainable use of marine resources. The insights gained from this study aim to foster stronger regional cooperation between Indonesia and Malaysia for the protection and preservation of marine ecosystems.*

**Keywords:** Sustainability report, marine life, Indonesia and Malaysia, conservation

## **INTRODUCTION**

Diplomacy is one of the most important tools in implementing a country's national interests, which is carried out in negotiations by someone who usually represents a country or organization, with diplomacy as the main tool in achieving national interests related to other countries or international organizations (Shaikh, 2021). Diplomacy is a process in which actors (diplomats and countries, international organizations, etc.) in an international system interact to communicate between professional diplomats representing their respective countries, and although these activities are generally carried out to fight for the national interests of each country, diplomacy can also discuss issues of peace, trade, war, economy, culture, environment, and human rights (Wong, 2019). Diplomats often negotiate international agreements before they are approved in higher places.

Indonesia and Malaysia have been working together for a long time. Until now, several partnerships have been carried out between Indonesia and Malaysia to improve relations between the two countries. The cooperation covers several fields, including economics, education, social, and anti-terrorism. Every year, Indonesia and Malaysia cooperate in the field of education through student exchanges. In the economic sector, a large number of Malaysian investors who invest in Indonesia have helped the Indonesian government reduce the unemployment rate. Malaysian investors who make these investments have similarities in traditional cultural traditions that have been passed down from generation to generation. International collaboration is a term used in international relations. The diversity of national interests of various countries is served through international cooperation that cannot be realized in their own countries. International cooperation is the opposite of international conflict, which is one

aspect of international relations. In other words, international cooperation can be formed because international life covers various fields, including ideology, politics, economics, society, environment, culture, defence, and security. This gives rise to various interests, thus giving rise to various social problems. Several countries have organized international partnerships to find answers to these difficulties(Sutopo et al., 2014).

Indonesia is a country consisting of many islands, of course making Indonesia a rich country. Indonesia's potential is also very diverse because of the many natural resources it has. One of the utilization of natural resources under the sea. Likewise with Malaysia. As one of Indonesia's neighboring countries which is very close and strategic will also bring priority progress in the economic sector. The economy is a very important field, even a country is said to be advanced if its economic level is smooth. A country must be able to stabilize its economic condition from time to time and for a certain period(Batae et al., 2020). The indicator is seen from the number of people working and the reduction in poverty in a country. So if the condition is reversed, such as decreasing income and high unemployment, it can be said that a country is experiencing economic decline. To develop this sector, of course, the country must be able to optimize it as well as possible to prevent economic decline in a country by working together. Development and renewal in the maritime sector which continues to be carried out also has the goal of maritime is also a field to improve the economy of a region(Radu et al., 2023). The existence of this is very helpful in improving the welfare of life, and preserving nature and the environment, besides that it can also become a characteristic and later the sustainability of increasingly good and diplomatic relations. And in this case, it is the relationship between Indonesia and Malaysia related to the sustainability of underwater relations.

## RESEARCH METHOD

The stages of the research begin by reading literature related to the same theme as the journal or previous writing. The data used in this study is a type of qualitative data. Qualitative data is data that is stated in a sentence or explanatory description(M Miles, M. B., & Huberman, 2009). Qualitative data in this study were obtained from sources containing information and descriptions that can be used to complete the writing in this journal. Data analysis in this study uses qualitative analysis, namely the presentation carried out which begins with determining the theme and collecting some data then analyzing and presenting it which aims to explain the information or sources obtained until the last stage, namely drawing conclusions or closing. The nature of qualitative analysis also includes observing the process of a phenomenon or event being studied, not just deepening the meaning of the data(Sugiyono, 2022).

## RESULT AND DISCUSSION

Indonesia's international relations have been established with various countries in the fields of economy, society and many more. Especially cooperation between Indonesia and Malaysia which has established cooperation in various fields. Because it is also located in mainland Southeast Asia and can be said to be a close neighbour, it is easier to cooperate. Indonesia and Malaysia themselves have carried out

a lot of cooperation, including in the field of education, namely by establishing relations with student exchanges every year, the social sector and even in the field of dealing with terrorism. In the economic sector, it can be seen that investors from other countries, especially Malaysia, have invested a lot of investment shares in Indonesia. Malaysia has invested a lot of shares, especially in the palm oil sector, which also reduces the unemployment rate. By strengthening the market, increasing trade production and facilitating the tools used for production so that the desired smoothness and targets are achieved(Madyan & Widuri, 2023).

Border areas in Indonesia certainly have quite high trade routes. Like the border between Indonesia and Malaysia which have had relations for a long time. This cooperation is easily carried out because of the similarities in customs, ethnicity and language used, although not the same. The existence of this socio-cultural similarity gives rise to social relations between countries that benefit both parties. In developing the marine aspect, the following things are very much needed, namely paying attention to the needs or demand and supply related to underwater businesses(Ottenstein et al., 2022). Usually, the demand aspect has market segmentation which must also be considered as a marketing effort so that the target market is achieved. The development of this marine aspect is related to preservation which has the potential to have beauty and natural wealth. With the capital of a place, this must be developed from the past as well as social sources and its supporters. If all of that is done, the potential of the area can be used as a development agenda that seeks to meet current needs without reducing the ability of future generations to meet their needs(Lenort et al., 2023). SDGs are the most frequently discussed thing to be used as the next development agenda between Indonesia and Malaysia.

Currently, Indonesia and Malaysia are still trying to accommodate input and develop a sustainable development agenda. However, there are important things in supporting the successful implementation of the sustainable development agenda, such as the availability of data that can be used to support, monitor and implement the sustainable development process. In the implementation of the MDGs, data availability has been improved, but better data is still needed(Saha et al., 2024). To overcome this, HLPEP recommends a data revolution. The core of the data revolution includes two things, namely statistical integration in both the public and private sectors and building trust between the community and the government through transparency and accountability.

The UN Sustainable Development Goal (SDG 14) or "Life Below Water" is a goal to conserve and sustainably use the seas, oceans, and marine resources. Some of the priority areas in SDG 14 are: Protecting marine biodiversity, Eliminating unsustainable fishing practices, Reducing marine pollution, Monitoring ocean acidification, and Conserving biodiversity in areas beyond national jurisdiction. Sustainable development is a development process that is based on the principle of meeting the needs of the present without compromising the needs of future generations(Heras-Saizarbitoria et al., 2021). Sustainable development covers three aspects, namely economic development, social development, and environmental protection. It also applies to marine life conservation in Indonesia and Malaysia, two countries with rich marine biodiversity and significant maritime industries. Both countries face unique environmental challenges, such as coral reef degradation, overfishing, and pollution, which threaten marine ecosystems.

The ocean absorbs about 23 per cent of the annual CO<sub>2</sub> emissions caused by human activity, helping to mitigate the impacts of climate change. It also absorbs more than 90 per cent of the excess heat in the climate system. Ocean warming is reaching record levels, causing widespread marine heat waves, threatening its rich ecosystems, and killing coral reefs around the world. The rising levels of litter in the world's oceans are also having major environmental and economic impacts. Each year, an estimated 5 to 12 million metric tons of plastic enter the ocean, costing an estimated \$13 billion a year – including cleanup costs and financial losses to fisheries and other industries. About 89 per cent of the plastic debris found on the ocean floor is single-use items such as plastic bags. About 80 per cent of all that is found occurs in coastal areas. The tourism industry is one of the largest in the ocean, growing by about \$134 billion a year and in some countries, supporting more than a third of the workforce. Unless carefully managed, tourism can pose a major threat to the natural resources it relies on, and to local cultures and industries(Monteiro et al., 2021).

The ocean is the lifeblood of our planet and a regulator of the global climate system. It is the world's largest ecosystem, home to nearly a million known species and containing vast untapped potential for scientific discovery. The ocean and its fisheries continue to support the economic, social and environmental needs of the global population. Despite the critical importance of preserving the ocean, decades of irresponsible exploitation have led to alarming rates of degradation.

Goal 14 is about conserving and sustainably using the oceans, seas and marine resources. Healthy oceans and seas are essential for human existence and life on Earth. The ocean is fundamental to our life on Earth. It covers three-quarters of the Earth's surface, holds 97 per cent of the Earth's water, and represents 99 per cent of the planet's living space by volume. The ocean provides key natural resources including food, medicines, biofuels and other products; helps decompose and dispose of waste and pollution; and its coastal ecosystems act as buffers to reduce storm damage. The ocean also acts as the planet's largest carbon sink. Alarmingly, ocean pollution is reaching extreme levels, with more than 17 million metric tons clogging the oceans in 2021, a figure set to double or triple by 2040. Plastic is the most dangerous type of ocean pollution. Today, the average pH of the ocean is 8.1, which is about 30 per cent more acidic than in pre-industrial times. Ocean acidification threatens the survival of marine life, disrupts food webs, and undermines the vital services the ocean provides and our food security(Steyn, 2014).

Careful management of this vital global resource is a key feature of a sustainable future. This includes increasing funding for ocean science, intensifying conservation efforts, and urgently reversing climate change to protect the planet's largest ecosystem. Current protection efforts fall short of the urgent need to protect this vast but fragile resource. And that is true in the waters around Indonesia and Malaysia.

## CONCLUSION

Our research findings demonstrate how important it is for countries' strategies to incorporate the Sustainable Development Goals (SDGs) to enhance financial success. For both the high and deep seas, sustainability can only be achieved through increased international cooperation to protect vulnerable

habitats. A comprehensive, effective and equitably managed government-protected area system must be pursued to conserve biodiversity and ensure a sustainable future for the fisheries industry. In addition to aligning with the global sustainability agenda, this integration provides a competitive advantage for businesses. Organizations are encouraged to methodically incorporate the SDGs into their strategic frameworks. A comprehensive investigation is needed to determine which goals have the most direct impact on their operational domains and business models. Indonesia and Malaysia can effectively allocate resources to projects with the greatest potential impact on sustainability and financial outcomes by concentrating on relevant SDGs. Businesses can identify environmentally viable initiatives by conducting a thorough cost-benefit analysis of their environmental sustainability strategies. This analytical method helps develop strategies that improve financial performance while meeting environmental obligations.

Businesses must be fully committed to implementing the social SDGs, as evidenced by the budget and resources allocated. This commitment goes beyond mere compliance to promote social equity and well-being. To ensure that social goals such as fair work, equality, and education are actively pursued and funded, businesses must work to integrate social goals into their fundamental operations. Creating an enabling environment for SDG implementation requires active collaboration between business management and governance organizations. The ultimate goal of this collaboration is to create clear regulations, incentives, and rules that make it easy for businesses to implement the SDGs into their daily operations. At the local level, we must make ocean-friendly choices when purchasing products or consuming food from the ocean and only consume what we need. Reducing our plastic use is essential. The health of the ocean is inextricably linked to our health. The diversity of species found in the ocean offers great promise for pharmaceuticals. In addition, marine fisheries provide 57 million jobs globally and provide a primary source of protein for over 50% of the population in the least developed countries. One of them is Indonesia and Malaysia.

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