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ANALYSIS OF SUSTAINABLE DEVELOPMENT BY ICMM AND ISO 26000 TOWARDS ALEXANDER DAHLSRUD AND GEOFFREY LANTOS CORPORATES SOCIAL RESPONSIBILITY DIMENSIONS CASE STUDY: PT. FREEPORT INDONESIA

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Abstract. Corporate Social Responsibility (CSR) has been known as an activity of a company to maintain good relations with their employee, local communities and government. It is also an act of contribution towards environment. The purpose of CSR is to create a sustainable business. Every company has their own CSR programs and their consideration on creating it. Therefore, this research tries to analyse frameworks of PT. Freeport Indonesia CSR program towards Alexander Dahlsrud and Geoffrey Lantos definition of CSR. Alexander Dahlsrud created a CSR dimension that consist of 5 dimension which are environment, social, economic, stakeholder, and voluntaries. Geoffrey Lantos also created a CSR dimension that consist of 3 dimension which are ethical, altruistic, and strategic. The purpose of this research is to compare PT. Freeport Indonesia towards Alexander Dahlsrud and Geoffrey Lantos concept of CSR. Expectantly, this research will help PT. Freeport Indonesia on conducting further CSR programs. This research uses qualitative approach with several departments of PT. Freeport Indonesia and minor quantitative approach by crosschecking with PT. Freeport Indonesia CSR reports. From the findings, author knew frameworks used by PT. Freeport Indonesia are International Council on Mining and Metals: Sustainable Development and International Organization for Standardization 26000. Furthermore, author found that those frameworks have similarity towards Alexander Dahlsrud and Geoffrey Lantos CSR dimensions.

Key words: CSR, ICMM, ISO 26000. Alexander Dahlsrud, Geoffrey Lantos

INTRODUCTION

Background

Nowadays, the concept of CSR is gaining improvement to a serious concern towards a business. The first definition of CSR was presented by Bowen (1953, p. 6), who describes it as “obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.” Now days the transformation of CSR is that profits can no longer be a corporation’s main objective, in fact their success is also based on their relationship with their stakeholder, which encompass many interests, chief among them social and environmental issues. This conclusion is the result of many attempts throughout the years to define the distinctive features and rules of CSR (Manne and Wallich, 1972).

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Internal CSR is described as the policies and activities of a company that are related to the psychological and physiological well-being of its employees (Brammer, 2007). These include respect for human rights, employee health and safety, work-life balance, employee training, equal opportunity, and diversity (Turker, 2009). External CSR includes environmental and social practices that help to strengthen the firm's legitimacy and reputation among its external stakeholders (Carroll, 1979). External CSR activities include volunteerism, cause-related marketing, corporate philanthropy, and environmental and wildlife protection (Brammer, 2007).

Problem Statement

There are two theories of Corporate Social Responsibility that can be used as a framework to make an ideal CSR program. First one was created by Geoffrey Lantos that defines CSR needs to have 3 aspects which are Altruistic, Strategic, and Ethical (Geoffrey Lantos, 2002) The second one was defined by Alexander Dahlsrud who describes CSR into 5 dimensions. The 5 dimensions of CSR are divided into environmental dimension, social dimension, economic dimension, stakeholder dimension, voluntaries dimension.

Therefore, this research will need to take place to a company that is a multinational company to correlate with (Matten and Crane, 2005) analysis about CSR in multinational company. The company also need to already have a CSR program as a primary data to be analyze towards (Alexander Dahlsurd, 2006) concept about CSR and also referring towards (Geoffrey Lantos, 2002) theory. This is why author chooses PT. Freeport Indonesia as the company to do the research.

PT. Freeport Indonesia is a mining company that operates in Papua region, Indonesia. The CSR program of PT. Freeport Indonesia had been growing wider from not just in their operating sites but also a cross Indonesia. This is unlike any other companies in Indonesia since the scale of the CSR targets and area are gigantic. This condition led to a condition where PT. Freeport Indonesia CSR programs are interesting to be analyzed. PT. Freeport Indonesia itself uses two frameworks as their consiederation on creating their CSR programs which are International Council on Mining and Metals: Sustainable Development and ISO 26000. Furthermore, these two frameworks by PT. Freeport Indonesia could have similarity or differences with CSR frameworks usen by author which are Alexander Dahlsrud CSR dimension and Geoffrey Lantos CSR dimension

Research Objective

1. Analyze PT. Freeport Indonesia CSR framework
2. Analyze sustainable development by ICMM and ISO 26000 towards Alexander Dahlsurd and Geoffrey Lantos theory

LITERATURE REVIEW

CSR

The first definition of CSR was defined by Bowen (1953), as the social obligation “to pursue those policies, to make those decisions, or to follow those lines of action which are desirable ion terms of the objectives and values of our society” (p. 6). The social obligation view of CSR is the foundation of future research in the CSR area. Following Bowen’s (1953) book, in 1979 Carroll identifies the CSR pyramid, which includes four stages of CSR development: economic, legal, ethical, and philanthropic obligation, Further, Carroll (1979) argues that “these four categories are not mutually exclusive, nor are they intended to portray a continuum with economic concerns on one end and social concerns on the other” (p. 499).

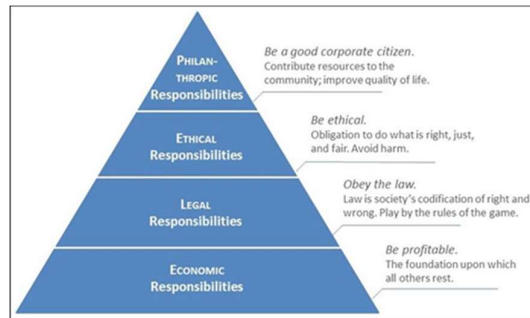


Figure 1 Carroll's CSR Pyramid

A few definitions of CSR show that corporations are expected to contribute towards societal development, improve on corporate reputation and be a corporate citizenry. The social responsibility of business consists of economic, legal ethical and discretionary initiatives aimed at fulfilling stakeholder expectations (Carroll, 1979). According to (Carroll, 1979) companies are expected to concern about these following things:

1. Sustainable development business
2. Transparency and accountability
3. Maintain good stakeholder relationship management
4. Advocacy on different aspects of human rights, justice and democratic principles
5. Compliance with accepted international standards on CSR
6. Ethical business practice

PT Freeport Indonesia

PT. Freeport Indonesia Is an affiliate of Freeport-McMoRan. Freeport mining, processing and exploration for ore containing copper, gold and silver. Operating in highland areas Timika Papua Province, Indonesia. We market concentrates containing copper, gold and silver all over the world. Complex in the Grasberg mine ours is one of the single largest copper and gold in the world and contains copper reserves that can be taken of the largest in the world, besides single largest gold reserves in the world. Grasberg is located in the heart of a region which is very abundant mineral, where exploration activities are ongoing opportunities to continue to increase our reserves are long-lived.

Freeport-McMoRan (FCX)

Freeport-McMoRan (FCX) is a major international mining company with headquarters in Phoenix, Arizona, United States. FCX operates a variety of large long-lived assets that are geographically dispersed over four continents, with significant proven and probable reserves of copper, gold and molybdenum. Ranging from equatorial mountains in Papua, Indonesia, to the deserts in the Southwest United States, majestic volcanoes in Peru, a traditional area of copper producer in Chile and exciting new opportunities in the Democratic Republic of Congo, we are at the forefront of metal supply much needed in the world. Freeport-McMoRan (FCX) is a public company in the field of copper in the world, the world's leading producer of molybdenum - a metal used in high-strength steel alloys, chemical products, and production of oil - as well as a large producer of gold. As an industry leader, FCX has demonstrated proven expertise on technology and production methods to produce copper, gold and molybdenum. FCX organized activities through several major subsidiaries; PTFI, Freeport-McMoRan Copper Corporation and Atlantic. (source PT. Freeport Indonesia, official site)

Company CSR Programs

According to PT. Freeport Indonesia official site, there are 5 CSR programs conducted in the company.

1. **Women's Empowerment:** PT. Freeport Indonesia is highly supportive of women's empowerment programs in all sectors of life. PT. Freeport Indonesia community development programs also include improvement programs for women emancipation. Since 2008, PTFI by way of Aitomona Cooperative has been empowering Papuan women and providing skills for housewives, allowing them to play a role in increasing family incomes. Through various training courses to teach household financial management, sewing and preparing dishes with local ingredients, the women learn how to generate cottage industries.

2. Reclamation and Re-vegetation: PT. Freeport Indonesia is committed to the reclamation and revegetation of disturbed lands when they are no longer used for mining operations. They have conducted scientific studies and programs.
3. Labor: PT. Freeport Indonesia committed to building a safe and satisfying working climate in a professional for their employees. Their labor policies, programs, and practices are designed to assist employees with both their growth. The purpose is to create employee engagement towards PT. Freeport Indonesia
4. Occupational Safety: PT. Freeport Indonesia have a safe Production Program identifies the final goal of sustainable improvement in relation to safety and health performance. They really concern about Standard Operational Procedure (SOP) and Human Safety Environment (HSE) in their workforce.

METHODOLOGY

Research Design

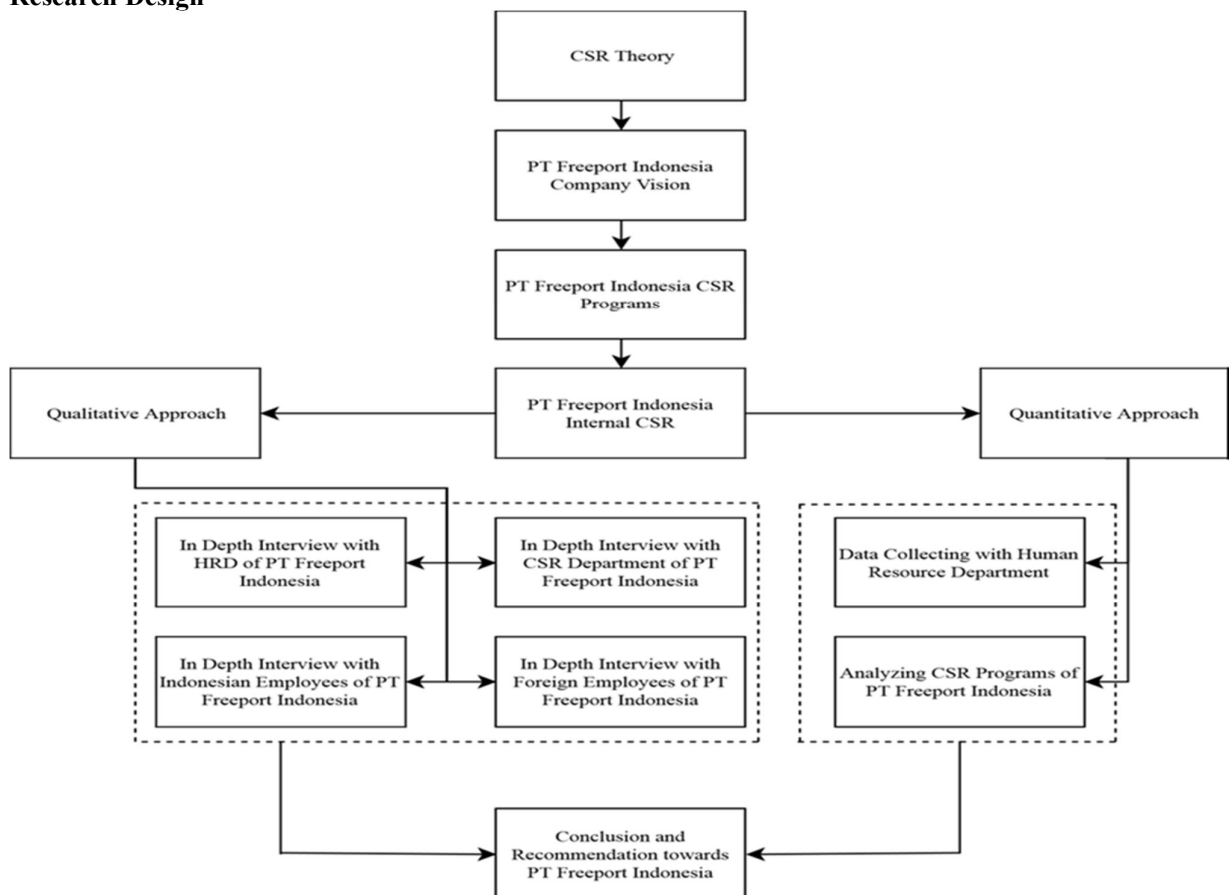


Figure 2 Research Design

CSR Theory

The first step of this research by defining and analyzing CSR theories from authors. This includes analyzing the definitions of CSR theory given by authors by defining the many CSR definitions author will correlate the main definition, types, and dimension of CSR and use it as a literature study for conducting this research. In this research author uses Dahlsrud theory of CSR dimension (Dahlsrud, 2006) and Geoffrey Lantos theory about CSR types (Geoffrey Lantos, 2002)

Table 1 Definition of Alexander Dahlsrud CSR

Dimension of CSR by Dahlsrud		
Dimension	The definition is coded to the dimension if it refers to	Example phrases

The environmental dimension	The natural environment	'a cleaner environment' 'environmental stewardship' 'environmental concerns in business operations'
The social dimension	The relationship between business and society	'contribute to a better society' 'integrate social concerns into their business operations'
The economic dimension	Socio-economic or financial aspects, including describing CSR in terms of a business operation	'contribute to economic development' 'preserving the profitability' 'business operations'
The stakeholder dimension	Stakeholders or stakeholder groups	interactions with their stakeholders' 'how organizations interact with their employees, suppliers, customers and communities'
The voluntaries dimension	Actions not prescribed by law	'based on ethical values' 'beyond legal obligations' 'voluntary'

According to Dahlsurd theory about CSR dimension, there are 5 dimensions about CSR that is divided based on the CSR programs refers to. These CSR dimensions is used for analyzing PT. Freeport Indonesia CSR program and correlate it towards Dahlsurd's theory.

Table 2 Definition of Geoffrey Lantos CSR

Geoffrey Lantos CSR dimensions	
Ethical CSR	Company's CSR Program to avoid harms or social injuries
Altruistic CSR	Contributing the common goods at the possible expenses of the business for altruistic humanitarian or philanthropic causes
Strategic CSR	Firms social welfare responsibilities that benefit both corporation and stakeholders

Another theory is used on conducting this research is Geoffrey Lantos theory about CSR types based on their action characteristics. There are three CSR types, which are Ethical CSR, Altruistic CSR, and Strategic CSR (Geoffrey Lantos, 2002). Author uses these two theories for mapping PT. Freeport Indonesia Internal CSR program and classify them according to Geoffrey Lantos theory and Dahlsurd's theory.

PT Freeport Indonesia CSR Programs

Analyzing PT. Freeport Indonesia CSR is an important part of this research. Author needs to understand briefly about PT. Freeport Indonesia CSR programs purpose and find how it effects to help PT. Freeport Indonesia achieve their vision. PT. Freeport Indonesia has a CSR goals to be a good corporate citizen, continually strive to make positive contributions to the community in the location of our operations, and certainly to the people and nation of Indonesia in general. PT. Freeport Indonesia work towards sustainable development through ensuring a healthy environment. PT Freeport Indonesia have four CSR programs to achieve their CSR vision.

PT Freeport Indonesia Internal CSR

After analyzing PT. Freeport Indonesia's CSR programs author divide the CSR programs in to two types of CSR program. The first one is internal CSR and the second one is external CSR. This step has a purpose to make more detail on the research conduct and achieve more valid data to correlate with theories used during the research. Furthermore, author only analyze the internal CSR part of PT. Freeport Indonesia.

Qualitative Approach

This research is conduct by mixing qualitative approach and Quantitative approach. To achieve qualitative data on this research, author will interview 4 types of respondent. The first one is the Human

Resource Department. As the department that do the recruitment, author will try to find CSR programs of PT. Freeport Indonesia that effects the recruitment, since one of the programs of PT. Freeport Indonesia CSR programs is labor. The second one is the CSR department. CSR department as the department who creates the CSR programs is one of the most important key respondents to know how the PT. Freeport Indonesia CSR programs are made and its purpose. The third one is Indonesian employee as the target of the CSR programs, author would like to know how they feel towards CSR program of PT. Freeport Indonesia. Also, about their satisfaction about the company its self. Last but not least is the foreign worker in PT. Freeport Indonesia, to analyze the difference between Indonesian employee and foreign employee. In this part author uses The Four-Phase Process to Interview Protocol Refinement (IPR) (Milagros Castillo, 2016)

Phase 1: Ensuring interview questions align with research questions,

Phase 2: Constructing an inquiry-based conversation,

Phase 3: Receiving feedback on interview protocols

Phase 4: Piloting the interview protocol.

Quantitative Approach

Quantitative Data is used as secondary data to support authors finding during qualitative data findings. Author will use list of employee data in PT. Freeport Indonesia and analyze its distribution towards the CSR program of PT. Freeport Indonesia. To receive the quantitative data author will ask PT. Freeport Indonesia Human Resource Department for accessing the list of employee data. This will help authors research to make better data findings.

Conclusion And Recommendation

After all the data are achieved, author will analyze the results of qualitative data and quantitative data to find the effects of CSR programs towards achieving its company's vision. By mapping it towards Dhalsurds theory and Geoffrey Lantos theory in CSR. To achieve valid data before giving recommendation and further evaluation if necessary, for PT. Freeport Indonesia

Sample Size

The number of respondents can keep going until there are no more emerging new themes found from the interviewed respondents, as the data has reached its saturation (Marshal, 1996). Thus, this study ends up with 4 respondents as the subject for data collection.

DATA ANALYSIS

Interview Sheet

In depth interviews had been conducted to 4 employees of PT. Freeport Indonesia. The background of the respondents was from CSR department, Human Resource division of recruitment, Human Resource division of compensation. The interview results are presented as follows.

The first respondent was in the CSR department. He uses the mix of ISO 26000 (International Organization for Standardization,2010) and International Council of Mining and Metals: A sustained commitment to improve industry performance (ICMM,2003) as the framework of conducting CSR program in PT. Freeport Indonesia. Although he thinks that Alexander Dahlsurd and Geoffrey Lantos concept of CSR is very good, the international mining council already made a business principal to control every mining company in the world. He thinks PT. Freeport Indonesia CSR is the best CSR program made in Indonesia. PT. Freeport Indonesia have been making CSR programs in a big scale, not just for Papua region but in the whole Indonesia itself.

The second respondent was in the external part of CSR department. She thinks that the role of PT. Freeport Indonesia is getting bigger. PT. Freeport Indonesia CSR program has transformed, from developing only local communities in province of Papua to developing the entire Indonesia. He told there are a lot of external factors on creating CSR program

The third respondent was the person in charge for Fresh Graduate Program (FGP). This program was one of PT. Freeport Indonesia to provide jobs for Indonesian fresh graduate students in Indonesia. PT. Freeport Indonesia have a consideration to look for employee from East before going to the West. They will prefer to recruit Papua employee rather than other Indonesian, but if the position cannot be fill with a Papua employee, they will start to recruit employee from Java.

The forth respondent is the person who works in the Human Resource Department. She told about the facilities and intensive for employee. There was no difference between foreigner and local workers. Every employee receive compensation equally, such as health insurance, family intentsive, and educational scholarship. These compensations are given to motivate and make employees more loyal.

The fifth respondent is an underground engineer in PT. Freeport Indonesia, accepted through the FGD program. From the fifth respondent author would like to know about the stakeholder dimension. He thinks that PT. Freeport Indonesia compensation is very good. They provide health insurance, educational scholarship, and family intensive.

Comparing Framework Used by PT Freeport Indonesia towards Dahlsrud and Lantos concept of CSR

PT. Freeport Indonesia uses the combination of ISO 26000 and ICMM sustainable development framework to conduct their CSR. In this part of the final report author will analyze both frameworks used by PT. Freeport Indonesia towards the concept created by Alexander Dahlsrud and also Geoffrey Lantos.

ISO 26000

Table 3 7 Principles of ISO 2600

	Principals	Definition
1.	Accountability	CSR programs must be responsible towards local communities
2.	Transparency	CSR programs must be transparent about funds and programs
3.	Ethical behavior	CSR programs must be ethical to certain norms in the local communities
4.	Respect for stakeholder interests	CSR programs must respect their stakeholder
5.	Respect for the rule of law	CSR programs must follow and obey regulations and law in the area
6.	Respect for international norms of behavior	CSR programs should follow international norms of behavior
7.	Respect for human right	CSR programs must respect human rights

ISO 26000:2010 provides guidance rather than requirements, so it cannot be certified to unlike some other well-known ISO standards. Instead, it helps clarify what social responsibility is, helps businesses and organizations translate principles into effective actions and shares best practices relating to social responsibility, globally. It is aimed at all types of organizations regardless of their activity, size or location

Table 4 7 Core Subjects of ISO 2600

7 Core Subjects of ISO 26000		
	Subjects	Definition
1.	Organizational governance	Local governance and national governance
2.	Human rights	Concern about human rights of employee
3.	Labor practices	Provide jobs towards local communities
4.	Environment	Concern about environment in the business area
5.	Fair operating practices	Fair business activities towards employee, government, and local communities
6.	Consumer issues	Concern about consumer issues
7.	Community involvement and development	Developing local communities and letting them involve towards business activity

ICMM CSR Concept

ICMM came into being following a three-year multi-stakeholder review process known as the Global Mining Initiative (GMI) launched in 1998 by the Chief Executive Officers (CEOs) of nine of the largest

mining and metals companies. They recognized that the various challenges facing the sector were beyond the capacity of companies working alone. Initially the GMI involved the Mining Minerals and Sustainable Development (MMSD) project - a two-year, independently-assured research project to better understand the issues facing the sector and how they might be addressed. This was conducted by the respected International Institute for Environment and Development and involved consultation with scores of stakeholder groups across the world. Its concluding report, *Breaking New Ground*, issued detailed recommendations to companies, governments, and other actors. Another key output of the GMI was the recognition by the leading companies that, going forward, industry representation in this area needed to be broadened and given a more ambitious mandate. Hence, in 2001, ICMM was established. Towards the end of the process the GMI involved a global conference in Toronto in May 2002, which enabled the participants to prepare for the World Summit on Sustainable Development later that year. At the end of the conference CEOs of ICMM member companies adopted the Toronto Declaration which sets out various important commitments

Table 5 ICMM 10 Principals

	Principals	Definition
1.	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development	<ol style="list-style-type: none"> 1. Develop and implement company statements of ethical business principles, and practices that management is committed to enforcing. 2. Implement policies and practices that seek to prevent bribery and corruption. 3. Comply with or exceed the requirements of host-country laws and regulations. 4. Partner with governments, industry and other stakeholders to achieve appropriate and effective public policy, laws, regulations and procedures that facilitate the mining, minerals and metals sector's contribution to sustainable development within national sustainable development strategies.
2.	Integrate sustainable development in corporate strategy and decision-making processes	<ol style="list-style-type: none"> 1. Integrate sustainable development principles into company policies and practices. 2. Plan, design, operate and close operations in a manner that enhances sustainable development. 3. Implement good practice and innovate to improve social, environmental and economic performance while also enhancing shareholder value. 4. Encourage customers, business partners and suppliers of goods and services to adopt principles and practices that are comparable to our own. 5. Provide sustainable development training to ensure adequate competency at all levels among our own employees and those of contractors. 6. Support public policies and practices that foster open and competitive markets.
3.	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities	<ol style="list-style-type: none"> 1. Ensure fair remuneration and work conditions for all employees and never use forced, compulsory or child labour. 2. Engage constructively with employees on matters of mutual concern. 3. Implement policies and practices designed to eliminate harassment and unfair discrimination in all our activities. 4. Ensure all employees, including security personnel, are provided with appropriate training and guidance on cultural issues and human rights.

		<p>5.Minimise involuntary resettlement and compensate fairly for adverse effects on the community where resettlement cannot be avoided.</p> <p>6.Respect the culture, customs and heritage of local communities, including indigenous peoples.</p>
4.	Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks	<p>1.Consult with interested and affected parties to identify, assess and manage all significant social, health, safety, environmental and economic impacts associated with our activities.</p> <p>2.Regularly review and update risk-management systems.</p> <p>3.Inform any parties potentially affected by significant risks from operations and spell out the measures that will be taken to manage such risks effectively.</p> <p>4.Develop, maintain and test effective emergency response procedures in collaboration with potentially affected parties.</p>
5.	Pursue continual improvement in health and safety performance with the ultimate goal of zero harm	<p>1.Implement a management system focused on continual improvement of the health and safety of employees, contractors and people in the communities where we operate.</p> <p>2.Take all practical and reasonable measures to eliminate workplace fatalities, injuries and diseases among employees and contractors.</p> <p>3.Provide all employees with health and safety training and require employees of contractors to undergo the same training.</p> <p>4.Implement regular health surveillance and risk-based monitoring of employees- Rehabilitate and reintegrate employees into operations following illness or injury, where feasible.</p>
6.	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change	<p>1. Assess positive and negative, direct and indirect, and cumulative environmental impacts of new projects – from exploration to closure.</p> <p>2.Implement an environmental management system of continual improvement to review, prevent, mitigate or ameliorate adverse environmental impacts.</p> <p>4.Rehabilitate land disturbed or occupied by operations in accordance with appropriate post-mining land uses.</p> <p>5.Provide for safe storage and disposal of residual wastes and process residues.</p> <p>6.Design and plan adequate resources to meet the closure requirements of all operations.</p>
7.	Contribute to the conservation of biodiversity and integrated approaches to land-use planning	<p>1.Respect legally designated protected areas.</p> <p>2.Disseminate scientific data on and promote practices and experiences in biodiversity assessment and management.</p> <p>3.Support the development and implementation of scientifically sound, inclusive and transparent procedures for integrated approaches to land-use planning, biodiversity, conservation and mining.</p>

8.	Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals	<ol style="list-style-type: none"> 1. Advance understanding of the properties of metals and minerals and their life-cycle effects on human health and the environment. 2. Conduct or support research and innovation that promotes the use of products and technologies that are safe and efficient in their use of energy, natural resources and other materials. 3. Develop and promote the concept of integrated materials management throughout the metals and minerals value chain. 4. Provide regulators and other stakeholders scientifically sound data and analysis regarding our products and operations on which they can make regulatory decisions. 5. Support the development of scientifically sound policies, regulations, product standards and material choices that encourage the safe use of mineral and metal products.
9.	Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities	<ol style="list-style-type: none"> 1. Engage at the earliest practical stage with all likely affected parties to discuss and respond to issues and conflicts concerning the management of social impacts. 2. Ensure that appropriate systems are in place for continual interaction with affected parties; ensure that minorities and other marginalised groups have equitable and culturally appropriate means of engagement. 3. Contribute to community development from exploration to closure in collaboration with host communities and their representatives. 4. Encourage partnerships with governments and non-governmental organizations to ensure that programs (such as community health, education, local business development) are well designed and effectively delivered. 5. Enhance social and economic development by seeking opportunities to address poverty.
10.	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.	<ol style="list-style-type: none"> 1. Report on economic, social and environmental performance and contribution to sustainable development. 2. Provide timely, accurate and relevant information. 3. Engage with and respond to stakeholders through open consultation.

ISO 2600 – Dahlsrud

Table 6 Comparison: 7 Core Subjects of ISO 2600 – Alexander Dahlsrud

No.	ISO 26000	Alexander Dahlsrud
1.	Organizational Governance	Stakeholder
2.	Human Rights	Social
3.	Labor Practices	Stakeholder
4.	Environment	Environmental
5.	Fair Operating Practices	Stakeholder
6.	Consumer issues	Stakeholder
7.	Community Involvement	Economic

ISO 26000 7 subjects consist 4 out of 5 Alexander Dahlsrud CSR dimensions. This means ISO 26000 7 subjects includes 80% of Alexander Dahlsrud CSR dimensions

Table 7 Comparison: 7 Principals of ISO 2600 – Alexander Dahlsrud

	Principals	Alexander Dahlsrud
1.	Accountability	Social
2.	Transparency	Social
3.	Ethical behavior	Social
4.	Respect for stakeholder interests	Stakeholder
5.	Respect for the rule of law	Environmental
6.	Respect for international norms of behavior	Environmental
7.	Respect for human right	Social

ISO 26000 7 principals consist 3 out of 5 Alexander Dahlsrud CSR dimension This means ISO 26000 7 principals includes 75% of Alexander Dahlsrud CSR dimensions

ISO 26000 – Lantos

Table 8 Comparison: 7 Core Subjects of ISO 2600 – Geoffrey Lantos

No.	ISO 26000	Geoffrey Lantos
1.	Organizational Governance	Strategic
2.	Human Rights	Ethical
3.	Labor Practices	Altruistic
4.	Environment	Ethical
5.	Fair Operating Practices	Altruistic
6.	Consumer issues	Strategic
7.	Community Involvement	Ethical

ISO 26000 7 subjects consist 3 out of 4 Geoffrey Lantos CSR dimensions. This means ISO 26000 7 subjects includes 75% of Geoffrey Lantos CSR dimensions

Table 9 Comparison: 7 Principals of ISO 2600 – Geoffrey Lantos

	Principals	Geoffrey Lantos
1.	Accountability	Ethical
2.	Transparency	Ethical
3.	Ethical behavior	Ethical
4.	Respect for stakeholder interests	Altruistic
5.	Respect for the rule of law	Strategic
6.	Respect for international norms of behavior	Strategic
7.	Respect for human right	Social

ISO 26000 7 Principals consist 3 out of 3 Geoffrey Lantos CSR dimensions. This means ISO 26000 7 principals includes 100% of Geoffrey Lantos CSR dimensions

ICMM – Dahlsrud

Table 10 Comparison: ICMM – Alexander Dahlsrud

1.	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development	Social
2.	Integrate sustainable development in corporate strategy and decision-making processes	Stakeholder
3.	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities	Social

4.	Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks	Stakeholder
5.	Pursue continual improvement in health and safety performance with the ultimate goal of zero harm	Stakeholder
6.	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change	Environmental
7.	Contribute to the conservation of biodiversity and integrated approaches to land-use planning	Environmental
8.	Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals	Environmental
9.	Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities	Social
10.	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance	Stakeholder

International Council on Mining and Metals: Sustainable Development consist 4 out of 5 Alexander Dahlsrud CSR dimensions. This means that ICMM: Sustainable Development includes 80% of Alexander Dahlsrud CSR dimensions

ICMM – Lantos

Table 11 Comparison: ICMM – Geoffrey Lantos

	Principals	Geoffrey Lantos
1.	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development	Ethical
2.	Integrate sustainable development in corporate strategy and decision-making processes	Strategic
3.	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities	Ethical
4.	Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks	Altruistic
5.	Pursue continual improvement in health and safety performance with the ultimate goal of zero harm	Ethical
6.	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change	Ethical
7.	Contribute to the conservation of biodiversity and integrated approaches to land-use planning	Strategic
8.	Facilitate and support the knowledge-base and systems for responsible design, use, re-use,	Strategic

	recycling and disposal of products containing metals and minerals	
9.	Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities	Strategic
10,	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance	Altruistic

International Council on Mining and Metals: Sustainable Development consist 3 out of 3 Geoffrey Lantos CSR dimensions. This means ICMM: Sustainable Development includes 100% of Geoffrey Lantos CSR dimensions

PT Freeport Indonesia CSR Concept

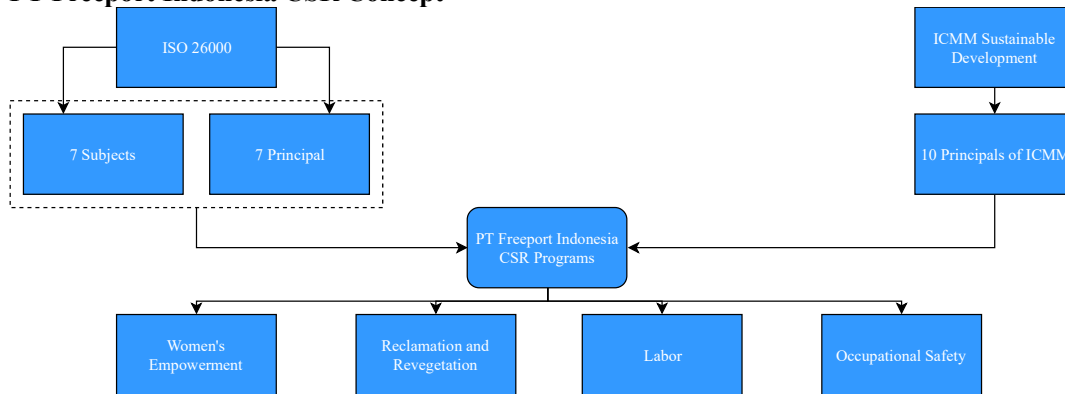


Figure 3 PT Freeport Indonesia CSR Framework

The figure above explains the process of creating a CSR program in PT. Freeport Indonesia. The 10 principals of ICMM and also the 7 principals and 7 subjects of ISO 26000 are the external factors as a framework used by PT. Freeport Indonesia. By mixing these frameworks concepts PT. Freeport Indonesia have created 4 programs as their focus on their CSR Program. Those programs are Women’s Empowerment, Reclamation and Re-Vegetation, Labor, and Occupational safety.

Table 12 Analysis Sheet of PT Freeport Indonesia CSR Programs

Analysis sheet of PT. Freeport Indonesia CSR Programs						
List of CSR	PT. Freeport Indonesia	ICMM	ISO 26000 concept		Alexander Dahlsurd	Geoffrey Lantos
	PT. Freeport Indonesia CSR programs	Sustainable development principals	subject’s analysis	principal’s analysis	Theory	Theory
1	Women empowerment	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities	Human rights	Ethical behavior	Social	Ethical
2	Reclamation and Re-Vegetation	Contribute to the conservation	Environment	Ethical behavior	Environmental	Strategic

		of biodiversity and integrated approaches to land-use planning				
3	Labor	Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals	Labor Practices	Respect for stakeholder interest	Stakeholder	Strategic
4	Occupational Safety	Pursue continual improvement in health and safety performance with the ultimate goal of zero harm	Fair Operating Practices	Respect for human rights	Social	Ethical

From the analysis sheet author divides the finding into two analysis. The first one is PT. Freeport Indonesia CSR programs towards their CSR framework use which are ICMM: Sustainable Development and ISO 26000. The second part is analyzed towards Alexander Dahlsrud CSR dimension and Geoffrey Lantos CSR dimension

Analysis towards PT. Freeport Indonesia CSR programs towards their framework use are like below:

- PT. Freeport Indonesia CSR programs includes 4 out of 10 principals of ICMM: Sustainable Development
 - This means PT. Freeport Indonesia CSR programs includes 40% of ICMM: Sustainable Development
- PT. Freeport Indonesia CSR programs includes 4 out of 7 subjects of ISO 26000
 - This means PT. Freeport Indonesia CSR programs includes 57% of ISO 26000 subjects
- PT. Freeport Indonesia CSR programs includes 3 out of 7 principals of ISO 26000
 - This means PT. Freeport Indonesia CSR programs includes 42% of ISO 26000 principals

Analysis of PT. Freeport Indonesia CSR programs towards Alexander Dahlsrud and Geoffrey Lantos CSR dimension are as below:

- PT. Freeport Indonesia CSR programs includes 4 out of 5 dimensions of Alexander Dahlsrud CSR dimensions
 - This means PT. Freeport Indonesia CSR programs includes 80% of Alexander Dahlsrud CSR dimensions
- PT. Freeport Indonesia CSR programs includes 2 out of 3 dimensions of Geoffrey Lantos CSR dimensions
 - This means PT. Freeport Indonesia includes 66% of Geoffrey Lantos CSR dimensions

CONCLUSION AND RECOMMENDATION

Conclusion

Referring to the first objective, this study aimed to analyze the framework used by PT. Freeport Indonesia on conducting their CSR program. From all the respondents that author interviewed told that there are a lot of consideration on planning their CSR programs. As Part of International Council of Mining there are code of conducts that has been used by PT. Freeport Indonesia. It consists of ten principals. PT. Freeport Indonesia also used ISO 26000 that consist of 7 principals and 7 subjects, the analysis of author conclusions are as below:

- International Council on Mining and Metals: Sustianbale Development consist 4 out of 5 Alexnader Dahlsrud CSR dimensions

This means that ICMM: Sustainable Development includes 80% of Alexander Dahlsrud CSR dimensions

- International Council on Mining and Metals: Sustianbale Development consist 3 out of 3 Geoffrey Lantos CSR dimensions

This means ICMM: Sustainable Development includes 100% of Geoffrey Lantos CSR dimensions

- ISO 26000 7 subjects consist 4 out of 5 Alexander Dahlsrud CSR dimensions

This means ISO 26000 7 subjects includes 80% of Alexander Dahlsrud CSR dimensions

- ISO 26000 7 subjects consist 3 out of 4 Geoffrey Lantos CSR dimensions

This means ISO 26000 7 subjects includes 75% of Geoffrey Lantos CSR dimensions

- ISO 26000 7 principals consist 3 out of 5 Alexander Dahlsrud CSR dimension.

This means ISO 26000 7 principals includes 75% of Alexander Dahlsrud CSR dimensions

- ISO 26000 7 Principals consist 3 out of 3 Geoffrey Lantos CSR dimensions This means ISO 26000 7 principals includes 100% of Geoffrey Lantos CSR dimensions

Secondly the research is to analyze the correlation between PT. Freeport Indonesia CSR programs towards Geoffrey Lantos CSR concept and Alexander Dahlsurd CSR dimensions. From the interview that has been conducted author analyze 4 CSR programs of PT. Freeport Indonesia towards the framework usen by PT. Freeport Indonesia itself and also Alexander Dahlsrud and Geoffrey Lantos CSR dimension. The findings are like below:

- PT. Freeport Indonesia CSR programs includes 4 out of 10 principals of ICMM: Sustianable Development

This means PT. Freeport Indonesia CSR programs includes 40% of ICMM: Sustainable Development

- PT. Freeport Indonesia CSR programs includes 4 out of 7 subjects of ISO 26000

This means PT. Freeport Indonesia CSR programs includes 57% of ISO 26000 subjects

- PT. Freeport Indonesia CSR programs includes 3 out of 7 principals of ISO 26000

This means PT. Freeport Indonesia CSR programs includes 42% of ISO 26000 principals

- PT. Freeport Indonesia CSR programs includes 4 out of 5 dimensions of Alexander Dahlsrud CSR dimensions

This means PT. Freeport Indonesia CSR programs includes 80% of Alexander Dahlsrud CSR dimensions

- PT. Freeport Indonesia CSR programs includes 2 out of 3 dimensions of Geoffrey Lantos CSR dimensions

This means PT. Freeport Indonesia includes 66% of Geoffrey Lantos CSR dimensions

From the reaserch, the data represent the percentage of PT. Freeport Indonesia programs towards their frameworks which are ICMM: Sustainable Development and ISO 26000. It is found that the percentafe of both frameworks were below 50% except the ISO 26000 7 subjects. While their CSR programs are already fullfiling 80% of Alexander Dahlsrud CSR dimension and 66% of Geoffrey Lantos CSR dimension. This means they are already above 50% correlating those CSR dimension.

Recommendation

According to the findings on the research, several recommendations for PT. Freeport Indonesia for consideration for making their CSR program better. The recommenations are divided for PT. Freeport Indonesia current CSR programs, PT. Freeport Indonesia future CSR programs, and future research.

PT. Freeport Indonesia current CSR programs recommendation:

• Improve their CSR programs on ICMM: Sustainable Development

From author's analysis of PT. Freeport Indonesia CSR framework. Their CSR programs need to be improved. Since they must use ICMM: Sustainable Development as a regulation on conducting their international mining business. Because from authors data analysis they are only using 4 out of 10 principals of ICMM sustainable program, which means only 40% of ICMM: Sustainable Development are in their CSR programs. In conclusion it is less than the majority of their CSR program

• Improve their CSR programs on ISO 26000

From author's analysis of PT. Freeport Indonesia CSR framework. ISO 26000 consist of two parts. Which are the 7 principals and the 7 subjects. But, PT. Freeport Indonesia are only including 42% of ISO 26000 7 principals and 57% of ISO 26000 7 subjects. It means that it is less that the majority of PT. Freeport Indonesia CSR program itself

PT. Freeport Indonesia future CSR programs recommendations:

• Use Alexander Dahlsrud CSR dimension as a framework

In this reaserch author uses Alexander Dahlsrud CSR dimensions to analyze PT. Freeport Indonesia CSR programs. From this reaserch PT. Freeport Indonesia includes 80% of Alexander Dahlsrud CSR dimension, which mean it only need to add one voluntaries dimension CSR program to make it fill in with Alexander Dahlsrud CSR dimension.

• Use Geoffrey Lantos CSR dimensions as a CSR framework

Besides Alexander Dahlsrud CSR dimensions, authos also uses Geoffrey Lantos CSR dimensions to analyze PT. Freeport Indonesia CSR programs. From this research PT. Freeport Indonesia includes 66% of Geoffrey Lantos CSR dimensions, which means they only need one altruistic dimension program to fill in with Geoffrey Lantos CSR dimensions.

Future Research

This research uses the approach of internal CSR of PT. Freeport Indonesia. The data founded and collected are usen for both PT. Freeport Indonesia and academic purposes. It would be better if in the coming days this research is continued from a different perspective such as from the external CSR of PT. Freeport Indonesia. The findings would be fullfiling this research/

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