

EVALUATION OF CSR DISCLOSURE IN THE SUSTAINABILITY REPORT OF PT. BANK PEMBANGUNAN DAERAH JAVA TIMUR (BANK JATIM) TBK. BASED ON GRI STANDARDS

Ruth Amenda Lovita Damanik¹, Aji Dedi Mulawarman²

^{1,2} *Accounting Department, Faculty of Economics and Business, Brawijaya University, Indonesia*

Abstract. Sustainability reports play a crucial role in disclosing a company's social and environmental responsibilities. PT Bank Pembangunan Daerah Jawa Timur (Bank Jatim) Tbk. aims to ensure transparency in its reports by adhering to the Global Reporting Initiative (GRI) 2021 standards. However, the completeness and quality of its Corporate Social Responsibility (CSR) disclosure still require improvements. This quantitative case study evaluates the quality of CSR disclosure in Bank Jatim's 2022–2023 sustainability report. The data were collected through document analysis and processed using content analysis. The findings indicate that while public sector disclosures have been implemented effectively, the overall level of CSR disclosure remains limited. Disclosure improvements in the economic sector by 23.53% and the social sector by 4.86% were attributed to the addition of various indicators and the impacts of multiple socio-economic cases related to Bank Jatim. Further, the 0.8% decrease in the economic sector was caused by the lack of in-depth information and qualitative data. When compared to Bank Mandiri, BPD Jateng, and BPD Jabar & Banten, Bank Jatim's CSR disclosure is still behind them. Therefore, improvements are necessary to enhance the comprehensiveness and alignment of Bank Jatim's sustainability report with GRI standards.

Keywords: sustainability report, Corporate Social Responsibility (CSR), Global Reporting Initiative (GRI) Standards, East Java Regional Development Bank, banking.

I. INTRODUCTION

Sustainability is a crucial aspect for companies today in running their operations. Companies are increasingly required to maximize their resources to increase profitability and maintain their reputation in the market. However, in carrying out their economic activities, companies must remain grounded in ethical business principles. One way to achieve this is by implementing sustainability and continuity in their operations. In their operations, companies are not only profit-oriented but also must consider the impact of their activities on society and the surrounding environment (Priyo & Haryanto, 2022).

This phenomenon is occurring due to the increasing awareness of the surrounding community regarding the environment and the increasing consideration of the impact of company operations. This phenomenon has prompted many companies worldwide to adopt sustainable practices as a demonstration of their concern for the communities directly

impacted by their operations. One concrete manifestation of this concern is through the Corporate Social Responsibility (CSR) program. Social Corporate Social Responsibility (CSR). By implementing CSR, companies strive to make a positive contribution to the surrounding community and demonstrate their commitment to sustainability and social responsibility.

Survey data from KPMG on CSR reporting practices in 2022 shows that out of a sample of 5,800 companies in 49 countries, there was a significant 5% increase in CSR reporting practices in Asia Pacific from 2020 to 2022 (KPMG, 2022). The survey also revealed that 89% of sample companies in Asia had disclosed CSR activities in their sustainability reports. This figure has increased by 40% since 2011. This data indicates that global companies are increasingly aware of the importance of disclosing sustainability reports within their companies.

In Indonesia, companies are required to actively participate in CSR activities. Companies are responsible for complying with all applicable legal provisions in carrying out their business activities, including implementing Corporate Social Responsibility (CSR). Social Responsibility (Harjono, 2022). This regulation is stipulated in Law Number 40 of 2007, Article 74 concerning Limited Liability Companies, which stipulates that every company operating in the natural resource sector has a responsibility to improve the quality of life and the environment by participating in sustainable economic development. Companies that fail to fulfill this responsibility will be subject to sanctions in accordance with statutory provisions.

Companies whose businesses do not directly impact the environment should also participate in CSR activities, one of which is the banking sector. Recently, CSR reporting practices in the banking sector have also come under increasing scrutiny because banks play a vital role in the economy and are often expected to demonstrate a high level of social responsibility (Aslichah, 2024). While banking companies' business processes do not directly impact society and the environment, their financial projects and operations do. Therefore, banks, in addition to providing banking products and services, must also be involved in implementing green activities. banking to support sustainable development.

Corporate Social Corporate Social Responsibility (CSR) is crucial for the banking industry because it impacts its financing decisions (Rindiyawati & Arifin, 2019). Every decision a bank makes must first consider the social and environmental impacts of the project or business being financed. When a bank's decisions are unsustainable, it can pose a risk to the company's reputation. Conversely, if a bank funds socially responsible projects, it not only contributes to sustainable development but also enhances the company's reputation and strengthens future business stability. Therefore, banks must apply social responsibility principles in their financing decisions to ensure that the funds disbursed support sustainability.



Figure 1.1 List of Banks Registered with the IDX in 2023 and Having Published Sustainability Reports Report

(Source: Data Processed by the Author, 2025)

Based on Figure 1.1, there is data related to the number of banks that have published their sustainability reports (sustainability reports). report) of a total of 47 banking issuers listed in 2023. The data shows that along with the increase in the number of banks listed on the IDX, the banking sector's awareness of disclosing sustainability reports also increased. However, from 2021 to 2023, the number of banks publishing sustainability reports stagnated, possibly due to the fact that some banks have not been fully encouraged or are not yet aware of the importance of publishing sustainability reports as part of their commitment to ESG (Environmental, Social, and Governance).

The increase in the number of banks publishing sustainability reports is also influenced by the enactment of the Financial Services Authority (OJK) Regulation. This regulation relates to sustainability reporting for financial institutions in Indonesia, namely POJK No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. This regulation came into effect at the end of 2016, and since then, there has been an increase in the number of banks in Indonesia publishing sustainability reports.

Sustainability reports are one of the primary tools companies use to demonstrate their support for sustainability (Cahyaningrum & Violita, 2023). These reports demonstrate transparency in communicating their economic, social, and environmental activities and achievements to stakeholders. Furthermore, these reports help companies improve their reputation with investors and build better relationships with the community. Sustainability reports are stand-alone reports. alone), but there are also several companies that publish it together with the company's annual report.

The guidelines used to prepare sustainability reports are GRI (Global Reporting Standards). Initiative). This standard has become a means for companies to measure and understand the extent of their contribution to achieving sustainable development (Chaerani et al., 2024). The GRI Guidelines are designed to support organizations in conveying information related to their economic, social, and environmental performance. In the banking sector, banks use the GRI to measure and manage their company's economic, environmental, and social impacts in accordance with the GRI standards. The GRI Standards are widely used as a standard

framework because they comprehensively regulate the reporting process, from preparation to delivery of information in accordance with international standards.

In the banking industry, there are two types of state-owned banks: central government-owned banks that operate nationally with substantial capital for national development, and Regional Development Banks (BPDs) that focus on public services and local industries to support the regional economy (Purwanto, 2019). Unlike commercial banks, BPDs are closely linked to the regional economy, yet both play a vital role in advancing the country's economic well-being. Pursuant to POJK No. 51/POJK.03/2017, BPDs are required to prepare sustainability reports as part of their role as regional development agents. Through this report, BPD can demonstrate its contribution to the Sustainable Development Goals (SDGs) and implement CSR programs that have a positive impact on society and the environment.

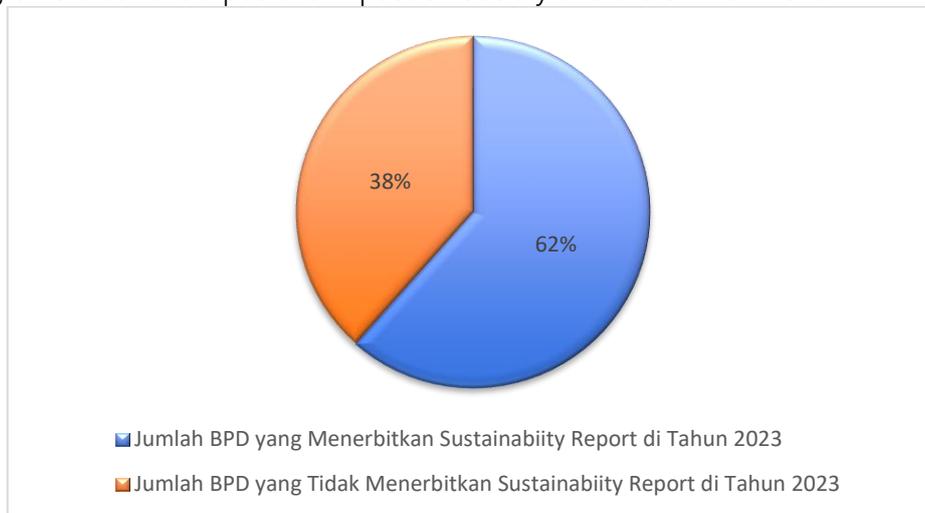


Figure 1.2 Percentage of the Number of Regional Development Banks (BPD) in Indonesia that Publish Sustainability Reports Report in 2023
(Source: Data Processed by the Author, 2024)

Based on Figure 1.2, there is data related to the number of Regional Development Banks (BPD) in Indonesia that have published sustainability reports. A report from a total of 26 Regional Development Banks (BPD) registered with the Financial Services Authority (OJK) was released. In 2023, only about 16 BPDs, or approximately 62% of the total, had published sustainability reports. These results indicate that although awareness of the importance of sustainability is increasing, there are still several BPDs that have not fully disclosed sustainability reports in their businesses.

Sustainability publishing Reports for Regional Development Banks (BPD) can be an opportunity to strengthen their reputation and public trust. One BPD registered on the IDX and implementing sustainability reporting is PT Bank Pembangunan Daerah Jawa Timur (Bank Jatim) Tbk. As a regional bank, Bank Jatim plays a role in supporting the economy and sustainability of the surrounding community. Bank Jatim's role as a driver of the regional economy will be strengthened if it is managed professionally, accountably, and with high competitiveness. Therefore, transparency in disclosing sustainability reports and CSR contributions is a crucial aspect in ensuring operational sustainability and maintaining the bank's reputation in the public eye.

The practice of disclosing sustainability reports carried out by Bank Jatim has been carried out since 2010 and continues to this day using the GRI (Global Reporting Standards) guidelines.

Initiative). The GRI Standards have continued to evolve since their publication in 2000 to remain relevant for use by companies worldwide. In 2021, GRI published the 2021 GRI Standards, which will be effective for publication of sustainability reports in 2022. These guidelines have been used by Bank Jatim in preparing its sustainability report since 2022. Bank Jatim also consistently participates in CSR programs covering economic, social, and environmental aspects, such as providing ambulances and tents for MSMEs.

On the other hand, although Bank Jatim has frequently carried out CSR activities, this bank is still not free from several reputational challenges, such as the 2021 case that occurred at the Bank Jatim Syariah Sidoarjo Branch regarding a fictitious credit issue. This case involved internal parties from Bank Jatim and PT Astra Sedaya Finance Surabaya I (Bank Jatim Patuhi Proses Hukum, 2022). In the same year, there was also another case at the Bank Jatim Banyuwangi Branch involving a Bank Jatim employee for embezzling customer funds worth 3 billion rupiah (Arifianto, 2022). Then, in 2023, Bank Jatim Pesanggaran Banyuwangi Branch also faced a fraud case involving a Bank Jatim teller for allegedly manipulating customer data and causing state losses of 2.3 billion rupiah (Verdian, 2023). Referring to GRI 205-1 on anti-corruption, these cases are actions that contradict these principles.

fraud cases, in 2021, Bank Jatim was also implicated in an alleged customer data leak, which was sold for 3.52 billion rupiah by an irresponsible party. This case undoubtedly harmed both customers and Bank Jatim. It also violates the principles of transparency and customer data protection stipulated in GRI 418-1 on customer privacy. This issue served as a warning signal for Bank Jatim to improve its information security system and ensure a repeat of this incident in the future.

These cases demonstrate that the commitment to sustainability is not fully realized in corporate governance. This could impact how Bank Jatim discloses its social responsibility in its sustainability report. Therefore, Bank Jatim's commitment to sustainability cannot be measured solely by regulatory compliance, as many companies now focus solely on regulatory compliance rather than on the in-depth implementation of sustainability values. According to research by Saraswati et al. al. (2023), sustainability disclosures made by banks tend to be more symbolic than substantive.

Therefore, further evaluation of the CSR disclosure practices in Bank Jatim's sustainability report is needed to determine whether the information presented reflects the actual situation and demonstrates their commitment to sustainability. Using the 2021 GRI Standards as a guideline for analysis, this study will evaluate the completeness and quality of CSR disclosures in Bank Jatim's Sustainability Report.

There are several previous studies that discuss corporate disclosure social Responsibility (CSR) in sustainability reports conducted by several corporate sectors and highlights the disclosure of performance indicators. One such study is the study conducted by Cahyaningrum & Violita (2023) entitled "Evaluation of the Level of Disclosure in Sustainability Reports (Case Study of a Copper Smelter Company)" using a case study method with qualitative content analysis. The results of this study indicate that the disclosure of the sustainability report of PT Tembaga Mulia Semanan Tbk. (TMS) in 2021 has complied with the provisions of POJK No. 51/POJK.03/2017. However, in terms of content quality, each component still does not provide detailed and informative explanations and also does not meet the quality standards of Global Reporting. Initiative (GRI) 2021.

Similar research was conducted by Odelia et al. (2024) entitled "Analysis of Corporate Disclosure Social Responsibility at PT. Semen Indonesia (Persero) Tbk 2017-2019" using a qualitative approach with content analysis. This study shows that not all disclosures in PT. Semen Indonesia's sustainability report listed in the GRI Standards are reported. The Universal Standard disclosures presented by PT Semen Indonesia Tbk during the 2017 to 2019 period are more complete than the disclosures in the Specific Topic Standards which are still far from the number of disclosures stipulated in the GRI Standards. In addition, the most frequently disclosed topic disclosures in PT. Semen Indonesia's sustainability report are Environmental Topics, followed by Social Topics, and finally Economic Topics. PT Semen Indonesia (Persero) Tbk still has not fully fulfilled the specific topic disclosures in the GRI Standards.

Research conducted by Chaerani et al. (2024) entitled "Evaluation of Banking Sector Sustainability Reports Based on Global Reporting Standards Initiative (GRI) 200: Content Analysis Approach" uses a qualitative approach with the content analysis method. The results of this study revealed that the five companies sampled, namely BRI, BNI, BCA, Mandiri, and CIMB NIAGA have reported their economic performance in accordance with the GRI 200 standards. However, there are still several disclosure items that are not presented, presented in an incomplete manner, or are difficult to understand. Of the various GRI 200 disclosures, only the GRI 203 disclosure regarding indirect economic impacts is presented completely by these companies. for the other GRIs, they have not been presented completely by these banking companies or have been presented but are not fully complete and detailed in their disclosure items.

Research conducted by Szegedi et al. (2020) entitled " Corporate Social Responsibility and Financial Performance: Evidence from Pakistani Listed Bank" using content analysis and panel data techniques. This study reveals progress and an increase in CSR disclosure in Pakistani banks. Furthermore, it explains that effective CSR implementation in the banking sector will benefit banks' financial performance and enhance public trust.

In research conducted by Munandar et al. (2021) with the title "Analysis of CSR Programs in Sustainability The "Report Based on GRI Standards: An Empirical Study on Companies in the Building Construction Sub-Industry" uses a qualitative method with descriptive analysis. The objects of this study are Adhi Karya (Persero) Tbk, Total Bangun Persada Tbk, Wijaya Karya (Persero) Tbk, PP (Persero) Tbk, and Waskita Karya (Persero) Tbk. The results of this study found that CSR disclosure in the sustainability reports of the five companies is quite good, although not all indicators have been disclosed by these companies. Waskita Karya recorded the highest disclosure with 100% in General Standards and 88.76% in Specific Standards in 2018-2019, but there was a decline in the following year. In 2020, Wijaya Karya led the General Standard disclosure with 98.39%, while PTPP excelled in Specific Standards with 53.93%. The highest total disclosure score during 2018-2020 was achieved by Waskita Karya with 194, while Adhi Karya had the lowest score with 44.

This study differs from previous studies because it focuses on evaluating the sustainability report of a regional bank, namely PT. Bank Pembangunan Daerah Jawa Timur (Bank Jatim) Tbk. Furthermore, in evaluating the sustainability report, this study will not only examine the completeness of disclosures but also assess the quality of the information presented in the sustainability report of PT. Bank Pembangunan Daerah Jawa Timur (Bank Jatim) Tbk in accordance with the 2021 GRI Standards. This standard is a new standard that has been effective since 2022. Therefore, the observation period for this study starts from 2022-2023.

During this period, Bank Jatim's reputation also increased because it was one of the regional banks that consecutively from 2020 to 2023 was included in the Asia Sustainability ranking. Reporting Rating (ASRRAT). This demonstrates Bank Jatim's strong commitment to sustainability practices and transparency in its corporate social responsibility (CSR) reporting. This research is expected to assess whether disclosures are in line with implementation.

II. LITERATURE REVIEW

A. *Corporate Social Responsibility*

According to Kotler & Lee (2005), Corporate Social Responsibility is a company's commitment to improving the well-being of society through good business practices and contributing to the company's resources. In addition, the World Business Council on Sustainable Development (WBCSD) also defines that Corporate Social Responsibility is the commitment of businesses to behave ethically and contribute to sustainable economic development while improving the quality of life of their workforce and local communities and society at large.

Based on this definition, CSR (corporate social Corporate responsibility (CSR) can be interpreted as a form of corporate commitment to sustainability by continuing to act ethically and contributing to improving economic growth while providing social and environmental welfare. CSR emphasizes that business organizations must have a broader view of the quality of life of employees as well as improving the quality of the community and society at large (Rusdianto, 2013).

The concept of CSR was first introduced by John Elkington in 1997 through his book entitled "Cannibals". With Forks: The Triple Bottom Line of Twentieth Century Business". In his book, Elkington argues that a good company must focus on three basic concepts known as Triple Bottom Lines (TBL) or '3Ps', which include profit, people, and planet. He explained that companies, in addition to focusing on economic profit, must also contribute positively to society (people) and contribute to environmental sustainability (planet) in their business operations.

In its implementation, corporate social Responsibility is no longer merely voluntary, but has evolved into a requirement for companies to survive and thrive (Jialevi & Ramadhanti, 2021). In Indonesia, the implementation of CSR is based on the legal basis stipulated in Law Number 40 of 2007 concerning Limited Liability Companies, which is explained in Article 74 paragraph 1. This article explains that companies conducting business activities in or related to natural resources are required to carry out social and environmental responsibilities.

Sen & Bhattacharya (2001) identified six main elements in CSR implementation that are relevant for companies in meeting the needs of society and their stakeholders, including:

- a) Community support, namely support for community programs such as education, health, arts, and so on;
- b) Diversity is a company policy not to differentiate between consumers and prospective employees;
- c) Employee support which means protection for workers, incentives, rewards and guarantees of work safety;
- d) Environment, namely creating a healthy and safe environment, managing waste well, creating environmentally friendly products;

- e) Non-US operations are a form of corporate responsibility to provide equal rights for people around the world to have opportunities;
- f) Product means that the company is obliged to make products that are safe for health, do not cheat, conduct research and product development in a sustainable manner and use recyclable packaging.

In the banking sector, CSR is a practice that has received increasing attention in the modern era, given the role of banks as institutions that influence various economic sectors. According to Chiu (cited in Christian & Putri, 2023), banks and other financial companies are encouraged to take on greater ethical and social responsibility in lending, financing, and investment activities to protect the legitimate interests of depositors and other stakeholders. Through CSR programs, banks have a significant opportunity to have a broader positive impact on society and the environment.

The banking industry's biggest impact is its financing decisions, whether they promote socially and environmentally friendly financing or not (Jalal, in Rindiyawati & Arifin, 2019). Therefore, the banking sector is expected to implement CSR that focuses not only on shareholder interests but also involves the interests of the wider community, particularly in aspects of economic development and efforts to reduce negative impacts on the environment. For example, by providing sustainable financing and supporting sustainability-focused projects, banks can encourage more responsible business practices.

Corporate Social Responsibility in banking is not only seen as a responsibility, but has great benefits for the continuity of the banking organization itself (Pratiwi et al. al., 2020). Through CSR implementation, banks can add value to their company's reputation and increase customer loyalty, thereby improving their profitability. Based on recent research conducted by Szegedi et al. (2020) showed that the impact of effective CSR implementation in the banking sector will increase public trust and positively impact banks' financial performance. This is because customers and investors tend to be more supportive of banks that are socially and environmentally responsible. Furthermore, implementing CSR will also help banks manage reputational risk and meet stakeholder expectations regarding ethical business practices.

However, there are several challenges or obstacles that banks must be prepared to face in CSR, such as the lack of involvement of top management which will hinder the effectiveness of the CSR program (Mahmood et al., 2021). In addition, the difficulty in measuring CSR impact accurately is a challenge for companies (Abbas et al., 2019). Therefore, banks need to develop appropriate measurement methods and ensure full support from top management for the success of CSR programs.

B. Legitimacy Theory

According to Dowling & Pfeffer (1975), legitimacy is considered a social license granted by society to recognize a company's existence. This permission is necessary for the company to run its operations smoothly and maintain business sustainability. Gray et al. (1995) added that legitimacy theory is closely related to social accountability, namely the obligation of companies to report on their activities that have social and environmental impacts. Legitimacy theory explains the importance of interactions between companies and society, where management must ensure that company operations are accepted and supported by the surrounding environment. Therefore, companies need to adapt their policies and practices to align with social norms and expectations to maintain public trust.

In the context of CSR, legitimacy theory serves as a tool used by companies to maintain or improve their legitimacy in the eyes of society. Companies are required to operate in accordance with applicable social principles, while society acts as an observer, assessing corporate actions to build public trust. However, if a company fails to meet societal expectations, the consequence is a loss of corporate legitimacy, which can ultimately lead to a loss of public support.

Legitimacy theory states that companies will strive to ensure that they operate within the boundaries and social norms of the society and environment in which they operate (Deegan, 2002). One way companies can achieve this is by carrying out social and environmental responsibilities. This can be done by implementing and disclosing Corporate Governance. Social Transparent and good responsibility can make a company gain legitimacy from the community as a company that is responsible for its surroundings so that it can increase profits for the company itself.

Companies must strive to gain public trust in their businesses to ensure their continued operations. To achieve this recognition, companies engage in social and environmental activities, which are reflected in annual reports and reports containing social and environmental accountability. Demonstrating that their activities do not harm the public interest or the environment can be one way for companies to maintain stakeholder trust. Companies can make social sacrifices as a reflection of their concern for the community.

C. Sustainability Report

Sustainability is a concept that aims to meet current needs without compromising the capabilities of future generations. Every company activity must consider the future sustainability of resources. The path to sustainability is through sustainability reporting (Cahyaningrum & Violita, 2023). According to Global Reporting Initiative (2016), sustainability A sustainability report is an organization's practice of reporting on a company's activities, describing its economic, environmental, and social impacts, including its positive and negative contributions to sustainable development. A sustainability report contains information on a company's performance over a one-year period in environmental, social, and economic aspects.

Companies can report on the implementation of Corporate activities Social Their responsibility to stakeholders is transparent through sustainability reports (Indrianingsih & Agustina, quoted in Yani et al., 2024). One of the objectives of compiling sustainability The purpose of the report is to provide an overview of the company's commitment to operating a sustainable business and business ethics. for investors, sustainability reports can be a tool in making investment decisions. Meanwhile, for other stakeholders, sustainability Reports can be a measuring tool for assessing a company's commitment to sustainability issues.

Sustainability reports significantly influence companies in managing and disclosing operational activities that support sustainable development for the sake of the company's survival (Kuswanto, 2019). Sustainability reports help provide the public with information on a company's economic, social, and environmental operational performance, as well as corporate governance. The information contained in a sustainability report must be balanced and reflect the company's definition, vision, and mission regarding sustainable development in Indonesia. This effort is reflected in the company's implementation of CSR principles.

In Indonesia, there are regulations that explain the obligations for companies that have gone public. public to disclose its sustainability report, namely Law No. 40 of 2007 concerning

Limited Liability Companies in Article 74 paragraph 1 states "Companies that carry out their business activities related to Natural Resources are required to carry out social and environmental responsibilities". In addition, Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies explains that companies are not only required to fulfill their social and environmental responsibilities, but must also disclose activities for these responsibilities. With this regulation, disclosure of sustainability reports is no longer seen as voluntary, but as an obligation. If a company does not prepare and disclose a sustainability report, it will be subject to sanctions in accordance with the provisions of laws and regulations.

In the banking sector, sustainability reports play a role in identifying sustainability-related risks and opportunities, such as climate risks or the social impacts of credit policies. This is useful as a tool in building trust with stakeholders, including investors, customers, and regulators. Based on Financial Services Authority Regulation Number 51 of 2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, Articles 10 and 12 also require companies to prepare and publish sustainability reports through the websites of LJK, Issuers, and Public Companies no later than April 30 of the following year. With this report, banks can demonstrate how they play a role in supporting a sustainable economy and contribute positively to society.

D. GRI Standards

The Global Reporting Initiatives (GRI) is an independent international organization that helps businesses, governments, and other organizations understand and integrate their impacts on sustainability issues. It was originally founded in Boston in 1997 by the Coalition for Sustainability. for Environmentally Responsible Economies (CERES) and United Nations Environment Programme (UNEP). GRI provides standards for sustainability reporting, called the GRI Standards. The purpose of these standards is to ensure universal use and increase organizational transparency in sustainability reporting, covering economic, social, and environmental impacts. They also assist organizations in preparing sustainability reports that adhere to reporting principles and focus on material issues.

The GRI standards are the top standards on an international scale for sustainability reporting and are still very effective in disclosing corporate sustainability performance (Oktaviani et al., 2023). Sustainability reporting based on the GRI standards will contain information about a company's contribution to sustainable development, as it includes transparent reporting on its economic, environmental, and social impacts. To date, the GRI standards are the most widely used reporting standards for sustainability. Reports in various countries (PwC, 2023). Based on a study by KPMG in October 2022, it was revealed that four of the five largest global companies in the world use GRI standards for sustainability reports. report (SR) or Environment, Social, and Good Governance (ESG) report.

Since the launch of its first guidelines in 2000, GRI has continuously evolved to meet the needs of more relevant and global reporting. In 2002, GRI officially became an independent institution, coinciding with the launch of its second-generation reporting guidelines (G2) in Johannesburg at the World Summit. on Sustainable Development. The G3 Guidelines were published in 2006, refining the reporting structure and adding new, more comprehensive indicators. In 2013, GRI introduced its latest guidelines, emphasizing the concept of materiality, the GRI G4 Guidelines. Then, in 2016, GRI shifted from providing guidelines to establishing the first global standards for sustainability reporting, the GRI Standards. The most recent standard

update occurred in late 2021, with the release of the Global Reporting Standards. Initiative (GRI) updated the 2016 GRI Standards to the 2021 GRI Standards.

The 2021 GRI Standards are the sustainability standards that apply to every sustainability report published after January 1, 2023, and are a continuation of the 2016 GRI Standards. When organizations used the 2016 GRI Standards, they could choose between 'core' or 'comprehensive' in preparing their sustainability reports. However, in the 2021 GRI Standards, organizations cannot choose this option and are instead required to present information in accordance with the requirements contained in the "disclosure". This shows that every element of the requirements must be met in its entirety without missing anything.

Furthermore, updates to the 2021 GRI Standard address human rights. While in the 2016 GRI Standard, this element was only reported if it was deemed material, in the 2021 GRI Standard, every element is required to be disclosed by organizations in their sustainability reports. This demonstrates the increased attention to social issues in sustainability reports.

The 2021 GRI Standards contain three disclosure standards: Universal Standards, Sector Standards, and Topic Standards. The Universal Standards include GRI-1 Foundation, GRI-2 General Disclosure, and GRI-3 Material Topics. All organizations using the GRI Standards are required to disclose these three disclosures in their sustainability reporting. Previously, in the 2016 GRI Standards, these disclosures were numbered GRI 101, 102, and GRI 103.

Meanwhile, Sector Standards cover material topics with significant impacts according to the company's respective industrial sector. Companies using Sector Standards must include all disclosures in them or provide a valid reason for not including them. To date, GRI has published three sector standards, prioritized based on their impacts: Oil & Gas (GRI 11), Coal (GRI 12), and Agriculture, Aquaculture, and Fisheries (GRI 13) (Global Reporting Initiative 2024). The organization aims to have 40 to 45 sector standards in the future.

Finally, in the 2021 GRI Standards, the Topic Standards 200 (Economic), 300 (Environmental), and 400 (Social) have been removed to align with the new Universal Standards. In the 2021 GRI Standards, there are 31 separate Topic Standards that must be followed when reporting on material topics. However, the information provided in the Topic Standards remains unchanged, such as the numbering and year of publication of the Topic Standards, which remain the same as before the update.

In Indonesia, the use of GRI standards as a measurement of sustainability report variables has been effective since July 2018. For sustainability reporting, the GRI framework helps companies identify, collect, and report their data in a clear and comparable manner. For the banking sector, GRI standards will help provide guidelines for reporting specific issues such as environmental risk management practices, responsible lending, and the implementation of anti-corruption policies. Through the application of GRI standards in sustainability reports, it will help companies in transparently explaining their contributions to sustainable economic development and provide a framework for organizations to disclose reliable, relevant, and standardized information to create better transparency and accountability.

III. RESEARCH METHODOLOGY

This study uses a descriptive qualitative approach to understand and explain the phenomena experienced by the research object through descriptions in the form of words and language in a natural context (Moleong, 2017). Qualitative research focuses on depicting social

and cultural realities and how individuals or groups construct meaning in everyday life (Bungin, 2011). The descriptive nature of this study aims to identify and explain the condition of the company during the research and the nature of the variables studied in certain situations (Sekaran, 2010). The approach used is a case study, namely a qualitative approach that explores the real life of a case through in-depth data collection from various sources of information (Creswell, 2014:135). This approach was chosen to analyze in depth the disclosure of social and environmental responsibility in the sustainability report of PT. Bank Pembangunan Daerah Jawa Timur and its compliance with the GRI Standards, where the level of compliance is assessed based on the number of indicators disclosed and the completeness and quality of the information presented.

This research was conducted from August 2024 to March 2025, with the research objects being the sustainability report and annual report of PT. Bank Pembangunan Daerah Jawa Timur Tbk, as well as the sustainability reports of other banks for the 2022–2023 period. The type of data used was secondary data obtained from sustainability reports, annual reports, and other relevant supporting sources (Sekaran & Bougie, 2016). Data collection was carried out through the documentation method by analyzing company documents in the form of narrative text, photos, tables, and graphs (Sugiyono, 2017). Data analysis used the content method. Analysis is an objective and systematic procedure for describing qualitative information through recording and calculation (Neuman, 1991) and understanding the direction of thought in a communication (Ahmad, 2018). The analysis process is carried out through the stages of data reduction, data presentation, and drawing and verifying conclusions (Miles & Huberman, 1992) by comparing CSR disclosures in the sustainability report of PT. Bank Jatim for the 2022–2023 period against the 2021 GRI Standard guidelines and scoring based on research by Harun et al. et al. (2013).

IV. RESULTS AND DISCUSSION

A. Company Overview

A Brief History of PT. Bank Jatim Tbk.

PT Bank Pembangunan Daerah Jawa Timur Tbk (“Bank Jatim”) is one of the regional development banks in Indonesia which was established under the name PT Bank Pembangunan Daerah Djawa Timur on August 17, 1961. The legal basis for its establishment is the Notarial Deed of Anwar Mahajudin No. 91 dated August 17, 1961 while the operational basis is the Decree of the Minister of Finance Number BUM.9-4-5 dated August 15, 1961. Based on Law No. 13 of 1962, Regional Development Banks are required to be established through Regional Government Regulations. Therefore, the East Java Regional Government ratified Regional Regulation No. 2 of 1976, which changed the name of PT Bank Pembangunan Daerah Djawa Timur to Bank Pembangunan Daerah Jawa Timur. This ratification was supported by the Decree of the Minister of Home Affairs No. Pem.10/5/26-18 on January 31, 1977, and published in the East Java Regional Gazette of 1977.

In 1990, the East Java Regional Development Bank upgraded its status from a commercial bank to a foreign exchange commercial bank, as stipulated in Bank Indonesia Decree No. 23/28/KEP/DIR dated August 2, 1990. In terms of capital, the East Java Regional Development Bank also underwent several changes to strengthen its capital. The first change was made in 1994, namely the stipulation of the East Java Provincial Regulation No. 26 of 1994 concerning

the First Amendment to the East Java Provincial Regulation No. 9 of 1992 concerning the East Java Regional Development Bank, by changing the capital/ownership structure, which permitted share capital from third parties as one of the elements of ownership with a maximum composition of 30%.

The change in legal form from a Regional Company to a Limited Liability Company occurred due to Article 2 of the Regulation of the Minister of Home Affairs No. 1 of 1998 concerning the Legal Entity Form of the Regional Development Bank so that the Regional Regulation of East Java Province No. 1 of 1999 was ratified by the East Java DPRD on March 20, 1999 and the Minister of Home Affairs on April 14, 1999. The legality of this change was strengthened by Deed No. 1 dated May 1, 1999 by Notary R. Sonny Hidayat Julisty, SH, and was ratified by the Minister of Justice of the Republic of Indonesia with Decree No. C2.8227.HT.01.01.TH.99 dated May 5, 1999 and announced in the State Gazette of the Republic of Indonesia dated May 25, 1999 No. 42, Supplement to the State Gazette of the Republic of Indonesia No. 3008/1999, then officially became PT Bank Pembangunan Daerah Jawa Timur. Furthermore, in 2006, amendments were made to the Articles of Association to add Sharia Business Unit activities, which were approved by the Minister of Law and Human Rights through Decree No. W10-00182.HT.01.04-TH.2007 on February 7, 2007. As a step to strengthen capital and fulfill the requirements of BPD Regional Champion, amendments were made to the Company's Articles of Association based on the Deed of Statement of Decision of the Extraordinary General Meeting of Limited Liability Companies Number 89 dated April 25, 2012. This decision has been approved by the Ministry of Law and Human Rights based on Decree Number AHU-22728.AH.01.02.Tahun 2012 and based on the Decree of the Capital Market and Financial Institution Supervisory Agency (BAPEPAM-LK) dated November 29, 2012, it was declared effective for the registration statement and changed its name to PT Bank Pembangunan Daerah Jawa Timur Tbk.

Bank Jatim's Articles of Association have been amended several times, the last of which was approved at the Annual General Meeting of Shareholders for the 2022 Financial Year based on Deed No. 25 dated April 12, 2023 by Notary Sitaresmi Puspawati Subianto, SH. This change was then confirmed in the Deed of Restatement of Meeting Decisions of PT Bank Pembangunan Daerah Jawa Timur Tbk No. 15 dated May 9, 2023, which was also made by Notary Sitaresmi Puspawati Subianto, SH in Surabaya. The change has received official notification from the Ministry of Law and Human Rights through Letter No. AHU-0026675.AH.01.02.TAHUN 2023 dated May 15, 2023.

Bank Jatim began its operational activities in accordance with the Decree of the Minister of Finance of the Republic of Indonesia No. BUM 9-4-5 on August 15, 1961. Meanwhile, the Sharia Business Unit (UUS) was established and began operating on August 21, 2007 in accordance with the letter of Principle Approval for the Establishment of UUS from Bank Indonesia No. 9/75/DS/Sb dated April 4, 2007. During its journey, Bank Jatim has experienced three name changes. Initially named PT Bank Pembangunan Daerah Djawa Timur, which later changed to Bank Pembangunan Daerah Jawa Timur in 1976 in accordance with Regional Regulation No. 2 of 1976 dated July 10, 1976. Then, this name changed again to PT Bank Pembangunan Daerah Jawa Timur based on the Decree of the Minister of Justice of the Republic of Indonesia No. C2-8827.HT.01.01.Th.99 dated May 5, 1999 which was announced in the State Gazette of the Republic of Indonesia on May 25, 1999 No. 42, Supplement No. 3008/1999. Finally, the name of Bank Jatim changed to PT Bank Pembangunan Daerah Jawa Timur Tbk according to the

Letter of the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.10-31887 dated August 31, 2012 along with the status of Bank Jatim which became a Public Company by listing 20% of shares on the Indonesia Stock Exchange with the Ticker Code or Stock Code BJTM.

Company Vision and Mission

a. Vision of PT. East Java Regional Development Bank

To become the "No. 1 BPD" in Indonesia

Vision Explanation

To become a Regional Development Bank that contributes significantly to sustainable regional economic growth and to become a BPD that has competitive advantages. advantage) so that it is able to compete and even outperform other banks, especially Regional Development Banks.

b. Mission of PT. East Java Regional Development Bank

1. Accelerating performance and healthy business transformation towards a digital bank with highly competitive human resources
2. Contributing to the economic growth of East Java
3. Implementing sustainable finance principles

Mission Explanation

The Bank focuses on accelerating performance growth by continuously transforming to remain competitive above the banking industry average. Key support comes from Human Capital, which is continuously fostered and developed to enhance its capacity and capabilities. To face competition, particularly with other Regional Development Banks, the Bank actively innovates by developing diverse, easily accessible digital banking products and services tailored to the needs of the community, particularly in East Java, to contribute to East Java's economic growth. As a form of contribution to East Java's economic growth, the Bank is committed to supporting the development of MSMEs and playing a role in strategic government projects and regional economic activities. Furthermore, the Bank implements sustainable finance principles by conducting environmentally friendly business practices. This sustainable finance aims to create a balance between economic, social, and environmental aspects, while supporting projects that have a positive impact on environmental sustainability.

Meaning of Company Logo



Figure 4.1 Logo of PT. Bank Jatim Tbk.

(Source: <https://www.bankjatim.co.id/id/tentang-bankjatim/profil>)

The Bank Jatim logo is inspired by the Garuda bird's wings flapping upward, symbolizing its readiness to fly. The Garuda, Indonesia's national symbol, is known in Javanese mythology as the "Bird of Life," bringing glory. Wings are aerodynamic body parts that function as

stabilizers during flight, reflecting Bank Jatim's hope for a stable soaring flight toward its desired destination. This philosophy also reflects the balance between funds collected from the public or government and their distribution in the form of credit or financing, in order to create a people-oriented economy.

"The First" is Bank Jatim's brand personality, depicted through the five wings on its logo. These five wings represent the three pillars and two main foundations of banking. These three pillars include Agent of Development, Institutional Endurance, and Services. Meanwhile, the two main foundations are the implementation of good corporate governance (Good Corporate Governance). Corporate Governance) and risk management (Risk Management) that is reliable.

Company Organizational Structure

Along with the Bank's business development, Bank Jatim's organizational structure has undergone several changes. Based on the Board of Directors' Decree No. 061/218/DIR/PRS/KEP dated December 7, 2022, and the Board of Directors' Circular No. 062/003/DIR/PRS/SE dated February 24, 2023, the following is Bank Jatim's organizational structure as of December 31, 2023:

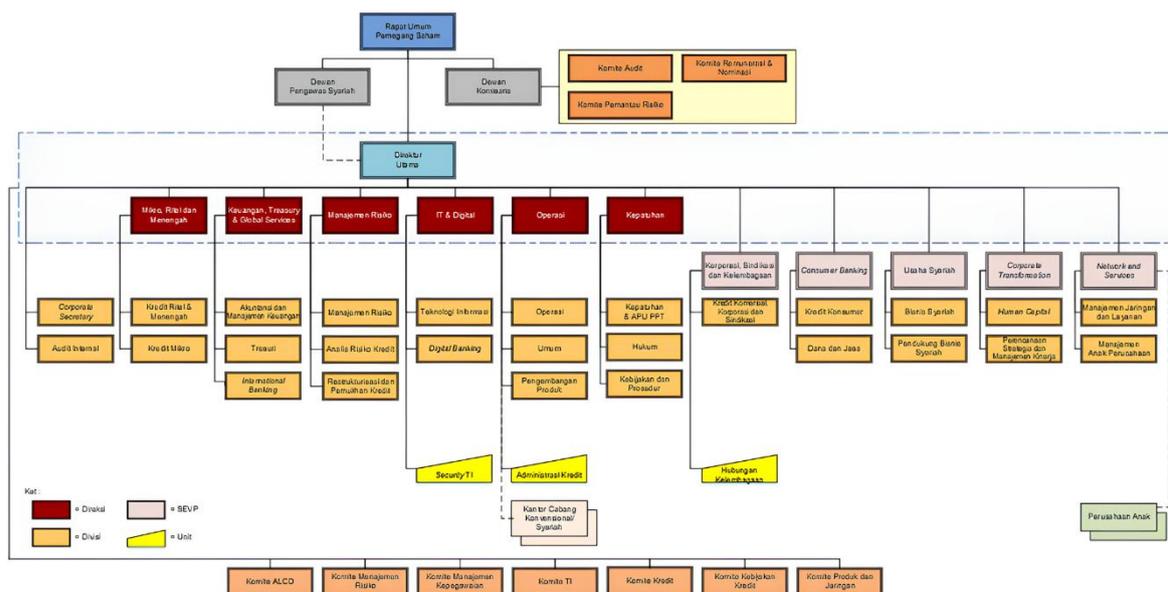


Figure 4.2 Organizational Structure of PT. Bank Jatim Tbk.

(Source: <https://www.bankjatim.co.id/id/tentang-bankjatim/manajemen/struktur-organisasi>)

Company Operational Activities

In achieving the aims and objectives of Bank Jatim, the Company carries out its main activities, namely as follows:

- Collecting funds from the public in the form of savings in the form of current accounts, time deposits, certificates of deposit, savings and/or other forms similar to these, both conventionally and based on sharia principles ;
- Distributing funds in the form of credit or financing based on sharia principles;
- Carrying out activities in the field of payment systems
- Placing funds in another bank, borrowing funds from another bank or lending funds to another bank, either by using letters, telecommunications facilities or by bearer draft, check or other means;

- e. Issuing and/or carrying out securities transactions for the benefit of the Bank and/or Customers
- f. Providing a place to store goods and securities;
- g. Conducting business activities in foreign currency;
- h. Carrying out receivables transfer activities;
- i. Carrying out activities of storing goods and valuables;
- j. Carrying out other activities with the approval of the Financial Services Authority;
- k. Providing financing and/or carrying out other activities including carrying out activities based on sharia principles in accordance with applicable provisions;
- l. Carrying out other banking activities in accordance with applicable regulations, both domestically and abroad.

In addition, to support the bank's main business activities, Bank Jatim also carries out business activities, including the following:

1. Purchasing part or all of the collateral, either through auction or outside of auction based on voluntary surrender by the collateral owner or based on power to sell outside of auction from the Collateral owner in the event that the debtor Customer does not fulfill its obligations to the Bank, with the provision that the collateral purchased must be disbursed as soon as possible.
2. Carrying out capital participation activities in financial services institutions or other companies that support the banking industry by fulfilling the provisions stipulated by the Financial Services Authority.
3. Carrying out temporary capital investment activities outside financial services institutions to overcome the consequences of credit or financing failures based on sharia principles, with the condition that the investment must be withdrawn.
4. Cooperating with other Financial Services Institutions and cooperation with other than Financial Services Institutions in providing financial services to Customers.
5. Act as founder of pension fund and pension fund manager in accordance with applicable pension fund regulations.

B. Discussion of the Results of General Disclosure of PT. Bank Jatim Tbk.

In the 2021 GRI standards, specifically in the general disclosure sector (GRI 2), there are five topics and 30 items that companies must disclose. These topics cover organizational disclosures to provide information on their reporting practices; activities and workforce; governance; strategies, policies, and practices; and stakeholder engagement. This information provides insight into the company's profile and scale and provides context for understanding their impacts. The results of the general disclosure analysis disclosure) Bank Jatim in 2022-2023, namely as follows:

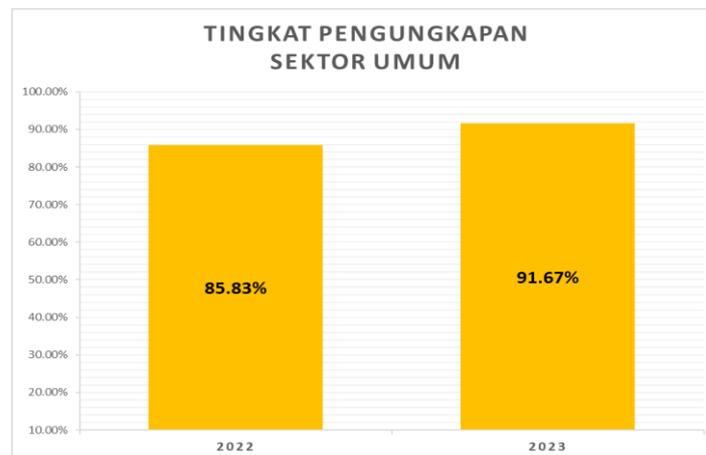


Figure 4.3 Percentage of Public Sector Disclosure Compliance Level Bank Jatim 2022-2023

(Source: Data processed by the author, 2025)

The general disclosure topic in Bank Jatim's 2022 sustainability report scored 85.83%. Meanwhile, for 2023, the percentage increased by 5.84% to 91.67%. Based on these percentages, Bank Jatim's general disclosure level in 2022 and 2023 is classified as "well." applied " or properly implemented in accordance with the 2021 GRI standards. This demonstrates Bank Jatim's increased transparency and commitment to disclosing governance information in its sustainability report related to sustainability aspects in accordance with GRI standards. Furthermore, it also reflects the company's efforts to improve reporting quality to meet stakeholder expectations.

Table 4.1 Level of Completeness and Quality of General Disclosures

Standar GRI			2022			2023		
GRI 102 : Pengungkapan Umum	Jumlah Pengungkapan	Skor Maksimal	Pengungkapan Terpenuhi	Jumlah Poin yang Diungkapkan	Persentase (%)	Pengungkapan Terpenuhi	Jumlah Poin yang Diungkapkan	Persentase (%)
Organisasi dan Praktik Pelaporan	5	20	5	20	100%	5	20	100%
Aktivitas dan Pekerja	3	12	2	7	58,3%	3	10	83,3%
Tata Kelola	13	52	13	47	90,3%	13	50	96,1%
Strategi, Kebijakan, dan Praktik	7	28	7	21	75%	7	22	78,6%
Keterlibatan Pemangku Kepentingan	2	8	2	8	100%	2	8	100%
Total / Rata-Rata	30	120	29	103	85,83%	30	110	91,67%

Source: Secondary data processed by researchers, 2025

In Bank Jatim's sustainability report, there are several items that are not disclosed and some are only partially disclosed by Bank Jatim. Of the total 30 general disclosure items, there is 1

item that is not disclosed and 2 items that are not fully disclosed. In 2022, the item that was not disclosed was GRI (2-8) Non-Direct Workers. Bank Jatim should have reported the total number of non-labor workers and explained the methodology and assumptions used to compile the data. In its report, Bank Jatim only disclosed the number of direct workers, namely permanent, non-permanent, and outsourced employees. Meanwhile, the number of non-direct workers, such as interns, was not disclosed.

Items that are not fully disclosed are GRI item (2-24) Embedding Policy Commitments in 2022 and GRI item (2-26) Mechanisms for seeking advice and raising concerns in 2023. Based on the GRI Standards guidelines, in GRI item 2-24, companies must explain how they embed each of their policy commitments for responsible business behavior across their business activities and relationships. Then, in GRI item 2-26, companies should explain mechanisms for individuals to seek advice and raise concerns related to responsible business policies and practices. In Bank Jatim's sustainability report, these two items either only mention the topic without further explanation or the content does not comply with the points in the GRI standards.

The topic of organizational profile and reporting practices has been explained in detail by Bank Jatim in its report. As a banking institution operating in Indonesia, Bank Jatim explains the scope of its business and the business units it operates. Bank Jatim publishes a sustainability report once a year, just like its annual report, and its contents cover all operational activities both at Bank Jatim Head Office and all branch offices in Indonesia during the period of January 1-December 31. To ensure the quality and reliability of the information disclosed in its sustainability report, Bank Jatim has collaborated with an independent third party, namely SR Asia Indonesia. Verification is carried out in accordance with the AA1000 standard from AccountAbility in 2018. This disclosure reflects Bank Jatim's compliance with sustainability reporting standards that emphasize transparency and accountability in its operations.

In the activities and employees section, Bank Jatim provides an overview of its business activities and the role of employees and other personnel in supporting the company's operations. This disclosure includes the organization's main activities and their relationships with other entities, the number of employees, and the composition of the workforce based on specific categories. Bank Jatim ensures that all its suppliers meet certain standards and prerequisites, including compliance with applicable environmental and social regulations. By reporting policies related to activities and employment, Bank Jatim demonstrates its commitment to creating a healthy work environment and how the company manages its human resources to achieve business and social goals.

In addition, under the governance topic, Bank Jatim explains the ownership structure, including the roles, composition, and selection mechanisms of the board of commissioners and directors, to ensure transparent and accountable decision-making. Bank Jatim also explains the remuneration policy and process for the board of directors and other employees, which will help recruit, motivate, and retain members of the highest governance body, senior executives, and other employees. In addition, this will also support Bank Jatim's strategy and contribution to sustainable development and align with the interests of stakeholders.

To address economic, social, and environmental challenges, Bank Jatim has disclosed the business strategies, policies, and sustainability practices implemented to address these challenges in its sustainability report. One concrete step of Bank Jatim's commitment and support as a business actor in the banking industry towards sustainable development and the

implementation of sustainable finance principles is by preparing a Sustainable Finance Action Plan (RAKB). RAKB is a document that explains the Company's business plans and work programs in the short term (one year) and long term (five years) based on sustainable finance principles, including strategies, targets, as well as risk and compliance management.

Bank Jatim's main focus in implementing Sustainable Finance is the development of sustainable financial products and services, as well as the development of the bank's internal capacity. This program is expected to run smoothly so that Bank Jatim's goal of becoming the No. 1 Regional Development Bank (BPD) in Indonesia, contributing to East Java's economic growth, which prioritizes harmony between economic, social, and environmental aspects, can be realized properly. On the other hand, the stakeholder engagement aspect disclosed by Bank Jatim is able to demonstrate how the company understands and responds to the interests of various parties related to its operations, including how they engage in collective bargaining with employees. By conveying this information, Bank Jatim builds trust, improves sustainable business relationships, and ensures that decisions are aligned with stakeholder expectations.

Thus, Bank Jatim's level of compliance with general sector disclosures reflects the company's commitment to ensuring transparency and accountability in its sustainability reports. Compliance with established standards demonstrates Bank Jatim's efforts to present relevant and reliable information to stakeholders. While there are still areas for improvement, ongoing efforts to enhance disclosure quality are expected to strengthen public trust and support better corporate governance practices in the future.

C. Discussion of Disclosure of Economic Sector of PT Bank Jatim Tbk.

Disclosure of economic performance aspects in sustainability reports aims to increase transparency regarding a company's economic impact, assist with regulatory compliance, and provide stakeholders with a better understanding of its economic contributions. Based on the 2021 GRI Standards, the economic aspect includes seven indicators and 17 disclosure items. These seven specific topics are economic performance, market presence, indirect economic impacts, procurement practices, anti-corruption, anti-competitive behavior, and taxes. The following is an analysis of Bank Jatim's level of compliance with economic performance disclosures in 2022-2023:

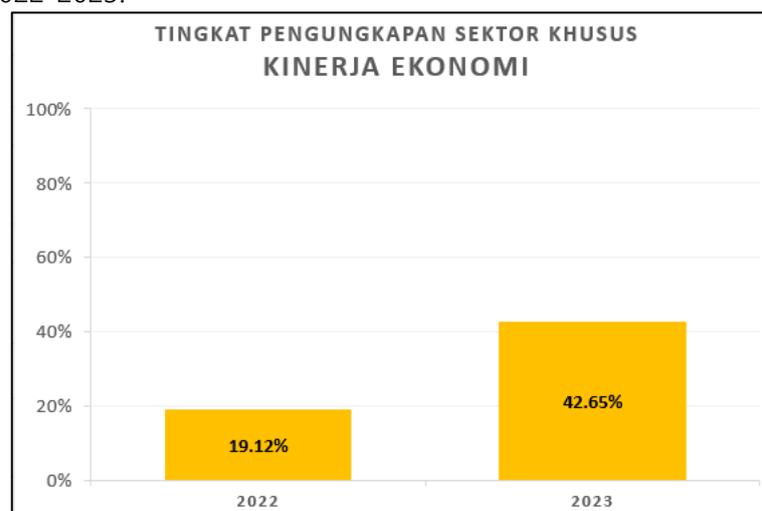


Figure 4.4 Level of Disclosure of Economic Performance in 2022-2023
(Source: Data processed by researchers, 2025)

Based on Figure 4.4, it can be seen that there was a significant increase in the value of economic performance disclosures from 2022 to 2023, namely 23.53%. In 2022, Bank Jatim's economic performance disclosures were classified as 'limited'. disclose ' or limited disclosure. Due to the 42.65% increase in disclosure scores in 2023, the predicate rose to "Partially Applied" or partially applied. The low disclosure score in 2022 may be due to the fact that Bank Jatim's 2022 Sustainability Report only included two indicators for the economic sector: economic performance and indirect economic impact. Meanwhile, in 2023, three indicators were disclosed: economic performance, anti-corruption, and tax.

Four indicators not disclosed in the 2023 economic aspects are market existence, indirect economic impacts, procurement practices, and anti-competitive behavior. In 2022, Bank Jatim disclosed the indirect economic impact indicator, but in 2023, this indicator was no longer disclosed. Furthermore, there are also items not fully disclosed, namely GRI item (203-2) Significant indirect economic impacts in 2022 and GRI item (205-1) Operations assessed based on corruption-related risks in 2023.

Regarding GRI item 203-2, Bank Jatim only mentions the topic without providing further explanation. This item should explain all identified and significant indirect economic impacts, both positive and negative, of Bank Jatim. Furthermore, in GRI item 205-1, Bank Jatim's explanation does not comply with GRI guidelines, which should state the total number and percentage of operations assessed as having corruption-related risks. In its report, Bank Jatim only provides information regarding mitigation measures taken to prevent corruption.

The increase in disclosures in specific economic sectors reflects Bank Jatim's efforts to improve transparency regarding its economic impact and how it carries out its social responsibility in the economic sector. This increase can be attributed to two main factors. First, the increase in the number of disclosed indicators and the improvement in the quality of the information provided. In 2023, Bank Jatim began disclosing more topics related to the economic sector and also provided more detail on its economic contributions. The more comprehensive and clear the information provided, the higher the level of disclosure in the CSR report.

The disclosure of economic performance provides an overview of Bank Jatim's achievements and performance during the reporting year. Economic performance consists of four disclosure items: direct economic value, financial implications of climate change, pension plan obligations, and financial assistance received from the government. In 2023, Bank Jatim demonstrated positive economic performance in line with its commitment to sustainable finance. Interest and sharia income increased by 6.90% compared to 2022, while local supplier engagement reached 100% with a total of 378 suppliers. Furthermore, the number of East Java agents experienced a significant growth of 147%, from 2,912 agents in 2022 to 7,196 agents in 2023.

Anti-Corruption was added to Bank Jatim's 2023 sustainability report. As an institution that manages public funds and carries out various large-scale financial transactions, Bank Jatim must ensure transparency, accountability, and integrity in all its operations. Therefore, this topic needs to be disclosed to increase stakeholder trust in Bank Jatim's commitment to managing its operational activities and customer deposits. This commitment is demonstrated by ISO 37001:2016 SMAP certification and corruption prevention policies, including anti-fraud strategies and gratuity policies. This commitment is reinforced through the Anti-Fraud Declaration signed by all bank employees to support transparency and business ethics.

Furthermore, another topic included in the 2023 sustainability report is taxes. This topic is crucial because it directly relates to the company's obligations to the state. Bank Jatim has consistently reported and paid taxes in accordance with applicable regulations and on time, supporting national development and the bank's business continuity. Bank Jatim's commitment to tax regulations is reflected in the development of tax standard operating procedures (SOPs) and tax strategies, which are approved and reviewed annually by the Director of Finance, Treasury, and Global Services in the Annual Corporate Income Tax Return (SPT).

Disclosure on these topics reflects Bank Jatim's commitment to responsible financial policies, as well as initiatives that focus not only on improving financial performance but also on addressing the social and environmental impacts of banking activities. This aligns with the Corporate Governance concept. Social Corporate Social Responsibility (CSR) is a company's obligation to contribute to sustainable economic development while building a more responsible and sustainable corporate image.

The concrete steps taken by Bank Jatim in implementing its commitment to responsible financial policies are by preparing a Sustainable Financial Action Plan (RAKB). The RAKB is part of Bank Jatim's business plan and is in order to implement Article 7 paragraph (1) of POJK No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions. This policy is a policy in the financial industry created to support the government in realizing sustainable development.

One form of sustainability implementation undertaken by Bank Jatim is through the development of sustainable financial products and services. Bank Jatim provides appreciation in the form of easy capital access to debtors who develop sustainability-based businesses, particularly in the Green MSME sector, and holds a Simpeda Lottery with an environmental conservation concept to raise public awareness of environmental issues. Furthermore, Bank Jatim implements an energy efficiency policy in its operations by conducting an energy audit of its head office building to ensure more efficient and sustainable energy use.

In addition to product and service development, Bank Jatim also focuses on internal capacity building to ensure optimal sustainability implementation. This is done through sustainable finance training and workshops to improve understanding of sustainable finance, environmental analysis (AMDAL) training for management and credit analysts, and improving employee understanding of sustainable financial sector development, such as the integration of Environmental, Social, and Governance (ESG). Social and Governance (ESG) in financial activities.

In addition to quantity and quality factors, the increase in the value of economic sector disclosures can also be linked to issues or cases that occurred at Bank Jatim in the previous period. In the context of cases, in 2022, Bank Jatim faced several issues related to fraud cases. Reported from the East Java BPK website, a corruption case occurred at PT Bank Jatim Syariah Sidoarjo Branch worth IDR 25 billion, involving internal parties from Bank Jatim and PT Astra Sedaya Finance Surabaya I (Bank Jatim Patuhi Proses Hukum, 2022). Then, in the same year, there was also another case at Bank Jatim Banyuwangi Branch involving Bank Jatim employees for embezzling customer funds worth IDR 3 billion (Arifianto, 2022). Not only that, in 2023, a fraud case also occurred at Bank Jatim Pesanggaran Banyuwangi Branch, involving internal Bank Jatim. The individual is suspected of manipulating the data of 50 customers from July 2015 to October 2021 and causing state losses of IDR 2.3 billion. (Verdian, 2023).

The news surrounding these cases could be a factor that encourages Bank Jatim to better disclose its CSR activities to increase transparency and stakeholder and public trust. This aligns with legitimacy theory, which suggests that companies will strive to improve their CSR disclosures to maintain a positive image and public trust. Furthermore, by providing clearer and more comprehensive information, Bank Jatim can maintain stakeholder trust and ensure that its operations align with the principles of social responsibility.

This statement is also supported by research by Trianaputri & Djakman (2019), which demonstrated a positive influence of media exposure on the quality of a company's sustainability report disclosure. Companies tend to improve the quality of their sustainability reports to improve their image following a specific issue. This suggests that external pressures, such as media coverage and public opinion, can encourage companies to be more transparent in disclosing their social and economic responsibilities. Therefore, increasing disclosure of economic aspects in Bank Jatim's CSR can be understood as a strategic effort to maintain its reputation and build stakeholder trust.

Overall, the increased disclosure of economic aspects in Bank Jatim's CSR activities not only reflects an increase in the quantity and quality of information presented, but also a response to pressure stemming from previous issues. With more transparent and comprehensive disclosures, Bank Jatim strives to maintain its legitimacy and strengthen its image as a financial institution committed to economic sustainability.

Table 4.2 Disclosure of Economic Aspects in 2022-2023

Indikator	Jumlah Skor Maksimal	Jumlah Poin yang Terpenuhi		Persentase (%)	
		2022	2023	2022	2023
Kinerja Ekonomi	16	10	11	62,5%	68,75%
Keberadaan Pasar	8	0	0	0%	0%
Dampak Ekonomi Tidak Langsung	8	3	0	37,5%	0%
Praktik Pengadaan	4	0	0	0%	0%
Anti-Korupsi	12	0	8	0%	66,67%
Perilaku Anti-Persaingan	4	0	0	0%	0%
Pajak	16	0	10	0%	62,5%

Source: Secondary data processed by researchers, 2025

D. Discussion of Environmental Sector Disclosure of PT. Bank Jatim Tbk.

Environmental disclosures in sustainability reports focus on the organization's impact on the environment and how it adopts more environmentally friendly and sustainable business practices to minimize negative impacts on ecosystems. Environmental sustainability concerns Bank Jatim's impact on land, air, water, and ecosystems. Environmental topics, according to the 2021 GRI standards, include seven indicators and 31 disclosure items. These seven topics include materials, energy, water and effluent, biodiversity, emissions, waste, and supplier environmental assessments. The following is an analysis of Bank Jatim's environmental performance disclosure compliance level for 2022-2023:

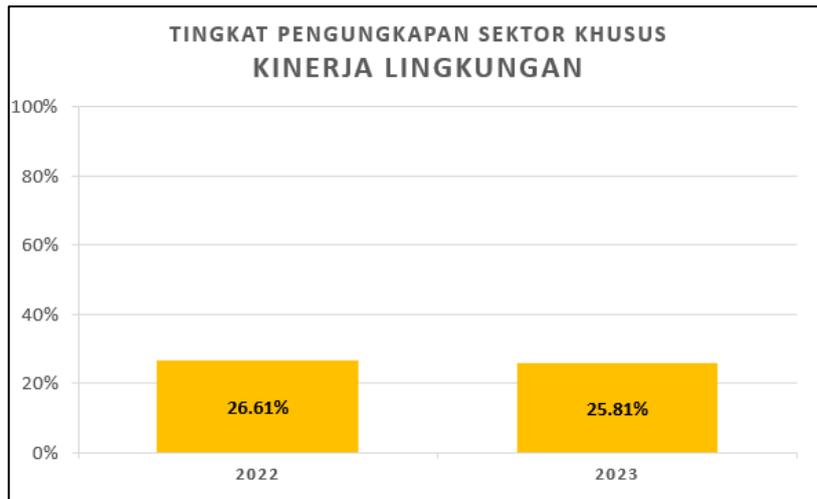


Figure 4.5 Level of Environmental Performance Disclosure in 2022-2023
(Source: Data processed by researchers, 2025)

Unlike the other two aspects, the environmental aspect experienced a decrease in disclosure value from 2022 to 2023. In 2022, the value was 26.61%, while in 2023, the value was 25.81%, a decrease of 0.8% from 2022 (Figure 4.5). The disclosure results for both years are classified as "limited." "disclose" or limited disclosure. This decrease occurred despite the same number of indicators and items disclosed in the two years, namely 12 indicators and 31 disclosure items. This is due to the quality of the information presented in 2023 being less in-depth, lacking detail, or lacking quantitative data to support the information provided in accordance with GRI standards.

There are several undisclosed indicators and items that are only partially disclosed in the environmental aspect. There are five undisclosed indicators: materials, water and effluent, biodiversity, waste, and supplier environmental assessments. Furthermore, one item that is not fully disclosed is GRI item (302-5) "Reducing energy requirements for products and services." In its 2022 and 2023 Sustainability Reports, Bank Jatim only mentions the topic, without providing further explanation regarding the disclosed topic. This item should explain the reduction in energy requirements for products and services sold achieved during the reporting period and the basis for calculating the reduction in energy consumption.

The low percentage of disclosure on environmental aspects overall is also due to the nature of PT. Bank Jatim Tbk.'s business, which is in the banking sector, which indirectly impacts the environment significantly. As a financial institution, Bank Jatim does not have operational activities that generate industrial waste or exploit natural resources, as occurs in the manufacturing or mining sectors. Of the 12 environmental indicators available in the GRI standards, Bank Jatim only disclosed two indicators during 2022 and 2023: energy and emissions.

The similar number of indicators disclosed in 2022 and 2023 can also be attributed to the absence of complaints received by Bank Jatim regarding environmental violations during the reporting period, as disclosed in its annual report. This indicates that Bank Jatim's attention to environmental aspects is relatively stable, but has not shown significant development. Bank Jatim has not demonstrated any commitment to improving disclosures of items within the environmental category.

Energy is one of the topics discussed by Bank Jatim because it is a crucial aspect of banking operations, particularly in office activities, data centers, and information technology systems. Throughout 2023, Bank Jatim managed to reduce the intensity of electricity and fuel consumption by 0.57 gigajoules per employee in 2023, even though Bank Jatim has not yet used renewable energy. Several efficiency efforts have also been implemented by Bank Jatim to reduce the intensity of GHG emissions produced. One example is replacing lights with LEDs. Energy efficiency, bottled water efficiency, and optimization of office waste management have reached the target of 80%.

As a financial institution, Bank Jatim must also remain responsible for its greenhouse gas emissions, although not directly and not as large as the manufacturing or industrial sectors. This is due to its significant impact on climate change. Bank Jatim stated that it has not been able to reduce its emissions, but until the end of December 2023, Bank Jatim will not produce, import, or export, or use emissions that damage the environment such as ozone-depleting substances (ODS), non-GHG emissions of Nitrogen Oxide (NOX), Sulfur Oxide (SOX), and other significant non-GHG emissions.

In its sustainability practices, Bank Jatim demonstrates its commitment by undertaking several CSR activities that minimize the negative impact of its operations on the ecosystem and the environment. These include mangrove rehabilitation in KOARMADA 2 in collaboration with the East Java Provincial Forestry Service, the construction of five solar-powered streetlights on Kangean Island, and mangrove reforestation.

Furthermore, Bank Jatim is striving to implement a paperless corporate culture at all levels of the company to minimize paper usage. Bank Jatim maximizes the use of used paper that does not contain confidential information by reusing it in the empty spaces for internal purposes. This is also supported by optimizing digital systems in banking operations. Thanks to these efforts, Bank Jatim successfully reduced its paper usage by six reams in 2023.

In 2023, Bank Jatim successfully increased its environmental fund disbursement by 58% compared to 2022, demonstrating its commitment to supporting programs that have a positive impact on the environment. As a manifestation of its concern for environmental sustainability, Bank Jatim has implemented various environmentally friendly initiatives, such as energy efficiency, waste reduction, and more responsible resource use policies. By adopting sustainability principles in its operations, Bank Jatim contributes to maintaining ecosystem balance and is responsible for its surrounding environment.

The decline in environmental disclosures can be attributed to legitimacy theory, where companies typically increase disclosures in aspects of primary concern to stakeholders. In recent years, the main issues related to Bank Jatim have been more related to economic and social aspects, so the push for expanding environmental disclosure has not been as strong as the other two aspects. However, in the long term, environmental aspects remain a crucial element of corporate sustainability, particularly with increasing regulations related to sustainability and global demands for green banking. banking).

Although environmental disclosures saw a slight decline, this should serve as an assessment for Bank Jatim to further balance its CSR disclosures across all aspects, including the environment. With increasing sustainability regulations and global demands for greener business practices, increased environmental transparency will be increasingly crucial to ensure Bank Jatim's operations adhere to sustainability principles.

Table 4.3 Environmental Aspect Disclosure in 2022-2023

Indikator	Jumlah Skor Maksimal	Jumlah Poin yang Terpenuhi		Persentase (%)	
		2022	2023	2022	2023
Material	12	0	0	0%	0%
Energi	20	13	13	65%	65%
Air dan Efluen	20	0	0	0%	0%
Keanekaragaman Hayati	16	0	0	0%	0%
Emisi	28	20	19	71,43%	67,86%
Limbah	20	0	0	0%	0%
Penilaian Lingkungan Pemasok	8	0	0	0%	0%

Source: Secondary data processed by researchers, 2025

E. Discussion of Social Sector Disclosure of PT. Bank Jatim Tbk.

A social performance aspect is disclosed to assess how a company treats employees, business partners, and surrounding communities in its operations. Based on the GRI Standards, the social aspect encompasses 17 indicators and 36 disclosure items. These topics include employment, labor/management relations, occupational health and safety, training and education, diversity and equal opportunity, non-discrimination, freedom of association and collective bargaining, child labor, forced or compulsory labor, safety practices, the rights of indigenous peoples, local communities, supplier social assessment, public policy, customer health and safety, marketing and labeling, and customer privacy. The results of the analysis of Bank Jatim's social performance disclosure compliance level in 2022-2023 are as follows:



Figure 4.6 Level of Social Performance Disclosure in 2022-2023
(Source: Data processed by researchers, 2025)

Based on Figure 4.6, in 2022, Bank Jatim only met two disclosures, with a score of 15.28%. These two indicators were personnel and training and education. In 2023, the social aspect disclosure score increased to 20.14%, although this figure is still classified as "limited." disclosed or limited disclosure is the same as in 2022. Among the social sector disclosures from 2022-2023, only one item was not fully disclosed, namely GRI item (406-1) Incidents of

discrimination and corrective actions taken in 2023. This is because Bank Jatim only provided a brief explanation regarding this topic. An explanation should have been provided regarding the total number of incidents of discrimination during the reporting period and the status and actions taken regarding these cases.

Similar to the economic sector, Bank Jatim's increased social sector disclosures were influenced by two main factors: first, an increase in the number of disclosed indicators and an improvement in the quality of the information provided. In 2023, Bank Jatim began expanding its disclosures and also covered more social topics. This increase is reflected in the number of items added to Bank Jatim's sustainability report, from three to five indicators in 2023. These indicators include staffing, training and education, non-discrimination, security practices, and customer privacy.

In its sustainability report, Bank Jatim highlights various social aspects that reflect its commitment to employee welfare, diversity and equality, and the protection of stakeholder rights. Employee welfare is a key focus, where Bank Jatim ensures the welfare of its workforce through fair employment policies, a conducive work environment, and equal career opportunities for all employees. In 2023, Bank Jatim realized this commitment by expanding job opportunities for prospective employees, as seen by the increase in the number of new employees by 295 people, an increase of 196 people from 2022. The number of permanent and non-permanent employees at Bank Jatim also increased by 176 people, an increase of 4% compared to 2022.

In addition, Bank Jatim also invests in its employees by providing training and education to improve their competencies and skills to stay relevant to developments in the financial and technology industries. A total of 5,094 employees participated in the 2023 training program, which covered various aspects, from technical development to soft skills enhancement. skills, to support professional growth and employee performance.

In addition, Bank Jatim affirms its commitment to non-discrimination by implementing the principle of equality or non-discrimination in the workplace, thus providing equal opportunities for all individuals regardless of gender, race, or other background. Bank Jatim also focuses on security practices because security officers deal directly with the public, so human rights practices must be implemented to respect human rights.

Another important aspect is customer privacy. Bank Jatim is committed to maintaining customer data security by implementing data protection policies that comply with regulations. This commitment is reflected in the acquisition of several certifications, including ISO 27001 Information Security Management System for JConnect Mobile, SMS Banking, and Internet Banking, and ISO 20000 The Service Management System at the IT & Digital Directorate. Provision of Core Banking System and Jconnect (Mobile Banking, Internet Banking & SMS Banking) Services to Internal Customers of Bank Jatim.

These various policies and efforts reflect Bank Jatim's social responsibility in creating a safe, inclusive, and transparent work environment, while also enhancing public trust in the services it provides. Based on this commitment, Bank Jatim successfully increased customer satisfaction to 94.73%, a 3.1% increase from 2022, and resolved 99% of complaints received in 2023.

The emergence of cases and issues related to Bank Jatim's social issues during 2021-2022 could be another factor influencing the improvement of Bank Jatim's social sector disclosure results. In 2021, Bank Jatim was implicated in a customer data leak. Bank Jatim's customer data was sold for IDR 3.52 billion by an irresponsible party (Bestari, 2021). In response, Bank Jatim's

board of directors issued a statement stating that customer data security remains intact, allowing them to continue conducting transactions safely. However, the publication of this news could lead to public distrust in Bank Jatim's security system.

In the banking sector, customer data is crucial because it contains sensitive information such as customer data, employee data, personal and company financial data. Data leaks can have serious consequences, both for customers and for the bank's reputation. If customer information falls into the wrong hands, it can lead to various risks, such as fraud, identity theft, and misuse of data for illegal activities. The potential risk of customer data leaks in the banking sector is a decrease in customer trust and the possibility of them transferring their funds to other banks perceived as safer.

In light of these risks, Bank Jatim disclosed GRI item 418 regarding customer privacy in 2023. During the reporting period, Bank Jatim disclosed no cases of breaches of customer privacy or loss of customer data. This disclosure is part of a move to improve its image and demonstrate its transparency strategy, demonstrating its commitment to customer data security. By increasing disclosure of social aspects in its CSR report, Bank Jatim strives to demonstrate its responsibility not only in serving its customers' financial needs but also in maintaining their security and privacy. This is part of the company's sustainability strategy to strengthen public trust amidst the increasingly complex challenges of the digital era.

Thus, Bank Jatim demonstrates its efforts to improve transparency in its social sector disclosures on issues faced by the bank by expanding the quantity and quality of information disclosed in its sustainability report. This demonstrates Bank Jatim's commitment to maintaining its legitimacy as a financial institution that supports sustainability and strengthening harmonious relationships with various parties.

Table 4.4 Disclosure of Social Aspects in 2022-2023

Indikator	Jumlah Skor Maksima	Jumlah Poin yang Terpenuhi		Persentase (%)	
		2022	2023	2022	2023
Kepegawaian	12	12	12	100%	100%
Hubungan Tenaga Kerja/ Manajemen	4	0	0	0%	0%
Kesehatan dan Keselamatan Kerja	40	0	0	0%	0%
Pelatihan dan Pendidikan	12	10	12	83,3%	100%
Keanekaragaman dan Kesempatan Setara	4	0	1	0%	25%
Non-diskriminasi	4	0	0	0%	0%
Kebebasan Berserikat dan Perlindungan Kolektif	4	0	0	0%	0%
Pekerja Anak	4	0	0	0%	0%
Kerja Paksa	4	0	0	0%	0%
Praktik Keamanan	4	0	2	0%	50%
Hak-hak Masyarakat	4	0	0	0%	0%
Masyarakat Lokal	8	0	0	0%	0%
Penilaian Sosial Pemasok	8	0	0	0%	0%
Kebijakan Publik	4	0	0	0%	0%
Kesehatan dan Keselamatan Pelanggan	4	0	0	0%	0%
Pemasaran dan Pelabelan	12	0	0	0%	0%
Privasi Pelanggan	4	0	2	0%	50%

Source: Secondary data processed by researchers, 2025

F. Comparative Analysis of PT. Bank Jatim Tbk with Other Banks

In implementing sustainability, companies must disclose three main components: economic performance, environmental performance, and social performance. These three aspects are interconnected and mutually influence business continuity. Each disclosed indicator aims to provide an overview of the company's economic, social, and environmental impacts, particularly related to material issues that impact business sustainability and stakeholders. This disclosure reflects Bank Jatim's compliance with applicable reporting standards and demonstrates transparency in how Bank Jatim manages its impacts and contributions to sustainable development. The results of specific sector disclosures in Bank Jatim's 2022 and 2023 sustainability reports are as follows:

Table 4.5 Disclosure Quality Level of Special Sector Standards for 2022-2023

Standar GRI		2022		2023	
Standar Sektor Khusus	Skor Maksimal	Total Poin	Persentase (%)	Total Poin	Persentase (%)
Sektor Ekonomi	68	13	19,12%	29	42,65%
Sektor Lingkungan	124	33	26,61%	32	25,81%
Sektor Sosial	144	22	15,28%	29	20,14%
Total/ Rata-Rata	336	66	20,34%	88	29,53%

Source: Secondary data processed by researchers, 2025

The CSR disclosure value of Bank Jatim's Sustainability Report in 2022 and 2023 has indeed increased, however, the disclosure value for both years is still classified as " limited ". disclosed or limited disclosure. This indicates that despite an increase in CSR disclosure, the information presented by Bank Jatim is still not fully comprehensive and in-depth.

Figure 4.7 compares Bank Jatim's economic sector disclosures with those of other Regional Development Banks (BPDs) and Bank Mandiri. BPD Jateng, BPD Jabar & Banten, and Bank DKI Jakarta were selected because they share similar characteristics to Bank Jatim, namely as Regional Development Banks (BPDs) operating in their respective regions and playing a role in supporting the regional economy. Comparing BPDs from different provinces provides a broader picture of the sustainability strategies implemented by each BPD, and provides a fairer and more relevant comparison in evaluating each bank's CSR disclosures based on applicable standards.

Meanwhile, Bank Mandiri was chosen as a comparison because it is one of the largest national banks and is included in KBMI IV. By comparing Bank Jatim and other BPDs with Bank Mandiri, it can be a benchmark for how large banks express their responsibility towards sustainability and see the extent of the differences in sustainability implementation between BPDs and national banks. By comparing BPD Jatim with these banks, more in-depth information can be obtained regarding the effectiveness of the implemented sustainability strategies, the challenges faced, and opportunities for improvement that BPD Jatim can adopt.

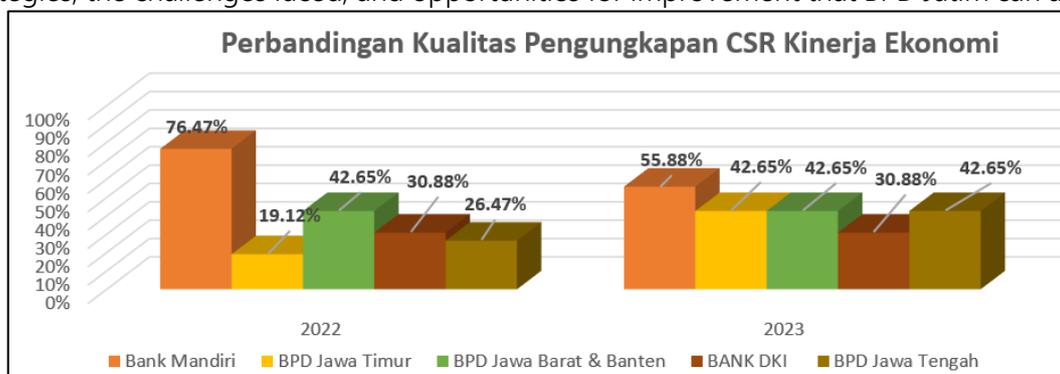


Figure 4.7 Comparison Chart of Economic Sector Disclosures
(Source: Data processed by the author, 2025)

The data above shows that Bank Jatim's economic performance disclosure in 2022 had the lowest level of disclosure compared to other banks, at 19.12%. However, in 2023, BPD Jatim experienced a significant increase to 42.65%, matching the disclosure levels of BPD Jateng, BPD West Java & Banten, and Bank DKI Jakarta. This increase indicates improved transparency in BPD Jatim's sustainability reports, which can be attributed to regulatory pressure, the need to increase public trust, and increased awareness of the importance of economic aspects in corporate sustainability. However, this disclosure remains low compared to Bank Mandiri.

In contrast to Bank Jatim, Bank Mandiri experienced a decline from 76.47% to 55.88%. This may be due to a change in strategy or focus in its sustainability reporting. While it still has the highest level of economic disclosure compared to other banks, this decline suggests that Bank Mandiri may be facing challenges in maintaining transparency or choosing to be more selective in presenting its economic performance data.

In Bank Jatim's sustainability report's economic disclosure, the indicator with the highest score is GRI 201: Economic Performance 2016, compared to other banks' disclosures. This is because Bank Jatim discloses all four items well and the quality of the information presented is also in accordance with the GRI Standards. Meanwhile, Bank Jatim's lowest economic disclosure is GRI 203: Indirect Economic Impact, due to the lack of information presented regarding Bank Jatim's tangible contribution to creating indirect economic impacts for the community and stakeholders.

Despite several programs supporting regional economic development, the information presented in Bank Jatim's sustainability report is limited to a general overview without quantitative data or specific indicators demonstrating tangible impact. Furthermore, the lack of detail regarding program effectiveness and the sustainability of implemented initiatives also contributes to the low level of disclosure in this indicator. Compared with Bank Jatim, the quality of GRI 203 information presented by other banks is more detailed and includes quantitative data in accordance with the 2021 GRI Standards.



Figure 4.8 Comparison Chart of Environmental Sector Disclosure
(Source: Data by the author, 2025)

The analysis of Figure 4.8 shows a decline in environmental disclosure for the four banks other than Bank DKI over the past two years. Compared to Bank Mandiri, Bank Jatim has a similar level of disclosure. However, compared to BPD Jabar & Banten, Bank Jatim still lags behind in environmental disclosure, indicating that Bank Jatim still needs to improve its transparency and commitment to sustainability.

Bank DKI and BPD Central Java also had the lowest social disclosure scores compared to other sectors. This suggests these banks may be more focused on other business aspects than

improving environmental disclosure. Furthermore, the main factor contributing to this decline may be attributed to the continued weakness of regulatory pressure on sustainability, which encourages banks to be more proactive in reporting their environmental impact.

In Bank Jatim's environmental disclosures, the GRI 305: Emissions 2016 indicator is one of the most comprehensive. Bank Jatim's consistency in presenting emissions-related data, including transparency in reporting its carbon footprint and emissions reduction efforts, contributed to its high score in this indicator. Systematic, quantitative-data-driven disclosures demonstrate the company's commitment to sustainable practices in the environmental sector.

However, compared to other banks that have disclosed more sustainability indicators, Bank Jatim still has limitations in reporting several indicators in other environmental aspects. Indicators such as GRI 301: Materials, GRI 303: Water and Effluent, and GRI 306: Waste are not adequately disclosed. This lack of transparency regarding information may be caused by several factors, such as limitations in the recording and reporting system, the company's strategic focus being directed more towards other aspects of sustainability, or the absence of internal policies requiring more detailed disclosure regarding material consumption, water efficiency, and waste management.

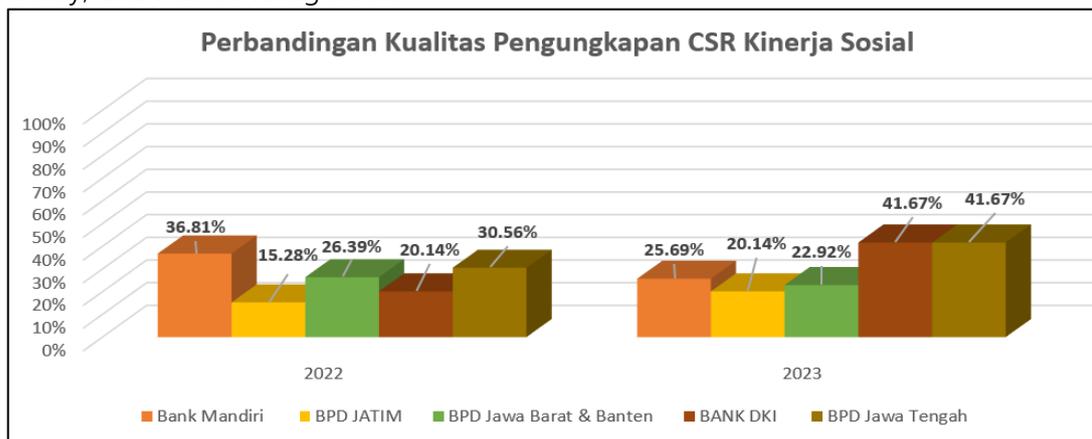


Figure 4.9 Comparison Chart of Social Sector Disclosure
(Source: Data processed by the author, 2025)

In the social sector, Bank Jatim showed a similar increase in scores to Bank DKI and BPD Jateng during the same period. However, Bank Jatim's social disclosure score remained significantly lower than the other four banks for two consecutive years. These results indicate an increasing trend in Bank Jatim's social transparency, but there are still areas for improvement in Bank Jatim's social disclosure to improve the quality and scope of information presented in its CSR report and align with the GRI Standards.

GRI Indicator 401: Employment 2016 is the indicator with the highest level of disclosure in Bank Jatim's social sector. The quality of information presented in all three items in this indicator meets GRI standards, with adequate quantitative data coverage. This transparency in employment aspects demonstrates the company's commitment to employee welfare and compliance with applicable sustainability standards.

On the other hand, compared to other banks that have disclosed more social aspects, Bank Jatim still has limitations in reporting several indicators. Some indicators that are not disclosed, but have been presented by other banks, include GRI 405: Diversity and Equal Opportunity, GRI 408: Child Labor, GRI 409: Forced Labor, and GRI 413: Local Communities. These indicators

are important to disclose because they reflect the company's commitment to sustainability and good governance.

Lack of transparency in this aspect can give rise to the perception that the company has not fully adopted ESG (Environmental, Social, and Governance), which is increasingly becoming standard in the banking industry. The lack of disclosure on these aspects can be caused by various factors, such as limitations in the reporting system, the lack of internal regulations requiring more detailed disclosure, or the lack of prioritization of certain social aspects.



Figure 4.10 Comparison of CSR Disclosure Quality
(Source: Data processed by Researchers, 2025)

Overall, Figure 4.10 shows significant changes in the CSR disclosure results of several banks between 2022 and 2023. Regional banks such as BPD Jatim, Bank DKI, and BPD Jateng showed positive growth. However, Bank Mandiri and Bank Jabar & Banten experienced declines, with Bank Mandiri experiencing the largest decline. This decline reflects a shift in disclosure strategies within each bank. Bank Mandiri and Bank Jabar & Banten may be facing regulatory pressure, internal policy changes, or a focus on other aspects of their reports.

Conversely, increased disclosure at regional banks such as BPD Jatim, Bank DKI, and BPD Jateng may be driven by local regulatory pressures and efforts to attract more stakeholders, including local governments and investors. Furthermore, this increase also demonstrates regional banks' growing awareness of the importance of sustainability in banking operations at both the national and regional levels.

Furthermore, comparing the GRI standards with information in the sustainability reports of the five banks analyzed also revealed that the largest disclosures during 2022 and 2023 occurred in the economic category, followed by the social category, and then the environmental category. Disclosures in the economic category tend to be more dominant because this aspect is fewer, easier to measure, and disclose than social and environmental aspects. Furthermore, banks, as financial institutions, are required to provide transparent information regarding their financial performance to maintain customer and investor trust.

Social sector disclosure ranks second after economic disclosure due to banks' strategic role in expanding access to financial services and supporting the economy through CSR programs, such as financial education, MSME financing, and community development, which are increasingly driven by stakeholder demands. Meanwhile, environmental disclosure is the lowest among several banks. This may be because bank operations do not directly impact

environmental pollution, unlike the manufacturing or mining sectors. Nevertheless, when providing financing to other parties, banks must ensure that environmental risks are factored into credit decisions and support sustainability. Therefore, banks must continue to disclose their environmental sector information comprehensively and informatively to gain legitimacy from the public and investors.

Overall, despite some declines, the trend indicates an improvement in the quality of CSR disclosures in several regional banks. This reflects growing awareness and adherence to CSR reporting standards, both as a form of social responsibility and to strengthen legitimacy among stakeholders. However, there is still room for improvement in sustainability reporting, particularly for banks experiencing declines, to enhance transparency and commitment to sustainability in the future.

While economic aspects remain the primary focus of bank disclosures due to clarity of measurement and investor concerns, social and environmental aspects are also receiving attention as a form of bank responsibility for sustainability and stakeholder needs. This demonstrates that the Indonesian banking industry is beginning to move toward sustainability while maintaining a balance between profitability, social responsibility, and environmental stewardship.

Specifically for Bank Jatim, this comparison shows an increasing trend in CSR disclosure in Bank Jatim's sustainability report, demonstrating Bank Jatim's commitment to catching up with other banks in disclosing sustainability reports, particularly in economic and social aspects. Therefore, Bank Jatim must continue to improve the transparency and relevance of its CSR disclosures to maintain legitimacy among the public and stakeholders, and to ensure future business sustainability.

V. CONCLUSION

A. Conclusion

The results of this study indicate that the general sector disclosure in Bank Jatim's sustainability report has been implemented well or "well". applied " in accordance with the 2021 GRI standards. However, overall, Bank Jatim's CSR disclosure is still classified as "limited disclosed," which indicates that the information presented is not yet fully complete and comprehensive. Despite improvements in CSR disclosure, the quality of the information presented still does not optimally meet the 2021 GRI standards.

Bank Jatim's economic and social sector disclosures increased in 2023, as evidenced by the increase in disclosed indicators and increased transparency in its sustainability report. Economic and social issues that occurred during the reporting period contributed to the company's drive to increase transparency. Conversely, environmental disclosures decreased due to insufficient in-depth information and the lack of quantitative data in accordance with GRI standards. Therefore, greater attention is needed to provide a more accurate and informative picture.

Compared to the other five banks, Bank Jatim's disclosure of its economic and social sectors shows progress, but overall it still lags behind Bank Mandiri, BPD Jabar & Banten, and BPD Jateng. Given these conditions, Bank Jatim needs to improve the quality of its CSR disclosure to be more transparent and in accordance with global sustainability reporting standards. This improvement effort will not only increase the company's credibility but also strengthen Bank

Jatim's role as a financial institution responsible in economic, social, and environmental aspects.

B. Implications

The implications of this research can be both theoretical and practical. The theoretical implication of this research is that it can contribute to the literature related to CSR disclosure, especially in the context of regional banks in Indonesia based on the GRI Standards. On the other hand, the practical implications can help Bank Jatim management in identifying deficiencies in the quality of CSR disclosure in its sustainability report so that they can make the right decisions and improve the quality of CSR disclosure in the future. Furthermore, it can serve as a basis for consideration for stakeholders in assessing the reliability and accountability of Bank Jatim's CSR disclosure in its sustainability report.

C. Limitations

This study had limitations in terms of primary data collection, as Bank Jatim did not respond to interview requests submitted via email. This resulted in the study relying solely on secondary data from available sustainability reports.

D. Suggestion

For further research, it is recommended that researchers try other approaches in contacting Bank Jatim, such as through direct meetings, professional networks, or the company's official social media.

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