

# Comparative Analysis of Sustainability Report Based on Social Categories GRI Standards

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**Abstract.** The purpose of this study is to analyze the sustainability report of the banking sector. The GRI standards are used as guidelines for conducting analyzes and comparisons. The focus of this research is on the social category of disclosing specific topics of the 400 series. The impact of the Covid-19 pandemic on the social environment is one of the research foundations. This type of research is descriptive qualitative with the analytical techniques used are content analysis and comparative methods. The results of this study indicate that according to the GRI series 400 standard for disclosure of social-specific topics PT Bank Rakyat Indonesia, Tbk. higher than PT Bank Negara Indonesia (Persero) Tbk. The results of this study can be used by companies to publish better sustainability reports.

**Keywords:** Sustainability Reports, GRI Standars, Social Category, BRI, BNI.

## 1 Introduction

In the current era, the company's performance is not seen enough from the financial aspect. The non-financial aspect of the company today is one of the indicators for investors and stakeholders to assess the company. The non-financial aspects of the company can be seen from the company's sustainability report which is a form of company responsibility for its operations. The company's contribution to sustainable development takes the shape of this. Declare that adopting business strategies and activities that satisfy entities' and stakeholders' needs today, while safeguarding and maintaining sustainability, as well as increasing the human and natural resources that will be required in the future, constitutes sustainable development for business entities. [1]

State that sustainable development is a major issue for both developed and developing countries. Many companies have contributed by compiling sustainability reports [2]. The

report is like a financial report for its reporting, there are certain guidelines that can be used as a reporting reference. A sustainability report is a report prepared by a company to see the impact given by the company during its business processes. The report is an explanation of the company's synergy between its activities and its environment, thus making the company accountable to all stakeholders for sustainable development. One of the guidelines that can be used to compile a sustainability report is the Global Report Initiative Standard.

The GRI standards are guidelines issued by an independent international standardization body headquartered in Amsterdam, namely The Global Reporting Initiative. The GRI standard is the latest standard published by GRI to make it easier for corporations to make sustainability reports. These standards were published in the fourth quarter of 2016. In 2017 many companies in Indonesia have adapted and used the GRI standards as guidelines for sustainable reporting.

As per GRI, the sustainability report consists of three main sections. First, general disclosure is the reporting of relevant data on a company's reporting methods for sustainability. Second, the management strategy involves disclosing details about how a company handles important issues. Third, topic-specific reporting aims to report information on organizational impacts.[3]

In the GRI standard there are 3 specific topics that need to be disclosed by the company. The topics covered are economic, environmental and social. Each topic in the GRI standard has its own main aspects and sub-aspects. The company has the freedom to choose the topics that are disclosed according to the level of materiality in the company.

In the current era of the COVID-19 pandemic, the social aspect has a very important role. The social context of the company includes employees in the company. The company's operations cannot be separated from the performance of the company's employees. The spread of COVID-19 has had a major impact on employee turnover. The existence of GRI standards in the disclosure of specific social topics can be a benchmark for a company's capability to run its business based on employee turnover rates. The GRI standard social categories are contained in a series of 400 topic-specific disclosures.

Disclosure of the GRI 400 social-specific topics in the GRI standards covers 19 core aspects and 33 sub-aspects of specific topics. GRI 401 describes the personnel aspect. In this aspect, there are three sub-aspects, namely the recruitment of new employees and employee turnover, benefits provided to full-time employees that are not given to temporary or part-time employees and maternity leave. Disclosure of GRI standards is important for companies, including banking companies.

Bank financial institutions, is an important corporation for the state. Apart from being a savings and loan tool, banking can also be used as an investment tool. In Indonesia, the Financial Services Authority is an institution that regulates bank operations and other financial institutions. Based on OJK regulation Number 51/POJK.03/2017 relating to Financial Service Institutions, Issuers, and Public Companies' Adoption of Sustainable Finance, banking companies are required to publish sustainability reports.

The National Center for Sustainability Reporting (NCSR) held an Asia Sustainability Report Rating (ASRRAT) 2021 rating [4]. This performance is held to give appreciation to companies that have made sustainability reports and encourage improvements in both quantity and quality of reports. PT Bank Rakyat Indonesia, Tbk and PT Bank BNI this year received the Gold category award in the 2021 Asia Sustainability Report Rating (ASRRAT) ranking.

The purpose of this study is to analyze and compare reports on banking sustainability in Indonesia. The banking companies that will be examined and compared in this research are PT Bank Rakyat Indonesia, Tbk and PT Bank BNI. Both banks are banks that have an

extensive network in Indonesia. The benefits of this research can be divided into two aspects, namely theoretical benefits and practical benefits. In the theoretical aspect, this research is expected to be able to contribute to the development of science, especially as a reference and comparison for further research related to the analysis of corporate sustainability reports according to the GRI standard guidelines. Practically this research is expected to provide input for interested parties for decision making and increase awareness related to social aspects.

## **2 Methods**

In this study, one form of technique approach was used: the descriptive qualitative method. The goal of qualitative research is to comprehend the phenomenon of what study participants experience, such as behavior, perception, motivation, action, and so forth [5]. Reviewing relevant papers, primarily published sustainability reports, was done as part of a case study. Researchers examine programs, events, activities, processes or groups of people in case studies, a research method. Researchers will collect complete information using a variety of data collection methods based on the time specified as the study limit. The study uses secondary data published through the company's official website or his NCSR website. Data is a sustainability report by PT Bank Rakyat Indonesia, Tbk and PT Bank BNI in 2019 which was published. This research focuses on the specific social topic of GRI standards in sustainability reports.

There are two analytical techniques used in this study, namely content analysis and comparative methods [6] explain that content analysis is a research technique used to determine the presence of certain words or concepts in a text or collection of texts. This research is intended to describe the practice of sustainability reports of PT Bank Rakyat Indonesia, Tbk and PT Bank BNI. This study also compares the disclosure of sustainability reports according to the GRI standards for specific social topics between PT Bank Rakyat Indonesia, Tbk and PT Bank BNI.

## **3 Results and Discussion**

Sustainability Report Disclosure Analysis PT Bank Rakyat Indonesia uses GRI series 400 is a socially specific topic disclosure in the GRI standards. There are 19 main topics in the series. There are derivatives up to 33 disclosures based on the main topic. The main topics in the 400 series are:

1. GRI401: Staffing,
2. GRI402: Labor/Management Relations,
3. GRI403: Occupational Safety and Health,
4. GRI404: Training and Education,
5. GRI405: Diversity and Equal Opportunity,
6. GRI406 on non-discrimination,
7. GRI407: Freedom of Association and Collective Bargaining,
8. GRI408: Child labour,
9. GRI409: Forced or Compulsory Labor,
10. GRI410: Security Practices,
11. GRI411: Rights of Indigenous Peoples,

12. GRI412: Human Rights Assessment,
13. GRI413: Local Communities,
14. GRI414: Supplier Social Assessment,
15. GRI415: Public Policy,
16. GRI416: Customer Health and Safety,
17. GRI417: Marketing and Labeling,
18. GRI418: Customer Privacy,
19. GRI419: Socio-Economic Compliance

**Table 1.** Number of disclosures

| <b>Sustainability Reporting<br/>2021</b> |    | <b>PT Bank Rakyat<br/>Indonesia, Tbk</b> |        | <b>PT Bank BNI, Tbk</b> |        |
|--|----|--|--------|-------------------------|--------|
| Series 400 (social)                      | 33 | 14                                       | 42,42% | 10                      | 30,30% |

The following series 400 publications are based on PT Bank Rakyat Indonesia, Tbk's sustainability report:

Employment includes 401-1 New Hires and Employee Turnover, according to GRI 401 Benefits for full-time staff members (401-2), maternity leave (401-3)

GRI404 : Training and Education includes 404-1 Annual employee training, 404-2 Programs to improve employee skills 404-3 Percentage of employees receiving regular performance reviews and career development

GRI406 : Discrimination 406-1 Incidents of discrimination and corrective actions taken

GRI407 : Association and Collective Bargaining 407-1 Freedom of Association and Collective Bargaining

GRI408 : Child Labor 408-1 Incidents of Child Labor

GRI409 : Forced Labor 409-1 Incident of Forced Labor

GRI413 : Local Communities 413-1 Involvement of local communities 413-2 Negative impacts on local communities

GRI418 : Customer Privacy 418-1 Complaints

In the sustainability report of PT Bank Rakyat Indonesia, Tbk there are details of disclosure number 401-1. Throughout 2021, PT Bank Rakyat Indonesia recruited 5343 new employees, consisting of 2911 males and 2432 females. This is in line with the Bank's business plan as an effort to increase productivity through automation, process improvement and digitization. PT Bank Rakyat Indonesia provides detailed information regarding the 401-1 disclosure with the new employee placement locations based on region and the composition of new employees based on age group. Table 2 explains that the distribution of new employee locations is in the areas of Jakarta, Sumatra, West Java, Central Java and DIY, East Java and East Indonesia. The number of new employee placements in 2021 is in the Jakarta area of 563 male employees and 520 female employees. There are the number of new employees at PT Bank Rakyat Indonesia based on gender and age group. In 2021, the new employees of PT Bank Rakyat Indonesia will be dominated by employees who are less than 31 years old with a total of 5,253. Based on gender, in 2021 the employees of PT Bank Rakyat Indonesia will be divided into 2,370 men and 2,883 women. The recruitment of new employees in the midst of the COVID-19 pandemic is very important in the social environment.

Disclosure 404-1 at PT Bank Rakyat Indonesia provides details of employee education and training programs. In 2021, PT Bank Rakyat Indonesia has organized education and training programs for 3,809,382 participants. The total number of hours of education and

training carried out was 1,564,030 hours. The average number of hours of education and training in 2021 will reach 41 hours of education per training. The type of education and training conducted by BRI is Anti-Money Laundering (AML).

Disclosure 404-3 at PT Bank Rakyat Indonesia, describes employee performance appraisal. In 2021 a total of 28,986 employees will receive promotions in 2021 or 33% of the total BRI employees. During 2019 to 2021 BRI has never received a complaint regarding discriminatory practices against workers and in employment. This is measured by performance per individual based on the assessment of Key Performance Indicators (KPI).

Disclosure 418-1 is a form of PT Bank Rakyat Indonesia's commitment to maintain the trust of its customers, including ensuring the confidentiality and security of all customer data. Collection of customer-related data and information can only be done in accordance with legal and regulatory provisions. From 2019 to 2021, there were no incidents of breach, theft or loss of customer data. In addition, there were no customer confidentiality or data theft complaints by customers or government agencies. Therefore, BRI said he will not pay any fines or penalties in 2021.

Based on the sustainability report of PT Bank BNI, Tbk, the published 400 series are:

GRI 403: Occupational Safety and Health,

403-1 Occupational health and safety management system

403-2 Hazard identification, risk assessment and incident investigation

403-3 Occupational health services

403-4 Workers' participation, consultation and communication on occupational health and safety 116 403-5 Training on occupational health and safety

403-6 Health promotion to workers

403-7 Prevention and mitigation of business-related occupational health and safety impacts

403-8 Protection of workers by occupational health and safety management systems

403-9 Work-related injuries

403-10 Health related to work

Sustainability Report Disclosure Analysis PT Bank BNI uses GRI contains details on the disclosure number 401-1. In 2019 BNI recruited a total of 1,196 employees. This was due to the competitive performance factor between banks and the opening of very large job opportunities in the banking industry in general. There is a table that describes new employees by placement location and age group. The distribution of new employees is divided into two regional locations, namely the head office and the region. There are a total of 492 new employees at the head office and 704 new employees at regional offices. The age group less than 30 years dominates new employees in 2021 with a total of 1,196. The data also shows the number of new employees by gender, there are 539 men and 618 women in 2021.

BNI Bank Disclosure No. 404-1 states that BNI provides training and skills development at all levels of the organization, provides it in a planned and sustainable manner, maintains equal opportunity provision, It explains how to adjust it to suit your needs. The realization of training costs in 2021 is IDR 200.35 billion (1.60% of total staff costs) and the number of training participants increased by 19.60% to 777,921 participants. Throughout 2021, BNI recruited IT staff to participate in training and education independently through LinkedIn Learning, Google and AWS training, and other training vehicles. Additionally, a Digital Mindset Assessment is being developed. This assessment requires employees to have the digital attitude and orientation to fully utilize digital technology in their work.

Based on BNI's Sustainability Report, 418-1 disclosures are being addressed through a public complaints mechanism. Throughout 2021 BNI will continue to improve its data security management system, so that there will be no data leakage and no misuse of personal data or customer transactions throughout 2021. In addition, the government's attention to data security has increased in line with increasing digital developments since the COVID-19 pandemic.

#### **4 Conclusion**

Based on the results of the research analysis, there are several things that can be concluded. PT Bank Rakyat Indonesia disclosed the GRI standard series 400 social specific topics more than PT Bank BNI. The level of disclosure of GRI standards by both banks can be said to be still low because it is still below 50%. PT Bank Rakyat Indonesia made 14 disclosure points equivalent to 42.42% while PT Bank BNI made 10 disclosure points equivalent to 30.30%.

In the 401-1 disclosure regarding personnel recruitment, the performance of PT Bank Rakyat Indonesia can be said to be better than BNI. This can be seen from the number of recruitments carried out, PT Bank Rakyat Indonesia in 2021 there are 5,343 while BNI in the same year is 1,196. Based on this, the number of new employees at PT Bank Rakyat Indonesia is more than the number of new employees at PT Bank BNI.

This research can be used as a basis for further research to conduct similar research. Based on this research, it is also expected that the company will be better at publishing sustainability reports. With the comparison of company performance in the same business sector, namely the banking industry, it is expected to increase the power of healthy competition between banking companies, especially the two companies, PT Bank BNI and PT Bank Rakyat Indonesia.

There are several things that become limitations in this study. First, this research only focuses on sustainability reports with reference to GRI standards. Both of these studies focused solely on the social specific topics of the GRI 400 standard series. These three studies only focus on one sector, namely banking. These four studies only focus on corporate sustainability reports in 2019.

There are suggestions for further research, namely, analyzing the 200 and 300 series sustainability reports according to GRI standards. Future researchers can use guidelines other than the GRI standards. Future researchers are expected to compare sustainability reports with different sectors. Future researchers are expected to not only focus on one year of sustainability reports.

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