

## **ANALYSIS OF THE SUSTAINABILITY REPORTING IN ORDER TO EVALUATE SUSTAINABLE PERFORMANCE AND THE RELATION BETWEEN GETTING AN AWARD IN THE FIELD OF RISK MANAGEMENT OF SUSTAINABILITY IN BANKING SECTOR**

Shafara Aulia Shita Ananta

Rob G. Berkhof<sup>1</sup>

Departemen Akuntansi Fakultas Ekonomika dan Bisnis Universitas Diponegoro  
School of Finance and Accounting, Saxion University of Applied Sciences

### **ABSTRACT**

*In recent years, companies have changed their perspective from initially only thinking about profits to developing on the triple bottom concept, which has three important things, namely profit, social, and environment. This concept is also an issue in the implementation of the internal control system in the sustainability side, including the financial sector, particularly in the Bank Industry. This concept also makes Priority Banks in Indonesia begin to be required to report the results of their sustainable performance with sustainability reports. With this new and still developing concept, it is necessary to have a little experience and guidance in Indonesia on the implementation of sustainability reporting which is expected to report sustainable performance to be optimal from an internal control system in terms of sustainable performance at the Bank in Indonesia. This study aims to analyse what factors are agreed in terms of sustainability reporting in terms of optimizing sustainable performance in the Bank Industry. All interpretations of the analysis, findings and conclusions expressed in this thesis aim to provide in-depth information on the Bank Industry in Indonesia and also all other Banks that need further information on this issue about how to optimize sustainable performance with sustainability reports, and the decision to participate in awards on the sustainable side.*

*Keywords: Sustainable Performance, Sustainability Reporting, Bank Sector, GRI Standard*

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<sup>1</sup> [R.g.berkhof@saxion.nl](mailto:R.g.berkhof@saxion.nl)

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## PROBLEM DESCRIPTION

In recent years, most humans' activities, especially business activities that seek profit, which causes environmental imbalance. Some of the business activities only think about how they get a large profit by minimizing costs and expense. Some examples that have a negative impact is the use of paper which main ingredients come from nature and use private transportation for business activities that can increase carbon dioxide. Such activities will not only adversely affect the surrounding environment, but will also bring bad company value as well.

With the development of the era, many business activities that are more concerned with the environment with a sustainability system and began to be implemented in business activities. Not only thinking about how the business conducts its main activities by caring for the environment in the present but making strategies for the future. Most of the companies nowadays, not only seeking and targeting for the money for their profit but also aware of their value. It is starting to be oriented to the triple bottom line concept, where the view of a company that wants to be sustainable (sustainability) must pay attention to "3P" (profit, people and planet). In addition to pursuing (profit), companies must also pay attention and be involved in the fulfillment of the welfare of the people (people) and contribute actively in protecting the environment (planet) (Elkington, 1997).

To make it easier for companies to compile and compare the information available in sustainability reports, guidelines are needed. Standard rules for disclosure of sustainability reports are set in the Global Reporting Initiative (GRI) standard. GRI is a guide to the preparation of sustainability reports that can be applied and widely accepted. Based on GRI, there are principles in determining the report content, namely stakeholder involvement, sustainability context, materiality and completeness. As well as the principles for determining the quality of the report namely balance, comparability, accuracy, timeliness, clarity, and reliability (GRI, 2013).

To encourage more companies to make sustainability reports, and also to appreciate companies that have revealed sustainability reports, in Indonesia, the Asia Sustainability Report Award (SRA) was held by the Indonesian Institute of Accountants and the National Center for Sustainability Reporting (NCSR) on in 2005 until now.

The Asia Sustainability Reporting Award (ASRA) is an annual awards event aimed at companies that have implemented and disclosed sustainability reports in a good manner. The assessment criteria used in ASRA 2019 refer to the GRI-G4 Sustainability Reporting Guidelines. The sustainable report contains the company's performance in three aspects, namely economic, environmental and, social.

Based on the background above, the authors are interested in examining how the application of the principles that determine the content of sustainability reports is based on GRI-G4 guidelines. Thus, the research will focus on "Analysis of the Implementation of Determining Principles for Sustainability Report Content at BNI Bank and Mandiri Bank". The reason for choosing those two banks is because Bank BNI is one of the banks that got a rating for the financial sector in ASRA 2019 and publish a complete sustainability report. Then, for Mandiri Bank, is because they do not list in the rate of sustainability award, but they have already published the sustainability report. And the reason the authors chose two banks is to take a sample to analyze the differences in sustainability reports between two banks in Indonesia.

## RESEARCH QUESTIONS

In this study, the main question that needs to be answered is how the Bank controls its internal control system from the sustainability point of view in sustainability report and are there differences between getting a reward on sustainability report or not?

Sub questions:

1. How the governance of Indonesia makes a policy about risk management about sustainability for the bank in Indonesia?
2. What are the current conditions of Sustainability Reporting that used to inform the sustainable performance and barriers to implement it for the Bank in Indonesia?
3. What is strategy of BNI Bank that listed in Asia Sustainability Reporting Rating for Gold Class and Mandiri Bank in running their risk management about sustainability?
4. Do BNI Bank and Mandiri Bank have run a good risk management from the perspective of sustainability as principle of effective governance that follow GRI standards?
5. Is there a relationship between good risk management with bank that listed and not listed as an awardee in the field of risk management of sustainability of the company?
6. Which definitions are used for sustainability and in which way we can use them in the banking environment?

## RESEARCH METHODOLOGY

In this study, we are going to answer all of the research questions using descriptive methods in order to get an answer on the research question. This method is useful to give researchers a history or to describe aspects relevant to the phenomenon of attention from the perspective of a person, organization, industry orientation, or others.

Based on the research that done before, a bank that has disclosed social responsibility information in its annual report has a better value to consumers, which shows that the bank is very concerned about all its responsibilities and corporate image (Branco & Rodrigues, 2006). The section of performance indicators includes core and additional indicators. Core indicators are regarded as material for most organizations as they are considered to be interesting to most stakeholders (GRI, 2016). Besides that, the well and good at planning also attractive for the stakeholders. The GRI has become a successful institution (Brown et al. 2009a), helping standardize CSR reporting as a business practice.

## THEORITICAL FRAMEWORK

Nowadays, companies and organizations are asked to not only report their finances but also activities related to social and environmental aspects by stakeholders for information obtained and even a consideration for decision making. Humans need to create and maintain conditions where humans and nature can mutually support what is necessary for life now and the future to come. Sustainability enabled profiling the environmental impact of products across all life-cycle phases, identifying those phases with the highest environmental impact and therefore provided strategic direction for design interventions (Ceschin & Gaziulusoy, 2016). Three fundamental aspects of this concept are people, planets and profits (Slaper & Hall, 2011). Economic Sustainability is more focused on operational activities of natural resources that are directly related to physical form, both those that can be renewed or those that can be used up instantly in the main activities of a company

(Sustainability, n.d). In the Economic side, sustainability can be seen by how activities in a process are concerned with the surrounding conditions. Therefore, a sustainability report is highly recommended in a company report.

### **Corporate Social Responsibility**

Corporate Social Responsibility is an extension of a firm's efforts to adoptive the awareness of sustainability by terms of business practices (Cui, Jo, & Na, 2018). Nowadays, companies are increasingly focused on the contribution in doing Corporate Social Responsibility (CSR) activities because the influenced of the banking sector to sustainable development is being questioned from some sides, since the banking sector consumes vast amounts of natural resources, such as energy, paper, and creates wastes. In the current era, the use of CSR is not an additional choice for a company or a business, but rather an obligation to show a sense of caring, responsibility for the social environment that can reflect the ethics of a company.

CSR is one way for a company to improve its right image competitively and put a company at risk if it does not prioritize it in their strategy (Mcwilliams, 2016). In CSR activities, this makes the company reaffirm the important role in transparent communication to establish and maintain good and open relationships with the company's stakeholders, and also encourage the company to always carry out activities in its operations that are responsible for various environmental issues and social (Golob & Bartlett, 2007). CSR forms the relationship between the company and the surrounding community that plays an essential role in the business to continue to want to work together.

It can be concluded from the above sources that CSR is an activity or business carried out by the company towards society and environment as a form of corporate responsibility for its operations and provides good ethics to the environment.

### **Concept of Triple Bottom Line**

Over the last few eras, most of the companies have put forward and alluded to the environmental impact in their business processes. Around the 1990s, a business consultant named John Elkington created a concept that focused on the economic, environmental, and social values of investment that might accrue outside a firm's financial bottom line (Elkington, 2013).

This framework is made for a company to evaluate the process of business. It reminds the company to not only considering a profit but also how the action of the company is impacting on the environmental side and society around them. This concept is very supportive of environmental issues that are being faced by many countries, one of which is climate change. This concept is increasingly in demand for profit or non-profit companies, as well as the government. Many companies or agencies have adopted the Triple Bottom Line concept in sustainability reports to evaluate their performance and sense of responsibility and care for the environment. Besides, by applying this concept in the sustainability report, it is also expected to make excellent communication and approach the local government agencies and the community as objects of a company or agency.

### **Award for Sustainability Report**

The Asia Sustainability Reporting Rating, which was previously called the Sustainability Reporting Awards, is an award event held by the National Center for Sustainability Reporting (NCSR) regularly, once a year, to provide assessments and awards to companies that have made sustainability reports, in order to support Sustainable Development Goals. The SRA rewards organizations that have made sustainability reports that refer to economic, social and environmental categories to maintain sustainability in these organizations. The award is not only given to organizations that make sustainability reports separately from annual reports, but also to organizations that are one of the sustainability reports and their annual reports. Initially, the event was called the Indonesia Sustainability Report Award (ISRA), but a significant change in 2018. The event was now given the name Asia Sustainability Reporting Rating (Asia SR Rating) because participants were not only from Indonesia but also from other Asian countries. In addition, from before using the award winner system changed to a rating system. Awarding is no longer based on ranking order, but based on the grouping of Platinum, Gold, Silver, and Bronze. The number of participants in the Asia SR 2018 Rating is 56 companies. Overseas participants increased. There are five companies from the Philippines, six companies from Malaysia, five companies from Singapore, and two companies from Bangladesh. And for 2019 was attended by 41 Indonesian companies and nine foreign companies (Malaysia, Singapore, Philippines, and Bangladesh). The assessment was conducted online by 80 assessors with academic backgrounds who were publicly screened by NCSR. The assessment results from the assessor are then submitted to the jury. The main parameters are the same as before, using the GRI (Global Reporting Initiatives) standard.

Sustainability is an external thing that relates to environmental and social that the business or organization should focus on in their strategy. In the financial sector, the concept of the triple bottom line is significantly related to sustainability reporting. And I believe, the idea of the triple bottom line is describing how the banks should adopt in their sustainability reporting to provide information and declare that their operations are not only for the profit but also aware of the surrounding environment including the environment and social life. Since banks are one of the most funded activities and businesses, they should be required to make sustainability reporting. By making the sustainability report, companies are required to be responsible and more concerned about the environment and society in their operations.

### **DATA ANALYSIS AND INTERPRETATION**

In this section, I would like analysis of the content of the sustainability report of BNI Bank and Mandiri Bank based on the three regulations; Consolidated GRI 2016, GRI FSSD, and Regulation of POJK No. 51 / POJK.03 / 2017. The way I will analysis the sustainability report is giving score one if there is information in the report and zero if there is no content in there. Then, I will calculate the total average for each category in both banks. The table of analysis will appear in the appendix part.

### **Interpretation Analysis Economic Performance of the GRI G4 Consolidated 2016**

The Economic category in the general GRI contains impacts on the economy for stakeholders, and on the economic system at the local, national and overall levels. In this aspect, it also illustrates how capital and assets used by banks can impact both the social community and the

surrounding environment. In the analysis that I have done (shown in the appendix, table 1), BNI Bank offers a higher value of 50% compared to Mandiri Bank, which scored 16.67%. The point that has been focused on Mandiri Bank in this aspect is Economic Performance, which includes an explanation of the direct economic value generated, distributed, bank obligations to the pension program and financial implications as well as risks and opportunities as a result of climate change. Then, for BNI Bank, they have implemented three topics, namely, economic performance, anti-corruption and tax.

### **Interpretation Analysis Environmental Performance of the GRI G4 Consolidated 2016**

In this general environmental category, GRI G4 discusses the impact of organizations on living and non-living natural conditions, including land, air, water and ecosystems. This aspect includes how banks can maintain diversity, biodiversity from operational activities such as transportation and impacts related to products or services that the Bank has carried out. In my analysis of sustainability reports on BNI Bank and Mandiri Bank (shown in the appendix, table 2), the two banks get the same percentage value of 57.14%. The two banks set out the same point, namely the use of water, energy and emissions, then also explained biodiversity.

### **Interpretation Analysis Social Performance of the GRI G4 Consolidated 2016**

The social category of this standard discusses the impact an organization has on the system in which the organization or company conducts its operational activities. In this aspect, several objects are focused, firstly how labor practices and work comfort are expected by the company to maximize the role of the occupational health and safety commissioner in involving workers in the workplace. Then regarding human rights which aims to see the extent to which human rights considerations are considered in making an economical decision in the company. Next, about the community or consumers or customers. It is expected that financial services such as banks can help customers to support the development and economic development of their respective regions in maintaining social balance. And finally, responsibility for the product, which the company is expected to provide an overview of the environmental and social considerations When making strategies and delivering products and services they have, for example in financing a business, loans, mutual funds, and others. In the analysis I have done on the sustainability report at BNI Bank and Mandiri Bank (shown in the appendix, table 3), the value obtained by the two banks in this environmental aspect is the same, namely 27.78%. However, despite having the same point, the two banks describe different environmental aspects. Both banks report about GRI 401 about employment, GRI 404 about Training and Education, GRI 405 about Diversity and Equal Opportunity and GRI 418 about customer privacy. The difference is that BNI Bank explained GRI 413 funding local communities while Mandiri Bank did not. Then, Mandiri Bank explained GRI 403 regarding Occupational Health and Safety, which I did not find in BNI's sustainability report.

### **Total Score of the Analysis in Economic, Environmental and Social Aspects of General Category based on the GRI G4 Consolidated 2016.**

From the results of my analysis (shown in the appendix, table 4), I have totalled the score for those three aspects of the 2016 GRI G4 Consolidated general; Economic, Environmental and Social Aspects. The results of my assessment can be seen that although the average value in environmental

and social aspects by the two banks get the same value, the combined total score, BNI Bank has a higher total value of 44.97% and Mandiri Bank 33.86%.

### **Interpretation analysis of the GRI FSSD Guidelines**

From the results of the assessment analysis based on the GRSD FSSD (shown in the appendix, table 5), it was found that BNI Bank and Mandiri Bank had used these guidelines well. Both banks get 100% because they have explained all the points from the FSSD GRI topic on the economy, social and environment.

### **Interpretation of analysis of POJK regulations NO. 51 / POJK.03 / 2017**

In addition to using guidelines from the GRI standard, BNI Bank and Mandiri Bank also use guidelines from the country where they use, namely in Indonesia. The Indonesian Financial Services Authority issued a proposal also to provide direction in making content from the sustainability report. From the results of my analysis (shown in the appendix, table 6) BNI Bank and Mandiri Bank get the same value of 85%. However, with the same value, the points delivered are different. The difference between the two banks is, BNI Bank focuses more on all points, but at point number 4, BNI Bank does not include the director's explanation. Then, at Mandiri Bank, points that have not been discussed regarding point number 5e problems encountered, developments, and influence on sustainable financial implementation and point number 6e regarding environmental performance for companies whose business operational processes are directly correlated to the environment. It can be concluded, although the second bank has the same value, the contents of the sustainability report content agreed in the government regulation are different.

## **CONCLUSION, POLICY AND SUGGESTION**

The reason why this research conducted and reports are because I want to know whether the implementation of sustainability reporting already efficient and effective or not to give information about sustainability performance in Bank sector, especially in Indonesia, that is still making progress in sustainability terms. Next, another target that I want to know is there a difference in sustainable performance that is measured in sustainability reports to banks that get awards in terms of sustainability. Problems in implementing sustainable performance is a common difficulty for a lot of banks because these are things that are still considered new and some obstacles in doing so such as human resources and how internal control is implemented to focus more on the Bank Industry. In the following section, I will provide some advice and suggestions, which could hopefully help in optimizing sustainable performance and conducting sustainability reports. These suggestions could be used as an information and helping tools for banks that still need development in sustainable financing and sustainable reporting in Indonesia, also all other banks that are trying to implement sustainability reporting in disclosure of good sustainable finance in their banks but find it difficult. This section could also hopefully persuade other Banks that have a think that the disclosure of sustainable performance in sustainability reporting is not something that should be focused and become one of their priorities. Recommendations that I provide are based on the analysis that I did and the situation in the disclosure of sustainable performance in the sustainability report for the bank industry while I wrote this research.

To answer the research question, based on the interpretation and description of the research of the sustainability performance on the sustainability report relationship with getting an award in the field of sustainable risk are the following:

1. In applying sustainability performance that we can see in the sustainability report on the bank sector in Indonesia, which I took as a sample of BNI Bank and Mandiri Bank, they are still developing this and still have many obstacles in implementing this as I explained in chapter 2.5. Due to sustainability reporting is a new thing in Indonesia, making it one of the reasons why the Bank sector has not been optimal in implementing it.
2. In implementing sustainable performance, banks in Indonesia have followed aspects of good corporate governance that we can see in the application of sustainability reports that use guidelines from the Indonesian government, namely POJK regulations. In the discussion in chapter 3, in making strategies and implementing sustainable performance, BNI Bank and Mandiri Bank also take a look as a consideration of target that issued by the government, in this Analysis Indonesia focuses on Small Medium Enterprise eco-friendly financing and financing in palm oil issue. Then, we can also see in the analysis results in Table 6 of Appendix, that both banks have fully implemented sustainable performance that is driven by POJK regulation points.
3. In the sustainability report using standard GRI guidelines, there is a difference in focus on each bank. As we can see in Tables 1 and 3 in the Appendix. Economic aspects produced in the analysis of economic aspects have different results, at BNI Bank focuses more on this aspect. However, in table 3, it can be seen that they have the same average score in social terms but have different realized activities to reach that target.  
There is a difference in BNI Bank, which receives an award in the sustainability side and Mandiri Bank, which is not in the award list as we can see from the analysis results in chapter 3.3 and the results of the table in Appendix. In this analysis, BNI Bank has better performance than Mandiri Bank. I can conclude that following the award in sustainability can affect how a bank can be superior in terms of sustainable performance.

Based on the result and relationship with those analyses, I would provide a recommendation for the bank in order to be more optimal in doing sustainability report to explain their sustainability performance and what aspects should be more focused on internal control performance to maximize the sustainable performance reported in the sustainability report.

First, one aspect that the Bank sector should be more focus is on strategic planning and predict future developments. Banks must focus their strategy not only on financing aspects but also those related to sustainable things. In making strategy, the bank should be able to connect it to factors and problems in the surrounding environment that affect sustainable performance that is consistent in the short, medium and long term, having a good effect on the bank and the surrounding environment, of course. By analysing formerly of the existing problems, this strategy can become the main focus of banks when they first want to implement and develop internal control on sustainable performance. Banks must also be able to tighten their strategies regarding all financing that is firm and specific to all high-risk business sectors, for example, forestry, plantations, mining, coal and oil and gas. This effort will also provide detailed the information on how banks should work together and provide



information to stakeholder barriers and problems that must be solved in pursuing a sustainable performance strategy for bank welfare and all aspects, people and the environment.

Next, to optimize good performance in sustainability and the implementation of sustainability reports, commitment is needed not only for the strategists but for all people in the Bank. In addition to some recommendations for the Bank and also help in barriers that occur in the bank that I have analysed, resources are things that should be focused as well. I recommend for banks to make socialization evenly about what sustainable performance is, how to implement it and for what to do it. In this case, the bank should equalize the information that must be given, not only to people who have high positions. All resources in the bank play an important role in terms of sustainability. One general recommendation is to provide training and certification, and make rewards for employees who consistently conduct, support and provide input on sustainable performance. Then, regarding human resources, I also recommend creating a special responsible unit that focuses on sustainability. Banks can start recruiting people who have individual experts, or they can also collaborate with third parties to maintain and develop a sustainable performance that is consistent and more focused.

Besides that, participating in the awarding event could also encourage Banks to compete to show the best results in terms of sustainable performance. As I have analysed, the performance of BNI Bank that received the award got better value than Mandiri Bank, which did not get the award. However, the imperfect value in applying the GRI standard as an assessment of the award can be used as a reference and recommendation to maximize the points that have not been done and continue to be consistent to maintain the disclosure of indicators that have been well implemented. Participating in the award event could encourage the Bank to strive to implement the GRI standard better to go to banks that support sustainable performance and be transparent in providing information on the company's environmental impact through sustainability reports.

I also would like to explain some limitations regarding this research. Because sustainability reports are things that still need to be developed, the complexity of the strategy and its implementation, and have not been a very focused factor in the bank sector, make it complicated to provide an exact answer to all of the issues. Some research and development are still being done to optimize the sustainable side that can be reported in sustainable reporting because also the case of sustainability is not a problem that requires fast time. The lack of information and direct research on the implementation of sustainability reports is also a limitation for me. In my opinion, the differences in circumstances and situations in each region are not the same. With this also, the study of sustainable financing requires more time to analyze. My advice for further research can be to use more samples and examine the situation directly to sustainable financing activities in the bank sector. Therefore, further research must be carried out to see further the development of sustainable financing and is expected to overcome all existing obstacles. Besides, learning about sustainability reporting can be a topic in lectures in order to instill the responsibility of students since they can be more quickly implemented in the world of work.

Thus, the development of sustainability performance and sustainability report must be focused more on the financial industry. The bank sector should more explore the operational and collaborative partner to implement optimal sustainability reporting and maximize sustainable performance. Also, the government must be able to provide more policies in terms of overseeing sustainable activities carried out by organizations. The application of the GRI Standard that has not

been maximized should be one of their targets in implementing sustainable performance. In addition to seeing aspects of the GRI standard in reporting sustainability reports based on activities that have been carried out, the Bank sector must also focus more on the sustainability of these activities so that they can continue to be consistent in carrying out sustainable performance. In brief, joining the award can make a reference for the evaluation of a bank and become a reference so that it continues to develop to be better in terms of sustainable performance.

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## APPENDIX

Table 1. Analysis the Economic Aspects of GRI G4 Consolidated 2016 based on Sustainability Report year 2018 in BNI Bank and Mandiri Bank

Economic Aspects			
		BNI Bank	Mandiri Bank
1.	GRI 201 – Economic Performance	1	1
2.	GRI 202 – Market Presence	0	0
3.	GRI 203 – Indirect Economic Impacts:	0	0
4.	GRI 205 – Anti Corruption:	1	0
5.	GRI 206 – Anti Competitive Behavior	0	0
6.	GRI 207 – Tax	1	0
Total Percentage:		50%	16.67%

Table 2. Analysis the Environmental Aspects of GRI G4 Consolidated 2016 based on Sustainability Report year 2018 in BNI Bank and Mandiri Bank

Environmental Aspects			
		BNI Bank	Mandiri Bank
1.	GRI 301 – Materials:	0	0
2.	GRI 302 – Energy:	1	1
3.	GRI 303 – Water and Effluents:	1	1
4.	GRI 304 – Biodiversity:	1	1
5.	GRI 305 – Emissions:	1	1
6.	GRI 306 – Effluents and Waste:	0	0
7.	GRI 308 – Supplier Environmental Assessment:	0	0
Total Percentage:		57.14%	57.14%

Table 3. Analysis the Social Aspects of GRI G4 Consolidated 2016 based on Sustainability Report year 2018 in BNI Bank and Mandiri Bank.

Social Aspects		BNI Bank	Mandiri Bank
1.	GRI 401 – Employment:	1	1
2.	GRI 402 – Labor Management Relations:	0	0
3.	GRI 403 – Occupational Health and Safety:	0	1
4.	GRI 404 – Training and Education:	1	1
5.	GRI 405 – Diversity and Equal Opportunity:	1	1
6.	GRI 406 – Non-Discrimination:	0	0
7.	GRI 408 – Child Labor:	0	0
8.	GRI 409 – Forced or Compulsory Labor:	0	0
9.	GRI 410 – Security Practices:	0	0
10.	GRI 411 – Rights of Indigenous Peoples:	0	0
11.	GRI 412 – Human Rights Assessment:	0	0
12.	GRI 413 – Local Communities:	1	0
13.	GRI 414 – Supplier Social Assessment:	0	0
14.	GRI 415 – Public Policy:	0	0
15.	GRI 416 – Customer Health and Safety:	0	0
16.	GRI 417 – Marketing and Labeling:	0	0
17.	GRI 418 – Customer Privacy:	1	1
18.	GRI 419 – Socioeconomic Compliance:	0	0
Total Percentage:		27.78%	27.78%

Table 4. Classification of Bank Score Based on the Consolidated GRI G4 2016 Indicator:

Combined Score per-Aspect	BNI Bank	Mandiri Bank
	Score	Score
Economy Aspect	50%	16.67%
Environmental Aspect	57.14%	57.14%
Social Aspect	27.78%	27.78%
<b>Total Average:</b>	<b>44.97%</b>	<b>33.86%</b>

Table 5. Analysis of GRI Financial Services Sector Disclosure on Sustainability Report year 2018 in BNI Bank and Mandiri Bank.

No.	Indicator	BNI Bank	Mandiri Bank
1.	FS1 - Policies with Specific Environmental and Social Components are applied to the Business Line	1	1
2.	FS2 - Procedure with Specific Environmental and Social Components that are applied to the Business Line	1	1
3.	FS3 - Process for Monitoring Client's Implementation and Compliance with Environmental and Social Requirements	1	1
4.	FS4 - Process for Increasing Staff Competence in Implementing Social Environment Policies and Procedures	1	1
5.	FS5 - Interactions with Clients / Investors / Business Partners Regarding Environmental and Social Risks and Opportunities	1	1
6.	FS6 - Percentage of Portfolio for Business Sector by Region, Size and Sector	1	1
7.	FS7 - Monetary Value Products and Services Reviewed to Provide Social Benefits	1	1
8.	FS8 - Monetary Value Products and Services Reviewed to Provide Special Environmental Benefits	1	1
9.	FS9 - Coverage and Frequency of Audit and Risk Assessment Procedures	1	1
10.	FS10 - Partnership Responsible for Environmental Problems or Social	1	1
11.	FS11 - Percentage of Assets that Occur in Positive and Negative or Social	1	1
12.	FS12 - Voting Policy	1	1
13.	FS13 - Access Points in Low Population and Economic Regions	1	1
14.	FS14 - Access to Financial Services for Disadvantaged People	1	1
15.	FS15 - Fair Policy for Financial Products and Services	1	1
16.	FS16 - Initiative to Improve Financial Literacy	1	1
Total Percentage:		100%	100%

Table 6. Analysis of regulation of Financial Services Authority in Indonesia NO. 51 / POJK.03 / 2017 based on Sustainability Report year 2018 in BNI Bank and Mandiri Bank.

No.	Indicator	BNI Bank	Mandiri Bank
1.	Explanation of Sustainability Strategy	1	1
2.	Overview of Sustainability Aspect Performance:		
	a. Economic Aspects	1	1
	b. Environmental Aspects	1	1
	c. Social aspect	1	1
3.	Brief Company Profile	1	1
4.	Explanation of Directors containing:		
	a. Policies to respond to challenges in meeting sustainability strategies, at least include	0	1
	b. Implementation of Sustainable Finance	0	0
	c. Target achievement strategy	0	1
5.	Sustainability governance contains:		
	a. Description of the duties of the Board of Directors and Board of Commissioners, employees, officials and / or work units who are responsible for implementing Sustainable Finance.	1	1
	b. Development of competencies of Directors, members of the Board of Commissioners, employees, officials and / or work units who are responsible for implementing Sustainable Finance	1	1
	c. Explanation of the Company's procedures in identifying, measuring, monitoring, and controlling risks for the implementation of Sustainable Finance related to economic, social and environmental aspects, including the role of the Board of Directors and Board of Commissioners in managing, conducting periodic reviews, and reviewing the effectiveness of the Company's risk management process.	1	1
	d. A description of stakeholders which includes stakeholder involvement based on management assessment results and the approach used by the Company in engaging stakeholders in the implementation of Sustainable Finance.	1	1
	e. Problems faced,	1	0

	developments, and influence on the implementation of Sustainable Finance.		
6.	Sustainable Performance:		
a.	A description of activities to build a culture of sustainability in the Company	1	1
b.	Description of economic performance	1	1
c.	Social performance	1	1
d.	Environmental Performance	1	1
e.	Environmental Performance for Companies whose business processes are directly related to the environment	1	0
F.	Responsibility for developing Sustainable Financial products and / or services	1	1
G.	Written verification from an independent party, if any.	1	1
Total Percentage:		85%	85%