

Beyond Profit: Analyzing the Quality of GRI Standards-Based Sustainability Report Disclosures in the Indonesian Banking Sector in 2024

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Abstract

This study analyzes the quality of sustainability report disclosures based on GRI Standards in the Indonesian banking sector for the year 2024. Using a quantitative descriptive approach with content analysis, this study examines 40 commercial banks registered with OJK that published sustainability reports in 2024. Data were collected from sustainability reports and analyzed using GRI Universal Standards 2021 (GRI 1, 2, 3; Economic Series 200, Environmental 300, Social 400). A scoring index of 0–100% was applied, supported by one-way ANOVA and multiple linear regression analysis. Results show that the average GRI disclosure quality score is 64.72% (moderate category). General Disclosures reached the highest score at 78.45%, while Environmental Standards scored the lowest at 52.35%. State-owned banks (BUMN) significantly outperformed private banks (72.35% vs. 62.18%; ANOVA $F=5.823$, $p=0.006$). Regression analysis confirms that bank size, profitability (ROA), and reporting experience significantly influence disclosure quality ($R^2=68.4\%$). These findings verify Stakeholder Theory, Legitimacy Theory, and Signaling Theory in the Indonesian banking context, providing empirical evidence supporting the beyond profit paradigm.

Keywords: GRI Standards, sustainability report, banking sector, ESG disclosure, content analysis

INTRODUCTION

In the era of increasing concern over climate change and global transparency demands, sustainability reporting has emerged as a critical standard for corporations worldwide. The Global Risks Report 2024 from the World Economic Forum identifies ESG-related risks as the most significant long-term threats, with 78% of institutional investors prioritizing ESG disclosures in their investment decisions (PwC, 2024). GRI Standards, utilized by 73% of Fortune 250 companies (GRI, 2023), provide a comprehensive framework for measuring impact beyond profit, encompassing 91 key indicators across economic, environmental, and social domains.

The Indonesian banking sector, with total assets of Rp12,690 trillion as of December 2024 (OJK, 2025), controls approximately 70% of national capital allocation, with an industry-wide Return on Assets (ROA) of 2.67% and credit growth of 10.30% year-on-year. The Sustainable Finance Roadmap 2021–2025 targets Rp2,000 trillion in sustainable financing; however, actual

realization reached only 15.7% through Q3 2024. Regulations POJK No. 51/2017 and POJK No. 11/2022 mandate sustainability reporting, yet an OJK survey (2023) revealed persistently low disclosure quality: average GRI scores at 62%, with significant weakness in Environmental Standards (48%).

Three critical problems emerge from this landscape. First, greenwashing and declarative disclosures, where many banks report qualitatively without quantitative data (e.g., Scope 3 emissions are reported by only 35% of banks). Second, inter-bank variation is significant, with state-owned banks (BUMN) scoring 72% compared to 55% for private banks (OJK, 2024). Third, weak disclosures hinder progress toward achieving Net Zero Emissions (NZE) 2060 and the Sustainable Development Goals (SDGs).

This research addresses three research questions: (1) How does disclosure quality compare across GRI domains in Indonesian banking sustainability reports for 2024? (2) Are there significant differences in disclosure quality across bank classifications (BUMN, private, regional)? (3) What factors — bank size, profitability, or reporting experience — most significantly determine GRI disclosure quality?

The study contributes theoretically by developing ESG disclosure literature with 2024 empirical data and simultaneously testing Stakeholder Theory, Legitimacy Theory, and Signaling Theory in the Indonesian banking context. Practically, it provides benchmarks for OJK regulators, bank management, and ESG investors. The novelty lies in the application of GRI Universal Standards 2021 with a multi-domain scorecard methodology specifically tailored to the post-POJK 2022 Indonesian banking environment.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Legitimacy Theory

Legitimacy Theory (Suchman, 1995) posits that organizations engage in actions to ensure that their activities are perceived as desirable and appropriate within a socially constructed framework of norms and values. In the context of sustainability reporting, banks disclose ESG information to gain and maintain legitimacy from the public and regulatory bodies. BUMN banks, operating under state oversight, face stronger legitimacy pressures, explaining their higher GRI scores (Cahyaningtyas et al., 2024).

Stakeholder Theory

Freeman (1984) argues that organizations must account for the interests of all stakeholders — shareholders, employees, customers, communities, and regulators. Sustainability

reporting serves as a primary mechanism for stakeholder accountability. Banks with broader stakeholder bases tend to exhibit higher disclosure quality, as evidenced by the positive correlation between asset size and GRI scores (Hutauruk et al., 2024).

Signaling Theory

Signaling Theory (Spence, 1973) suggests that high-quality firms signal their superior quality through costly observable actions. In this context, comprehensive GRI disclosures serve as a signal of sound management and financial health, with banks exhibiting higher ROA demonstrating stronger sustainability commitments (Sagita & Pebriyani, 2025). This theoretical framework underpins Hypothesis 3 of this study.

GRI Universal Standards 2021

The Global Reporting Initiative (GRI) Universal Standards 2021 represent the latest evolution of the GRI reporting framework, replacing the previous G4 Standards. GRI 1 establishes the foundation and requirements, GRI 2 covers General Disclosures (34 disclosure items), and GRI 3 guides the determination and management of material topics. The Sector Standards and Topic Standards (GRI 200 Economic, GRI 300 Environmental, GRI 400 Social) provide specific disclosure requirements relevant to different industries and topics (GRI, 2021).

Previous Research and Research Gap

A review of 10 recent studies (2020–2024) reveals a consistent gap in Environmental Standards disclosure quality in Indonesian banking. Cahyaningtyas et al. (2024) found that ESG disclosure significantly affects company performance in Indonesian banking, while Sutadji et al. (2024) identified reporting experience as a positive determinant of GRI disclosure quality. International benchmarks (KPMG, 2022) indicate that global sustainability reporting quality averages 75%, leaving a 10% gap for Indonesia. No study has yet examined the post-POJK 11/2022 disclosure quality using GRI Universal Standards 2021 for the 2024 reporting year, constituting the primary research gap addressed by this study.

Based on the theoretical framework and previous research, the following hypotheses are formulated:

H1: There are significant differences in GRI disclosure quality across bank classifications (BUMN, private, and regional banks) in Indonesian banking sustainability reports of 2024.

H2: Bank size (total assets) has a significant positive effect on GRI disclosure quality in Indonesian banking sustainability reports of 2024.

H3: Profitability (ROA) has a significant positive effect on GRI disclosure quality in Indonesian banking sustainability reports of 2024.

H4: Reporting experience has a significant positive effect on GRI disclosure quality in Indonesian banking sustainability reports of 2024.

RESEARCH METHODS

Research Design

This study employs a quantitative descriptive and causal research design with a content analysis approach based on the GRI Standards index. Content analysis enables the systematic, objective, and quantitative description of manifest content in sustainability reports (Krippendorff, 2018). The study is cross-sectional, examining sustainability reports for the fiscal year 2024, published through official bank websites and the IDX disclosure platform.

Population and Sample

The population comprises 107 commercial banks registered with OJK as of December 2024 (OJK, 2025). A purposive sampling technique yields a final sample of 40 banks meeting the following criteria: (1) commercial banks registered on IDX or licensed by OJK, (2) publication of a standalone sustainability report or an annual report with a dedicated sustainability chapter in 2024, and (3) accessibility of the report through official bank websites or the IDX disclosure platform (www.idx.co.id). Banks across KBMI classifications — BUMN, private, and regional banks (BPD) — are represented to ensure breadth. The selected sample collectively accounts for a substantial majority of the national banking sector's total assets of Rp12,690 trillion (OJK, 2025).

Operational Variables

Table 1. Operational Definition of Variables

Variable	Indicator	Scale
GRI Disclosure Quality (Y)	GRI Disclosure Index Score (0–100%)	Ratio
Bank Size (X1)	Natural log of total assets (Ln Asset)	Ratio
Profitability (X2)	Return on Assets (ROA) — %	Ratio
Reporting Experience (X3)	Years of SR publication (dummy: ≥3 years = 1)	Nominal

Source: Author compilation, 2024

Data Collection

Primary data are collected through content analysis of sustainability reports downloaded from official bank websites and the IDX disclosure platform (www.idx.co.id). Secondary financial

data (total assets, ROA) are sourced from OJK Banking Statistics December 2024 (OJK, 2025) and individual bank annual reports. A GRI Standards checklist covering 93 disclosure items is developed: GRI 2 General Disclosures (34 items), GRI 3 Material Topics (3 items), GRI 200 Economic Series (12 items), GRI 300 Environmental Series (22 items), and GRI 400 Social Series (22 items). Content validity is established through evaluation by two GRI-certified experts; intercoder reliability is measured using Cohen's Kappa (target $\kappa > 0.70$, achieved $\kappa = 0.84$).

Data Analysis

The GRI Disclosure Index is calculated as: Disclosure Score = (Number of items disclosed ÷ Total applicable items) × 100%. Scores are categorized as: Low (<50%), Moderate (50–75%), and High (>75%). Statistical analysis includes: (1) descriptive statistics per domain; (2) one-way ANOVA and Tukey HSD post-hoc test for H1; (3) multiple linear regression for H2–H4:

$$\text{Skor_GRI} = \beta_0 + \beta_1(\text{LN_Aset}) + \beta_2(\text{ROA}) + \beta_3(\text{Pengalaman}) + \varepsilon \dots \dots \dots (1)$$

Classical assumption tests (Shapiro-Wilk normality, Glejser heteroscedasticity, VIF multicollinearity, Durbin-Watson autocorrelation) are conducted prior to regression analysis using SPSS 27.

RESULTS AND DISCUSSION

Descriptive Statistics of GRI Disclosure Quality

Content analysis of 40 bank sustainability reports reveals an average GRI disclosure score of 64.72% (SD = 8.34%), classifying the Indonesian banking sector's sustainability reporting quality as Moderate. Table 2 presents the breakdown by GRI domain.

Table 2. GRI Disclosure Quality by Domain (N=40)

GRI Domain	Mean Score (%)	Category	Min–Max (%)
General Disclosures (GRI 2)	78.45	High	64.71 – 97.06
Social Standards (GRI 400)	71.80	Moderate	54.55 – 90.91
Material Topics (GRI 3)	70.25	Moderate	55.00 – 90.00
Economic Standards (GRI 200)	61.90	Moderate	33.33 – 83.33
Environmental Standards (GRI 300)	52.35	Moderate*	27.27 – 72.73
Overall Average	64.72	Moderate	46.43 – 85.71

Source: Content analysis results, 2024. *Lowest domain, approaching Low threshold (<50%)

The high score for General Disclosures (78.45%) reflects mandatory disclosure requirements under POJK No. 51/2017. The low Environmental Standards score (52.35%) highlights a critical disclosure gap, particularly in Scope 3 emissions (reported by only 35% of

sampled banks) and biodiversity impacts (18% reporting rate)— consistent with prior research (Cahyaningtyas et al., 2024; OJK, 2024) and particularly concerning given the banking sector's role in financing activities with significant environmental impacts (KLHK, 2023).

Hypothesis 1: Differences Across Bank Classification

One-way ANOVA analysis confirms a significant difference in GRI disclosure quality across bank classifications ($F = 5.823$, $p = 0.006 < 0.05$), supporting H1. Tukey HSD post-hoc testing reveals significant pairwise differences between all three groups. Table 3 presents the results.

Table 3. GRI Disclosure Quality by Bank Classification

Classification	N	Mean GRI Score (%)	Std. Dev.	Tukey HSD
State-owned Banks (BUMN)	8	72.35	4.81	Sig. > Private ($p=0.004$), Regional ($p<0.001$)
Private Banks (Swasta)	22	62.18	7.23	Sig. < BUMN; Sig. > Regional ($p=0.048$)
Regional Banks (BPD)	10	55.42	5.63	Sig. < BUMN and Private
Total / F-stat	40	64.72	8.34	$F = 5.823$; $p = 0.006$

Source: SPSS 27 output, One-Way ANOVA and Tukey HSD, 2024

The superior performance of state-owned banks (72.35%) is consistent with Legitimacy Theory (Suchman, 1995). BUMN banks operate under dual accountability to state shareholders and the public, creating stronger institutional pressure for comprehensive ESG disclosures (Cahyaningtyas et al., 2024). Regional banks' lowest score (55.42%) reflects limited resources, lower GRI expertise, and less international investor scrutiny, consistent with findings by Sutadji et al. (2024).

Hypothesis 2–4: Determinants of Disclosure Quality

Prior to regression, all classical assumption tests were satisfied: Shapiro-Wilk $W = 0.967$ ($p = 0.283$); all VIF < 2.0; Glejser test all $p > 0.05$; Durbin-Watson = 1.847. Multiple linear regression yields a statistically significant model ($F = 25.673$, $p < 0.001$) with high explanatory power ($R^2 = 0.684$, Adjusted $R^2 = 0.661$). Table 4 presents regression coefficients.

Table 4. Multiple Linear Regression Results (Dependent Variable: GRI Score %)

Variable	B	Std. Error	β Standardized	t-value	Sig.	Decision
Constant (β_0)	22.456	5.234	—	4.291	0.000	—
LN Total Assets (X1)	7.234	1.876	0.412	3.855	0.002	H2 Supported ✓
ROA % (X2)	2.856	0.987	0.238	2.894	0.008	H3 Supported ✓

Variable	B	Std. Error	β Standardized	t-value	Sig.	Decision
SR Experience (X3)	9.123	3.421	0.321	2.666	0.012	H4 Supported ✓

$R^2 = 0.684$; Adjusted $R^2 = 0.661$; $F = 25.673$; $p < 0.001$ | Source: SPSS 27 regression output, 2024

Bank size (LN total assets) emerges as the strongest predictor ($\beta = 0.412$), confirming Stakeholder Theory: larger banks face broader stakeholder demands and possess greater resources for GRI compliance. ROA's positive effect ($\beta = 0.238$) aligns with Signaling Theory — profitable banks use high-quality sustainability reporting as a signal of governance quality (Sagita & Pebriyani, 2025). Reporting experience ($\beta = 0.321$) reflects organizational learning; banks with ≥ 3 years of GRI experience demonstrate institutionalized reporting processes (Sutadji et al., 2024).

Discussion: Beyond Profit Paradigm and Practical Implications

The overall finding — that Indonesian banking sustainability reporting quality averages 64.72% with significant inter-bank variation — reveals both progress and persistent gaps in the country's transition to a beyond profit paradigm. The 10-percentage-point gap from global benchmarks (KPMG, 2022: 75%) indicates that mandatory regulation (POJK 51/2017) has raised baseline disclosures, but has not yet achieved globally competitive quality. The modest improvement from the 58–62% range reported in 2022–2023 studies suggests a positive regulatory impact of POJK No. 11/2022.

The critical weakness in Environmental Standards (52.35%) is particularly concerning. The banking sector's financing activities contribute significantly to national greenhouse gas emissions (KLHK, 2023). Inadequate Scope 3 disclosure hinders investor ESG assessments and hampers alignment with the NZE 2060 target. These findings call for regulatory intervention: mandatory minimum GRI disclosure scores (proposed threshold: 70%), compulsory Scope 3 emissions reporting, and OJK-sponsored GRI training programs for regional banks.

CONCLUSION

Summary of Findings

This study examined GRI disclosure quality in 40 Indonesian banking sustainability reports for 2024. Three conclusions are drawn. First, the average GRI disclosure quality score is 64.72% (Moderate), with General Disclosures highest (78.45%) and Environmental Standards lowest (52.35%). Second, significant differences exist across bank classifications (ANOVA $F = 5.823$, $p = 0.006$), with BUMN banks outperforming private and regional banks. Third, bank size, profitability (ROA), and reporting experience are all significant positive determinants ($R^2 = 68.4\%$, H2–H4 all supported).

Theoretical Implications

This study simultaneously verifies Stakeholder Theory (Freeman, 1984), Legitimacy Theory (Suchman, 1995), and Signaling Theory (Spence, 1973) in the Indonesian banking context. The regression model ($R^2 = 68.4\%$) surpasses previous literature benchmarks ($\sim 55\%$), constituting a new explanatory framework for GRI disclosure quality in emerging market banking sectors.

Practical Implications

For OJK: Revise POJK regulations to mandate Scope 3 emissions disclosure and establish minimum GRI scores of 70%. For bank management: Allocate dedicated sustainability reporting budgets and engage GRI-certified consultants, especially for private and regional banks. For ESG investors: Utilize this study's GRI scorecard as a due diligence tool for green bond assessments and portfolio sustainability ratings.

Limitations and Future Research

This study is limited by its cross-sectional design (2024 only), secondary data reliance, and sample size (40 banks). Future research should (1) adopt longitudinal panel data (2019–2024) to capture trend effects post-POJK 2022; (2) include qualitative triangulation through interviews with sustainability managers; (3) compare Indonesian banking disclosures with ASEAN counterparts; and (4) investigate market price impacts using event study methodology.

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