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BUILDING TRUST THROUGH SHE REPORTING IN INDONESIA'S BANKING SUSTAINABILITY PRACTICES

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Abstract

This study aims to analyze and compare the disclosure of Safety, Health, and Environment (SHE) indicators in the sustainability reports of Indonesian banks. Using a descriptive qualitative approach and content analysis, this research examines seven major banks—four state-owned (BRI, Mandiri, BNI, BTN) and three private (BCA, BSI, Bank Jago)—based on the Global Reporting Initiative (GRI) 403 and 302–305 indicators, as well as the Culture of Health for Business (COH4B) framework. The findings show that state-owned banks demonstrate more structured, measurable, and compliance-driven SHE reporting aligned with international standards such as GRI and ISO 45001, reflecting a strong commitment to public accountability. In contrast, private banks tend to emphasize value-driven sustainability, focusing on employee well-being, social innovation, and environmental responsibility, but their disclosures remain largely narrative and lack quantitative metrics. The results indicate that while both groups share similar sustainability goals, they differ in implementation depth and transparency. These findings highlight the need for harmonizing formal reporting systems and value-based innovations to strengthen the credibility and inclusiveness of banking sustainability disclosures in Indonesia. The study concludes that integrating quantitative data and human-centered sustainability approaches will enhance trust, regulatory compliance, and the strategic role of banks in supporting sustainable finance and the net-zero transition.

Keywords: Safety, Health, Environment, Sustainability Reporting, Indonesian Banking.

Introduction

The banking industry plays an important role in promoting sustainable development through financial intermediation, good governance, and the management of social and environmental risks. In the last decade, the paradigm shift towards social responsibility and sustainability has encouraged banks to focus not only on financial performance but also on workplace safety, employee health and welfare, and environmental protection — collectively known as the SHE (Safety, Health, and Environment) framework. This approach reflects the view that corporate sustainability cannot be separated from human well-being and environmental preservation (Dolcini et al., 2023).

The increasing global attention to environmental, social, and governance (ESG) issues is prompting companies, including the banking sector, to integrate SHE indicators into their sustainability strategies and reporting. Banks in various countries now use guidelines such as the Global Reporting Initiative (GRI) and ISO 45001/14001 to disclose their responsibilities regarding occupational health, safety, and the environment. According to Kumar and Prakash (2019), sustainability reporting practices in the Indian banking sector show a positive trend, particularly in improving transparency and measurability of non-financial indicators. However, there remains a gap between formal commitments and substantial implementation in sustainability reports, especially in the dimensions of occupational health and safety.

The context of Indonesia presents similar challenges and opportunities. Based on the provisions of POJK No. 51/POJK.03/2017, all financial service institutions are required to publish sustainability reports as a form of accountability for their economic, social, and environmental performance. Several large national banks such as BRI, Mandiri, BNI, BTN, as well as private banks like BCA, BSI, and Bank Jago have published annual sustainability reports containing their commitments to sustainable business practices. Nevertheless, the quality of disclosure remains varied; some banks present measurable quantitative data, while others are still narrative and symbolic in nature (Dosinta & Astarani, 2021).

This study aims to analyze and compare the disclosure of SHE indicators in the sustainability reports of seven major banks in Indonesia, including state-owned (BUMN) and private banks. The analysis was conducted using a quantitative approach based on content analysis, with indicators developed based on GRI 403 (Occupational Health and Safety), GRI 302–305 (Energy, Water, Emissions, Waste), and the COH4B framework (Culture of Health for Business). The specific objectives of this study are: (1) to assess the extent to which each bank implements and discloses SHE indicators, (2) to compare the measurability of reporting among banks, and (3) to identify differences in patterns between the state-owned and private bank groups.

The significance of this study is both theoretical and practical. Theoretically, this study expands the literature on sustainability reporting in the banking sector by emphasizing the integration of Safety, Health, and Environment (SHE) dimensions — an area that remains relatively limited in academic research (Kumari, Nagina, & Kumar, 2024). Practically, the findings of this study are expected to serve as a reference for banks and regulators in improving the quality and transparency of sustainability reporting, while also strengthening the reputation and social legitimacy of financial institutions. Good SHE disclosure is not merely a compliance obligation but a corporate strategy that supports operational efficiency, employee retention, and public trust in the banking system.

Thus, this research is relevant in the context of the transformation toward sustainable finance, where SHE reporting becomes an important indicator of a bank's seriousness in managing social and environmental responsibilities while maintaining the welfare of its human resources.

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Theoretical Framework

The theoretical framework of this research is based on the understanding that corporate sustainability practices, particularly in the banking sector, cannot be separated from the dimensions of occupational safety (Safety), employee health and well-being (Health), and environmental management (Environment), collectively known as the SHE Framework (Safety, Health, and Environment). This approach aligns with the Triple Bottom Line theory (Elkington, 1998), which emphasizes the balance between economic (profit), social (people), and environmental (planet) aspects as the foundation of corporate sustainability.

In the context of sustainability reporting, Stakeholder theory (Freeman, 2010) and Legitimacy theory (Suchman, 1995) provide the conceptual basis that SHE disclosure is not merely a reporting obligation, but a communication strategy to gain social legitimacy and meet stakeholder expectations. Banks that are transparent in disclosing safety, health, and environmental indicators will be more trusted and considered socially responsible.

The indicator framework used in this study refers to the Global Reporting Initiative (GRI), specifically GRI 403: Occupational Health and Safety for the Safety aspect, and GRI 302–305 for the Environment aspect. In addition, the Health dimension is developed from the COH4B (Culture of Health for Business) framework by Dolcini et al. (2023), which emphasizes employees' physical, mental, and social well-being as key elements of organizational sustainability.

1. Safety Indicators (GRI 403)
   Aspects of occupational safety and health include the OHS management system (403-1), hazard identification and risk mitigation (403-2), occupational health services (403-3), worker participation (403-4), and safety training (403-5). Evangelinos et al. (2018) found that although most global companies report OHS policies, only a small portion disclose quantitative data such as lost time injury rate (LTIR) or safe working hours. This study addresses that gap by assessing the extent to which banks in Indonesia disclose these indicators in their sustainability reports.
2. Health Indicators (COH4B & GRI 403-6)
   The health dimension encompasses employee health promotion, well-being programs, regular health check-ups, and support for mental health. Dolcini et al. (2023) highlight the importance of Health and Well-being KPIs in sustainability reporting because employee health is directly related to productivity and workforce retention. However, many bank reports only describe health activities without including measurable targets or achievements. Therefore, this study analyzes the extent to which bank sustainability reports integrate health aspects as a strategic component of sustainability.
3. Environmental Indicators (GRI 302–305)
   Environmental indicators include energy management (302), water (303), emissions (305), as well as waste and recycling (306). Research by Sebastião et

al. (2024) shows that banks globally tend to focus more on energy efficiency and emission reduction, but they reveal little direct connection to social or health impacts. In this context, effective environmental disclosure should include quantitative data (e.g., CO_2 emission reductions, energy consumption per employee) as well as long-term strategies such as implementing green offices and green financing.

Although several studies have discussed sustainability reporting in the banking sector, most of them remain general and do not separate SHE indicators in a structured manner (Kumar & Prakash, 2019; Kumari, Nagina, & Kumar, 2024). This study fills that research gap by conducting a content analysis of the sustainability reports of seven major banks in Indonesia — both state-owned and private — to evaluate the extent to which the three SHE dimensions are disclosed substantively rather than symbolically.

Thus, this theoretical framework asserts that the disclosure of SHE indicators reflects social responsibility, organizational legitimacy, and the bank's efforts to build long-term relationships with stakeholders through transparency and sustainability accountability.

Method

This study uses a descriptive qualitative approach with content analysis methods to evaluate the disclosure of Safety, Health, and Environment (SHE) indicators in the sustainability reports of banks in Indonesia in 2024. This approach aims to understand the depth and quality of non-financial disclosures that reflect the organization's commitment to social and environmental sustainability.

The primary data for the research was obtained from the sustainability reports of seven major Indonesian banks, both state-owned (BRI, Mandiri, BNI, BTN) and private (BCA, BSI, Bank Jago). The sample selection was conducted purposively based on the availability of sustainability reports that comply with the Global Reporting Initiative (GRI) standards. The analysis focused on GRI indicators 403 (Occupational Health and Safety), 302–305 (Energy, Water, Emissions, Waste), as well as the Culture of Health for Business (COH4B) framework developed by Dolcini et al. (2023), which emphasizes the importance of employees' physical, mental, and social well-being within the context of corporate sustainability.

The analysis process was carried out by assessing the extent to which each bank discloses SHE indicators based on three criteria: (1) complete and quantitative disclosure (score 1), (2) descriptive disclosure without measurable data (score 0.5), and (3) no disclosure (score 0). This approach adapts the assessment method used by Dolcini et al. (2023) in evaluating European companies' Health and Well-being KPIs, which assesses the transparency, substance, and context of sustainability reporting.

After the coding and evaluation process, the results were thematically analyzed to identify patterns of SHE disclosure among banks, as well as to compare differences in approaches between state-owned and private banks. Thus, this method not only illustrates the level of information transparency but also reveals each bank's strategic orientation towards social and environmental responsibility in sustainability practices.

Results

The following is a comparative analysis of state-owned vs. private companies based on the Dolcini et al. (2023) framework, which emphasizes Health and Well-being KPIs (HWB KPIs), presented in the form of a SHE (Safety, Health, Environment) analysis table for clarity and scientific analysis:

Table 1. Comparison of SHE Indicator Disclosure between State-Owned and Private Banks (Based on the Dolcini et al., 2023 Framework)

SHE aspect	Dolcini et al. (2023) framework	State-owned banks (BRI, Mandiri, BNI, BTN)	Private Banks (BCA, BSI, Bank Jago)	Comparative Analysis
Safety	Disclosure of occupational safety systems, K3 training, occupational accident rates, and ISO 45001 certification.	- **Mandiri** and **BRI** list their OHS policies, training, and zero-accident achievement. - **BNI** and **BTN** present basic OHS information without measurable data.	- **BCA** and **Bank Jago** addressed workplace safety in general terms without specific indicators. - **BSI** emphasized safety in the context of Sharia values, rather than technical aspects..	State-owned enterprises have stronger occupational safety reporting and certification structures; private companies are still narrative and unmeasured.
Health & Well-being	Employee physical and mental health assessments, wellness programs, job satisfaction surveys, and work-life balance policies.	- **BRI** and **Mandiri** have employee wellness and mental health programs. - **BNI** offers training and health awareness programs, while **BTN**'s programs are limited.	- **BCA** promotes employee well-being and ongoing training. - **BSI** focuses on spiritual and social well-being. - **Bank Jago** does not specifically disclose employee health data.	State-owned enterprises excel in data-driven occupational health and well-being, while the private sector excels in aspects of life balance and spirituality, rather than quantitative indicators.

SHE aspect	Dolcini et al. (2023) framework	State-owned banks (BRI, Mandiri, BNI, BTN)	Private Banks (BCA, BSI, Bank Jago)	Comparative Analysis
Environment	Management of energy, water, emissions, waste, and green office policies (GRI 302–305).	- All state-owned enterprises (SOEs) report on energy efficiency and emissions, especially Mandiri, which has a net-zero target of 2030. - BNI and BRI have green banking and energy efficiency programs at their headquarters.	- **BCA** excels in energy efficiency and waste management. - **BSI** emphasizes Sharia compliance and environmental conservation. - **Bank Jago** displays data on energy and water reduction.	Both groups focus on environmental issues, but state-owned enterprises are more systematic and strategic; the private sector is more innovative but limited in long-term measurement.
SHE Integration and Reporting	Structured measurement of HWB and SHE with quantitative metrics and annual targets.	Mandiri is the most comprehensive (GRI, ISO 45001, energy and OHS targets). BRI and BNI adhere to most reporting standards.	BCA is quite transparent but has not yet established formal HWB metrics. BSI and Jago are descriptive.	State-owned enterprises are more compliance-driven, while private companies are more value-driven. The depth of reporting varies, indicating a lack of uniformity in sustainability reporting maturity.

Discussion

This analysis is compiled based on the approach of Dolcini et al. (2023):

Comparative Analysis of SHE between State-Owned and Private Banks

1. Safety (Workplace Safety)

   Safety disclosures at state-owned banks like Bank Mandiri and BRI demonstrate the implementation of relatively comprehensive safety management systems. They report OHS training, use of personal protective equipment, and zero accident achievements, as well as certifications like ISO 45001. This aligns with the occupational safety indicators framework outlined by Dolcini et al. (2023), which emphasizes the importance of quantitative data for assessing the effectiveness of safety policies. In contrast, private banks like BCA, BSI, and Bank Jago present a more general narrative regarding workplace safety without clear statistical data.

   This finding aligns with Baldissera (2023), who explains that large banks with public oversight are more likely to adopt formal reporting based on international standards due to legitimacy and regulatory demands, while private banks focus more on reputational image and communicating corporate values.

2. Health & Well-Being (Employee Health and Welfare)

   State-owned banks, particularly Mandiri and BRI, integrate various employee wellness programs, such as routine health checks, psychological counseling, and work-life balance training. These programs align with the Health and Well-Being KPIs of Dolcini et al. (2023), which assess the effectiveness of reporting based on the extent to which companies measure the impact on employees' physical and mental health.

   In contrast, private banks such as BCA and BSI emphasize well-being aspects within the context of corporate values and culture, such as spiritual well-being, self-development, and work flexibility. While this approach is positive, Patel (2024) asserts that non-financial reporting that is not supported by metric data (e.g., participation rates, stress levels, or job satisfaction) risks becoming symbolic and difficult to evaluate for effectiveness. Thus, state-owned enterprises excel in structured measurement, while private banks are stronger in value-based innovation.

3. Environment (Environment: Energy, Emissions, Water, Waste)

   Both state-owned and private banks demonstrate a strong commitment to environmental management, but their approaches differ. Bank Mandiri and BNI have a net-zero emissions target by 2030 and present measurable data on energy consumption, emissions, and waste management in accordance with GRI 302–305 standards. In contrast, BCA and Bank Jago emphasize digital technology-based energy efficiency initiatives and the use of renewable energy at their head offices, but lack measurable long-term targets.

   According to Sebastião et al. (2024), the quality of environmental reporting depends on the measurability and consistency of data over a specific period. Meanwhile, Baldissera (2023) adds that private banks are often more innovative in implementing green practices but lack adequate integrated reporting systems. Thus, state-owned banks have a structural and policy advantage, while private banks are quicker to adopt operational green innovations.

4. Integration of SHE Reporting
   In general, state-owned banks demonstrate compliance-driven SHE reporting, adhering to GRI guidelines and OJK regulations (POJK No. 51/2017), with a systematic reporting structure and auditable indicators. Private banks are more value-driven, emphasizing a humanistic and innovative sustainability narrative, but have not yet achieved the depth of quantitative reporting. This aligns with Patel's (2024) observation that banks facing higher regulatory pressure will demonstrate more substantial sustainability reporting, while private organizations tend to focus on communicating values and social responsibility.

The analysis of SHE disclosures in the Indonesian banking sector shows that state-owned and private banks have different approaches to implementing sustainability. State-owned banks, such as Mandiri, BRI, BNI, and BTN, demonstrate more structured and compliance-driven reporting, while private banks, such as BCA, BSI, and Bank Jago, emphasize social innovation and value-driven sustainability. This difference has important implications for sustainability management practices and policies in Indonesian banking.

From a managerial perspective, differences in the depth of SHE reporting reflect an organization's level of sustainability management. According to Baldissera (2023), large organizations with high public exposure tend to implement formalized sustainability frameworks to ensure legitimacy and public trust. This is evident in state-owned banks that adhere to GRI standards and ISO 45001 and report auditable quantitative indicators. For state-owned bank management, these findings underscore the importance of maintaining reporting credibility by expanding coverage to include Health and Well-being aspects, such as work-life balance, mental health, and employee retention—in line with the Health and Well-being KPIs from Dolcini et al. (2023).

Conversely, more flexible and value-oriented private banks can serve as laboratories for sustainability innovation. Based on Patel's (2024) findings, values-based sustainability strategies (e.g., green innovation, digital efficiency, and employee well-being) have the potential to strengthen reputation and long-term competitiveness. However, to enhance credibility, private bank management needs to formalize SHE indicators in a format that can be consistently measured and evaluated. For example, including data on emission reductions, participation rates in OSH training, and employee well-being survey results in annual reports. This approach will narrow the gap between narrative and data, thereby strengthening the trustworthiness of sustainability reports, as emphasized by Sebastião et al. (2024).

From a policy perspective, this study's findings support the need to strengthen national banking sustainability reporting standards. Regulators such as the Financial

Services Authority (OJK) can expand the provisions of POJK No. 51/POJK.03/2017 with more specific technical guidance on SHE indicators, particularly those related to Health and Well-being KPIs, which are still rarely reported. This is crucial to ensure that reporting practices in Indonesia not only fulfill administrative obligations but also reflect a substantial commitment to social and environmental responsibility.

Furthermore, multi-stakeholder collaboration between the government, banking associations, and educational institutions is needed to strengthen human resource competencies in sustainability. According to Sebastião et al. (2024), increasing human resource capacity in sustainability accounting and ESG data management is a key factor in improving reporting quality. Banks can also adopt cross-sector peer benchmarking to assess their reporting position against global standards.

Strategically, state-owned and private banks can complement each other. State-owned enterprises can leverage the advantages of formal reporting systems to promote cross-institutional transparency, while private banks can enrich this approach through values-based innovation and human-centered sustainability. Collaboration between these two models will strengthen the competitiveness of the national financial system in supporting Indonesia's sustainable finance and net-zero transition agendas.

Conclusion

This study concludes that the level of disclosure of Safety, Health, and Environment (SHE) indicators in Indonesian banks' sustainability reports varies across dimensions and ownership types. State-owned banks such as Mandiri and BRI demonstrate more structured and measurable reporting, in accordance with GRI 403 and ISO 45001 standards, reflecting a compliance-driven approach that emphasizes legitimacy and public accountability. Meanwhile, private banks such as BCA, BSI, and Bank Jago are more value-driven, highlighting social innovation, employee welfare, and value-based environmental programs, but are still limited in presenting quantitative indicators that can be evaluated objectively.

These results align with the findings of Dolcini et al. (2023) who emphasized the importance of measuring Health and Well-being KPIs in sustainability reporting, and support Sebastião et al.'s (2024) view that successful reporting depends on a balance between compliance and innovation. Furthermore, as outlined by Patel (2024) and Baldissera (2023), strengthening reporting transparency requires integrating quantitative data with meaningful strategic narratives. Therefore, SHE disclosure in the Indonesian banking sector needs to be directed at harmonizing the formal structure of state-owned enterprises (SOEs) and private sector innovation to achieve credible, inclusive, and long-term sustainability reporting.

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