

**Teaching methodology good practice in the  
pilot year of a new master specialization -  
research methodology for business  
administration students in sustainability in  
Asia**



EÖTVÖS LORÁND  
UNIVERSITY | BUDAPEST

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ELTE | FACULTY OF  
INFORMATICS



MASUDEM

MASTER STUDIES IN SUSTAINABLE DEVELOPMENT AND MANAGEMENT



ELTE IK  
Student Support  
Center

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## Introduction

The Student Support Center at the Eötvös Loránd University Budapest, Faculty of Informatics, within the framework of a European Union Erasmus application (ERASMUS-EDU-2022-CBHE – Key Action 2: Cooperation among organisations and institutions"), held further training courses for lecturers, staff and PhD students from six Southeast Asian universities (3 Indonesian and 3 Thai) in several parts of Asia, as well as for colleagues coming to Hungary from Asia at ELTE for three years. The goals of the training courses were to understand student diversity, to create equal opportunities, and to review the possibilities of creating an inclusive learning environment in higher education. Special attention was paid to support options for students with special needs, university good practices, while soft skills training took place in the form of interactive workshops and training courses (for example, building a mentoring system, creating accessibility “equity”). Within the framework of the program, the Asian partner institutions, as well as the Bratislava University of Economics, ELTE, the Pablo de Olavide University in Seville, the Mendel University in Brno and the Slovak NGO No Gravity, have created a new master's degree program (Master Studies in Sustainable Development and Management: MASUDEM) for the experts. The Hungarian experts participating in the consortium are psychologists from the Student Support Center of the ELTE Faculty of Informatics, who have strengthened Asian universities through capacity development. In this book, we present all the articles and presentations which were prepared during the Research Methods for Sustainable Development course held at **Universitas Trisakti (USAKTI)** and **Universitas Gadjah Mada (UGM)** in Indonesia. Members of the Student Support Center of the ELTE Faculty of Informatics collaborated with Nurul Indarti Ph.D. at UGM and with Dr. Asep Hermawan and Dr. Kurniawati at USAKTI during their teaching activities in the courses.

## Extraction of Teaching material related to the framework of the course and assignment

Master Studies in Sustainable Development and Management (MASUDEM)

### Research methods in sustainable development

**Trainer: Name, University of ELTE, Budapest**  
**Institution/city: Universitas Gadjah Mada, Yogyakarta, Indonesia (on site training)**

**5.5. – 19.5.2025**

Master Studies in Sustainable Development and Management  
(MASUDEM)

ERASMUS-EDU-2022-CBHE  
Project: 101082797



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## MASUDEM Project

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Website:

[Masudem – Master's program in Sustainable Development and Management](#)

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**MASUDEM**

MASTER STUDIES IN SUSTAINABLE DEVELOPMENT AND MANAGEMENT

The MASUDEM project aims to drive sustainable development and job creation in Indonesia and Thailand (Region 5) by developing and enhancing the curricula and capacities of academic and administrative staff at partner universities in these countries.

The project is centered around addressing the critical need to promote sustainable growth and a green deal, and will be instrumental in achieving these objectives in partner countries.

Over the course of the project, the development and accreditation of a new Master's program/Concentration in Sustainable Development and Management will take place at partner country universities

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## Why are scientists publishing in academia?

- Have you ever participated in research?
- How about your BSc thesis/previous degrees?
- Have you ever had research methods, research methodology courses?

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## About the Course

# Research Methods in Sustainable Development

Research methods in sustainable development course: [Research Methods for Sustainable Development – Masudem](#)

Study text: [Research-Methods-in-Sustainable-Development.pdf](#)

- |                                                         |                                                         |
|---------------------------------------------------------|---------------------------------------------------------|
| 1. Introduction to Research methodology                 | 7. Data collection for qualitative research methods II. |
| 2. Identified research focus on sustainable development | 8. Quationnaire methods                                 |
| 3. Research paradigms and changes                       | 9. Measurement                                          |
| 4. Stages of conducting research                        | 10. Quality of research                                 |
| 5. Theoryand conceptual framework                       | 11. Quantitative data analysis                          |
| 6. Data collection for qualitative research methods I.  | 12.Qulitative data alalysis                             |

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## Presentations

- Topics: research methods, research methodology, sustainability, economics, learning methods, learning methodology
- Find 3 papers on the topic and at least one paper is between 2020-2025
- power point presentation of 5 slides
  - 1 slide of opening
  - 3 slides of content
  - 1 slide of references
- Send paper on May 17th to the e-mail address
- Presentation on May 17th: 5 minutes presentation/person, 5 minutes for questions and feedback

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## Assignment option

### Publish article at Eötvös Loránd University

**Topic:** research work related to their work in the field of economics

- Deadline: 29.05.2025.
- Questions to be asked: 10.05.2025., 17.05.2025. (in person on the training)
- Send to:

#### Formal requirements:

- language: British English
- headline for the title
- font type: Times New Roman
- font size :12
- 1.5 line spacing
- 2,5 margins
- length: minimum 5 pages
- minimum 10 references with APA citation ([APA guidelines](#)), min. 3 from 2024-2025
- Language: British English



## **Published articles**

# **Strategic Divergence in Environmental Disclosure: A Longitudinal GRI Study of Indonesian Retail Real Estate (2021–2024)**

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## **Abstract**

This study examines how environmental disclosure practices evolved in Indonesia's two leading publicly listed retail real estate firms, Pakuwon Jati Tbk and Lippo Karawaci Tbk, amid the dual pressures of post-pandemic recovery and rising ESG expectations between 2021 and 2024. Using the GRI 300 framework and longitudinal content analysis, the research evaluates changes in reporting scope, consistency, and strategic emphasis. Findings show that Pakuwon Jati maintained a steady, compliance-oriented trajectory focused on internal risk management and procedural alignment, while Lippo Karawaci adopted a more dynamic, innovation-driven approach aimed at meeting external stakeholder and market expectations. These contrasting strategies illustrate how firms in emerging markets respond to ESG challenges in the absence of strong regulatory enforcement. The study underscores environmental disclosure as both a mechanism for external legitimacy and an internal strategic response, shaped by firm-specific priorities during institutional and operational uncertainty.

**Keywords:** environmental disclosure, GRI 300, ESG, Indonesia, real estate, sustainability reporting

## **1. Introduction**

The COVID-19 pandemic caused major disruption across global commercial real estate, with the retail sector among the most affected. Rental income fell sharply due to mobility restrictions and a surge in e-commerce (Ling et al., 2020). As customer traffic declined, firms faced financial strain while also accelerating digital transformation (Cruz-Cárdenas et al., 2021). Amid uncertainty, environmental concerns began gaining more attention. ESG (Environmental, Social and Governance) practices, particularly environmental disclosure, emerged as a way for companies to demonstrate resilience, manage reputational and climate risks, and rebuild investor confidence (McKinsey, 2020). Although the peak of the pandemic was in 2020, most of its operational consequences were reflected in the 2021 reporting year, which showed how firms started adjusting their strategies.

In 2021, companies were in early stages of recovery. Many used sustainability disclosures, including environmental reporting, to maintain stakeholder trust and demonstrate accountability (Janik & Ryszko, 2023). Over time, there was growing demand for clearer and more consistent environmental data, particularly in high-emission sectors such as real estate. The buildings and construction sector, which includes commercial real estate, was estimated to contribute approximately one-third of global energy-related CO<sub>2</sub> emissions (IEA, 2020), with recent studies placing the figure closer to 40% (Y. Wang & Pan, 2024).

This placed greater emphasis on the environmental pillar of ESG, which is defined by consistent and measurable indicators such as emissions, energy use, water consumption, and waste. These metrics offer a more stable and comparable reflection of long-term sustainability performance than social or governance aspects, which tend to vary depending on local and organisational context (Khamisu & Paluri, 2024). While the social impact of the pandemic was immediate, such as layoffs and health protocols, environmental disclosure offers a longer-term view of how firms adapt strategically.

Indonesia offers a relevant context as Southeast Asia's largest and rapidly urbanising economy. Real estate development is projected to become a major source of national emissions. Yet, environmental reporting remains inconsistent and weakly regulated. Disclosure quality varies considerably among firms and is often shaped by internal factors such as board composition and managerial incentives, rather than external policy enforcement (Wahyuningrum et al., 2024). These gaps raise concerns about the readiness of firms in emerging markets to meet global ESG expectations.

Despite growing global pressure for standardized ESG practices, there remains a gap in understanding how environmental disclosure evolves at the firm level particularly in emerging markets where regulation is weak, market discipline is uneven, and ESG integration is still developing. This study seeks to answer the following research question: How have environmental disclosure practices changed in Indonesian retail real estate firms during the post-pandemic transition from 2021 to 2024?

To address this, the study focuses on two major publicly listed developers: Lippo Karawaci Tbk and Pakuwon Jati Tbk, selected for their consistent sustainability reporting practices and their significant roles in Indonesia's retail real estate landscape. This study conducts a firm-level, post-pandemic content analysis within a regulatory-light emerging market context. It examines how environmental disclosure practices evolved from 2021 to 2024 in terms of their presence,

consistency, and level of detail. Using the GRI 300 framework and an ordinal 0–2 scoring scale, it aims to identify each firm's disclosure trajectory and broader strategic posture in response to ESG and post-crisis pressures.

## **2. Literature Review**

### **2.1 ESG and the Environmental Pillar**

Environmental disclosure is fundamental to the environmental pillar of ESG frameworks. It requires firms to report quantifiable data on greenhouse gas emissions, energy and water consumption, waste generation, and climate initiatives. This transparency enables stakeholders to assess environmental accountability and corporate sustainability orientation. Empirical evidence from Chinese listed firms reveals that good environmental disclosure can enhance firm value, while greenwashing misleading environmental claims can erode stakeholder trust (Zhou et al., 2024).

In Indonesia, reporting quality has improved during the pandemic, with disclosure scoring influenced by governance and institutional dynamics (Wahyuningrum et al., 2024). Building on this, recent studies indicate that firms investing in renewable energy, energy efficiency, or green-certified buildings tend to produce more comprehensive and reliable sustainability reports (Supriyanto et al., 2025). Additionally, companies with board-level sustainability committees are more inclined to publish structured and consistent environmental disclosures (Driss et al., 2024).

While ESG encompasses environmental, social, and governance components, the environmental pillar has acquired greater strategic significance in the post-pandemic period. Social disclosures during the COVID-19 crisis such as health protocols and community support were largely reactive and short-lived. In contrast, environmental metrics such as carbon intensity and energy efficiency offer consistent and quantifiable benchmarks that support long-term sustainability assessments (Ling et al., 2020; McKinsey, 2020)

Emerging evidence also indicates that firms with stronger internal green innovation capabilities are more resilient to regulatory uncertainty. A study of China's carbon policy found that innovation-driven companies maintained consistent carbon disclosure despite the absence of mandatory requirements, whereas firms with weaker capabilities exhibited more volatile reporting patterns (Liu et al., 2025). These findings underscore the importance of internal dynamic capabilities in shaping the quality and continuity of ESG reporting within emerging markets.

## **2.2 ESG Reporting in Indonesia**

In Indonesia, ESG reporting has evolved gradually over the past two decades, beginning with capital market regulations introduced in the mid-2000s and later reinforced by legal frameworks targeting resource-based sectors. These regulatory developments culminated in the issuance of OJK Regulation No. 51/POJK.03/2017, which encourages publicly listed and financial institutions to disclose their environmental performance, including metrics on emissions, energy usage, and climate-related risks.

Despite these advancements, ESG disclosure practices remain uneven across firms. While some companies align their sustainability reporting with international frameworks such as the Global Reporting Initiative (GRI), many continue to treat ESG disclosures as a compliance obligation rather than a strategic imperative (Meutia et al., 2022). Challenges such as weak enforcement mechanisms, limited internal reporting capacity, and data inconsistency persist across the corporate landscape. Nevertheless, growing regulatory pressure and rising investor expectations have begun to foster more structured and transparent ESG reporting practices, particularly among larger and publicly listed firms (Wahyuningrum et al., 2024)

## **2.3 Environmental Disclosure in the Real Estate Sector**

Environmental disclosure has gained increasing prominence within the global real estate sector, driven by its significant carbon footprint. The built environment is estimated to contribute nearly 40% of global CO<sub>2</sub> emissions, largely through energy consumption associated with construction and ongoing operations (Y. Wang & Pan, 2024). As climate-related risks intensify, property developers and asset managers face growing pressure to disclose data on energy use, emissions, water management, waste, and green building practices core themes captured under the GRI 300 (Environmental Topics) framework (GRI, 2023)

The JLL Global Real Estate Transparency Index (GRETI) highlights a persistent gap between developed and emerging markets in ESG reporting quality, with the former generally demonstrating higher levels of transparency and standardisation (Newell & Marzuki, 2024). Institutional investors are increasingly demanding reliable, standardised sustainability metrics, prompting real estate firms to adopt global disclosure frameworks such as GRI, SASB, and TCFD to improve credibility and comparability in investment decisions.

In emerging economies such as Indonesia, significant barriers to high-quality environmental reporting remain. These include weak regulatory enforcement, limited internal ESG capacity,

and fragmented data systems (F. Wang & Pang, 2024). Nevertheless, the growing presence of global investment capital particularly through international real estate investment trusts (REITs) is helping to elevate local disclosure standards. These cross-border partnerships often introduce more rigorous ESG expectations, encouraging Indonesian firms to align their practices with international frameworks, including structured environmental reporting under GRI 300 (Newell et al., 2023)

## **2.4 Crisis as Catalyst: The Impact of COVID-19 on ESG Reporting**

The COVID-19 pandemic served as a significant catalyst for the adoption of more structured and strategic ESG reporting practices. Despite the short-term economic disruption it caused, firms with stronger environmental credentials demonstrated greater organisational resilience and reduced financial risk during periods of crisis. Evidence from real estate firms in China and South Korea shows that ESG integration contributed to risk mitigation and helped stabilise corporate value throughout the pandemic (Kim & Yoon, 2024).

In highly volatile sectors such as real estate, companies with higher ESG ratings also experienced stronger stock performance and more rapid recovery under uncertainty (Nguyen & Nguyen, 2025). These findings underscore the strategic role of ESG transparency particularly in areas such as carbon emissions, energy efficiency, and green building standards in restoring stakeholder trust and ensuring business continuity during crisis periods.

## **2.5 GRI 300 Frameworks for Environmental Disclosure**

The Global Reporting Initiative (GRI) remains one of the most widely adopted frameworks for sustainability reporting worldwide. Its environmental disclosures are organised under the GRI 300 series, which provide topic-specific indicators designed to capture the environmental impacts of organisational activities in a consistent and comparable manner (GRI, 2023).

The GRI 300 series includes eight standards:

- GRI 301: Materials, which addresses the use of raw materials and efforts toward sustainable sourcing.
- GRI 302: Energy, which covers energy consumption, energy efficiency, and the use of renewable versus non-renewable energy.
- GRI 303: Water and Effluents, focused on water usage, water withdrawal sources, and discharge management.

- GRI 304: Biodiversity, which assesses operational impacts on protected areas, biodiversity hotspots, and ecological integrity.
- GRI 305: Emissions, detailing GHG emissions (Scope 1, 2, and 3), air pollutants, and emissions intensity.
- GRI 306: Waste, which includes waste generation, disposal methods, and strategies for reduction and recycling (updated in 2020 to reflect a lifecycle approach).
- GRI 307: Environmental Compliance, addressing violations of environmental laws and regulations.
- GRI 308: Supplier Environmental Assessment, which evaluates the environmental performance of suppliers and due diligence in the supply chain.

These indicators enable both internal assessment and external benchmarking, and are particularly relevant in carbon-intensive sectors such as real estate. In the context of emerging economies like Indonesia, the GRI 300 series provides a structured lens through which companies can improve environmental transparency, despite the absence of mandatory national standards. As such, the GRI indicators form the analytical foundation of this study's content analysis of environmental disclosure from 2021 to 2024.

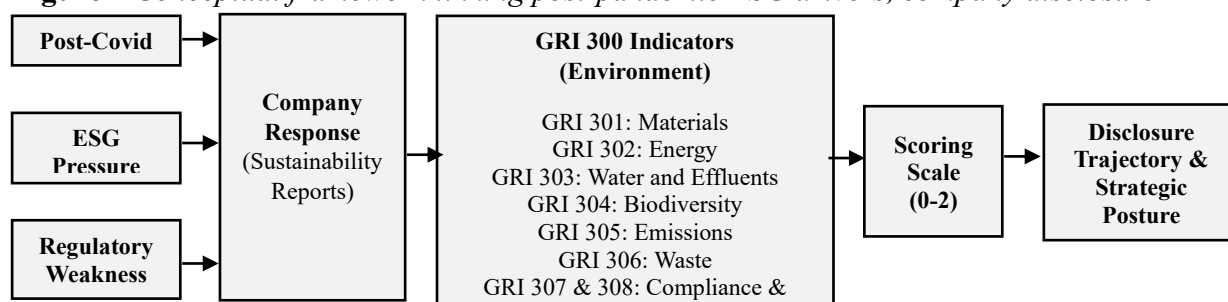
To explain variations in disclosure strategies between firms, this study adopts two theoretical lenses: institutional theory and legitimacy theory. Institutional theory suggests that organizations often respond to external pressures such as investor expectations, global reporting frameworks, or normative ESG standards even in the absence of regulatory compulsion.

In the Indonesian context, where enforcement remains relatively weak, disclosure practices are frequently shaped by the need to align with institutional expectations rather than legal compliance (Abu Afifa et al., 2025; Driss et al., 2024). In parallel, legitimacy theory views ESG reporting as a way for companies to sustain social acceptance and stakeholder trust. Environmental disclosures may serve as strategic tools to align corporate narratives with societal values and market expectations (Zhou et al., 2024). Selective emphasis, broad claims, or the omission of specific metrics often referred to as “green disclosure signaling” can reflect efforts to build reputational capital more than to ensure transparency (Wahyuningrum et al., 2024). Together, these theories help position environmental disclosure not only as a transparency mechanism but also as a strategic organizational response to post-pandemic ESG pressures in Indonesia.

## **2.6 Conceptual Framework**

This study adopts a conceptual framework based on the GRI 300 Standards to examine how environmental disclosure in Indonesian retail real estate firms has evolved in response to post-COVID pressures, rising ESG expectations, and limited regulatory enforcement. These external drivers shape company responses, which are reflected in sustainability reporting practices. The framework integrates environmental indicators outlined in the GRI 300 series, and views disclosure as a strategic response to stakeholder and legitimacy pressures. As illustrated in Figure 1, these contextual forces influence both the depth and direction of corporate environmental disclosure over time.

**Figure 1** *Conceptual framework linking post-pandemic ESG drivers, company disclosure*



**Note.** Author's own elaboration (2025).

### 3. Methodology

This study employs a longitudinal content analysis to examine the evolution of environmental disclosure practices among Indonesian retail real estate firms over a four-year period (2021–2024). This timeframe captures both the tail end of the COVID-19 pandemic and the subsequent transition toward business recovery and sustainability normalization. The research seeks to assess how environmental transparency measured using the GRI 300 (Environmental Topics) standards responded to changing ESG expectations in a post-crisis context.

#### 3.1 Sample Selection

A purposive sampling approach was adopted to select two majors publicly listed Indonesian retail real estate firms: Pakuwon Jati Tbk and Lippo Karawaci Tbk. The selection was based on three criteria: (1) a core business focus on retail real estate, (2) consistent publication of sustainability or integrated reports from 2021 to 2024, and (3) full data accessibility via official company websites.

Pakuwon Jati and Lippo Karawaci Tbk represent two of the leading players in Indonesia's retail real estate sector, each pursuing distinct strategies in terms of scale and spatial footprint. Pakuwon operates a concentrated portfolio of large-scale malls in Jakarta and Surabaya, totaling over 799,000 square meters of net leasable area (NLA) across 10 flagship properties (Pakuwon



Jati, 2025), reflecting a premium and centralized development model. In contrast, Lippo Karawaci manages 59 malls across 39 cities nationwide, with a combined NLA of approximately 2.5 million square meters (Lippo Karawaci, 2025), signaling a mass-market expansion approach built on geographic diversification. Their contrasting strategic orientations offer a strong basis for comparative analysis of environmental disclosure practices within the Indonesian retail property landscape.

As of 2025, Pakuwon Jati's market capitalisation stood at IDR 18.01 trillion, while Lippo Karawaci's was IDR 5.74 trillion (Reuters, 2025). Their divergent asset footprints and financial positions allow for comparative insights into disclosure practices under varied strategic and institutional contexts.

### **3.2 Data Collection and Analysis**

Content analysis was conducted using the GRI 300 (Environmental Topics) standards (GRI, 2023) to trace changes in environmental disclosure practices from 2021 to 2024 amid evolving ESG expectations.

A scoring system ranging from 0 to 2 was applied to measure the extent and progression of disclosure quality over time, adapted from the approach used by Sun et al. (2024). A score of 0 indicates no disclosure; 1 reflects a general or qualitative statement; and 2 represents quantitative disclosure, including specific targets or performance metrics.

In addition, a focused disclosure quality assessment was conducted for the most recent reporting year (2024). This year was selected to represent the peak of ESG reporting maturity within the study period, allowing for a more in-depth comparison of disclosure clarity, strategic framing, and operational relevance across the GRI indicators.

The analysis was conducted manually by the researcher, focusing on the presence, consistency, and evolution of disclosures across years. This approach helps identify how environmental topics progressed over time and provides insight into each firm's disclosure trajectory and strategic stance.

## **4. Findings and Analysis**

### **4.1 Quantitative Disclosure Trajectories**

Table 1 presents the year-by-year environmental disclosure scores for Pakuwon Jati and Lippo Karawaci from 2021 to 2024, based on a structured assessment using the GRI 300 indicators.

Under the ordinal (0-2) scoring system, a total of 32 indicators were evaluated for each company annually, yielding a maximum possible score of 64 per year.

**Table 1**

*Environmental Disclosure Scores of Pakuwon Jati and Lippo Karawaci (2021–2024)*

Year	Pakuwon Jati Score	Pakuwon Jati (%)	Lippo Karawaci Score	Lippo Karawaci (%)	Δ Gap (%)
2021	36	56%	30	47%	9
2022	39	61%	37	58%	3
2023	42	66%	46	72%	-6
2024	41	64%	44	69%	-5

**Note.** Scores are calculated annually based on 32 GRI 300 indicators using an ordinal scoring scale (0 = not disclosed, 1 = qualitative, 2 = quantitative/target-based).

**Source.** Sustainability reports of Lippo Karawaci and Pakuwon Jati (2021-2024).

Both firms demonstrated improvements in disclosure quality, though with different trajectories. Pakuwon Jati showed a gradual, year-on-year increase from 56% in 2021 to 64% in 2024, reflecting a compliance-oriented strategy and steady integration of environmental topics, a pattern commonly found in firms responding to internal governance routines rather than market pressures (Wahyuningrum et al., 2024). Lippo Karawaci, on the other hand, demonstrated a more dynamic shift, particularly between 2022 and 2023, suggesting a strategic effort to meet evolving ESG expectations in line with studies highlighting ESG responsiveness as a means of maintaining external legitimacy (Zhou et al., 2024).

Notably, the scoring system also captures how disclosures progressed from qualitative to quantitative formats. This transition reflects a maturing approach to environmental reporting, as firms move from general statements to specific metrics and targets especially in categories such as energy, emissions, and water.

The slight dip in 2024 scores, Pakuwon from 42 to 41, and Lippo from 46 to 44 does not necessarily indicate weakened ESG performance. For Lippo Karawaci, the decline appears to stem from structural inconsistencies and reduced indicator clarity. This may reflect what Yuan and Bao (2025) describe as “disclosure hype,” where ambitious ESG claims are not always

backed by stable reporting infrastructure. Lippo Karawaci's dynamic trajectory and less stable formatting in 2024 suggest similar pressures may have influenced its reporting structure.

In contrast, Pakuwon Jati's disclosure approach appears more internally consistent, favouring procedural clarity over innovation. This reflects patterns observed in Indonesian firms more broadly, where ESG practices tend to be shaped by internal governance readiness and managerial orientation rather than external enforcement (Wahyuningrum et al., 2024).

These divergent trajectories suggest differing disclosure philosophies: Pakuwon prioritises regulatory alignment and continuity, while Lippo appears to respond more flexibly to ESG trends though sometimes at the cost of year-to-year consistency.

## **4.2 Depth and Specificity of Disclosure**

While the previous section assessed overall disclosure trajectories, this section focuses on the depth and strategic emphasis of environmental reporting in the most recent year, 2024. This year serves as a maturity point, where firms' environmental narratives began shifting from general descriptions to more measurable, topic-specific disclosures.

The comparison reveals two distinct disclosure philosophies. In 2024, Lippo Karawaci's disclosure showed greater technical depth in selected areas, particularly energy and emissions, supported by quantitative targets, segmented Scope 1–3 data, and renewable initiatives. Supplier engagement (GRI 308) also emerged as a new theme, with environmental screening criteria formalised in a supplier code of conduct.

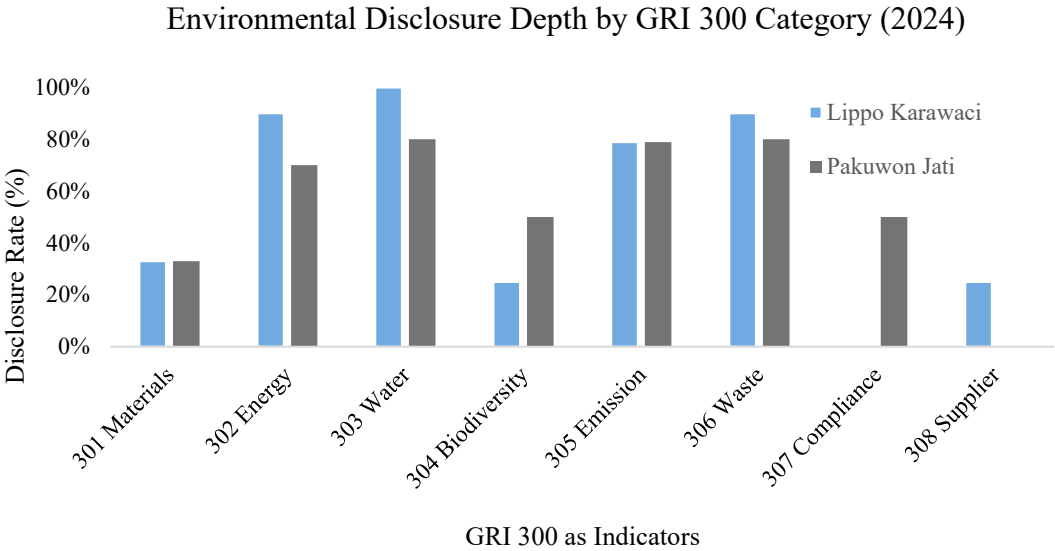
In contrast, Pakuwon Jati maintained broad coverage across most GRI categories, but with limited quantification or strategic framing. Categories such as waste, compliance, and water were consistently addressed, though often descriptively rather than metrically. Unlike Lippo Karawaci, Pakuwon has yet to report on supplier environmental assessment, reflecting a more inward-facing ESG stance.

These differences are reflected in the disclosure profile: Lippo Karawaci presents sharper peaks in certain themes, while Pakuwon shows flatter, more even scores. This suggests that one firm concentrates effort in selected areas to appeal to specific audiences, while the other aims for procedural completeness. This targeted versus comprehensive contrast has been noted in recent assessments of ESG reporting patterns in ASEAN property firms (Jamaludin & Razali, 2024). Lippo Karawaci's bar chart profile shows higher peaks in select areas but lower scores in others, such as Biodiversity (GRI 304) and Materials (GRI 301), indicating strategic selectivity.

Pakuwon Jati’s scores are more even, suggesting a stable baseline of disclosure across most topics, though often without strategic amplification.

These patterns are illustrated in the chart below, which presents the average 2024 disclosure score by GRI category. Lippo Karawaci outperforms in high-impact, investor-sensitive areas, while Pakuwon Jati offers a more balanced but conservative profile.

**Figure 2** *Environmental Disclosure Depth by GRI 300 Category for Lippo Karawaci and Pakuwon Jati*



**Note.** Disclosure rates are presented as percentages for each GRI 300 environmental category. Lippo Karawaci is represented by blue bars, and Pakuwon Jati by grey bars. The data reflect environmental reporting depth based on the Global Reporting Initiative (GRI) 300 standards in 2024.

**Source.** Sustainability reports of Lippo Karawaci and Pakuwon Jati (2024).

Figure 2 supports the idea that Lippo Karawaci’s superior total score in 2024 (69% versus Pakuwon’s 64%) stems not from broader coverage, but from deeper reporting in specific subjects. Conversely, Pakuwon’s consistency across the board points to a steady, compliance-oriented ESG approach. These differences highlight how environmental disclosure maturity is not just about how much is reported, but where, how, and why companies choose to report.

**4.3 Strategic Drivers of Disclosure Differences**

This section interprets the evolving disclosure patterns identified in the previous analyses to reveal each firm’s underlying strategic posture toward environmental reporting.

Lippo Karawaci’s selective depth in key indicators points to a focus on signaling innovation and responsiveness to external stakeholders. However, the variability in structure and consistency suggests these efforts may still be evolving. The breadth of disclosures in 2024,

particularly in advanced areas such as Scope 3 emissions and renewable energy tracking, indicates a willingness to showcase innovation. However, as discussed in 4.2, this expansiveness comes with trade-offs in consistency. The structural variability and occasional omissions point to a strategy that values visibility and ESG signaling, even if internal standardization is still in progress.

Pakuwon Jati, by comparison, emphasizes continuity and completeness across standard indicators. While less segmented, its reporting reflects an embedded process that prioritizes internal control over external visibility. Its year-on-year reporting reveals fewer new topics, but strong continuity in established indicators such as water, waste, and compliance. Rather than expanding rapidly into new disclosure areas, the firm maintained a consistent structure and tone, suggesting that ESG reporting is primarily used as an internal control and risk management tool. While this may limit visibility on emerging topics such as supply chain sustainability, it reinforces trust through dependable reporting practices.

These strategic directions reflect different interpretations of environmental disclosure as either a reputational asset or a governance instrument. Rather than being determined solely by frameworks like GRI, disclosure choices are shaped by firm-specific orientations and readiness. Such divergence in strategic ESG use has been observed across real estate firms in Southeast Asia, where disclosure maturity often mirrors operational scope and market ambition (Newell & Marzuki, 2024; Supriyanto et al., 2025)

In essence, the two firms illustrate different ESG disclosure philosophies. Lippo Karawaci adopts a flexible, opportunity-driven approach that foregrounds progress and innovation, while Pakuwon Jati adheres to a compliance-based strategy centred on operational regularity. These patterns underscore that disclosure maturity is not linear or uniform, it is shaped by how firms internalize ESG frameworks and translate them into reporting choices that serve broader strategic goals.

In sum, the analysis of environmental disclosure trajectories, thematic depth, and strategic divergence between Lippo Karawaci and Pakuwon Jati reveals that ESG reporting is shaped not only by frameworks like GRI, but also by firm-specific priorities, market positioning, and operational scope. While Pakuwon Jati favours consistency and compliance, Lippo Karawaci leans toward innovation and segmented data richness. These patterns suggest that disclosure is as much a strategic tool as it is a transparency mechanism.

## **5. Conclusions and Recommendations**

### **5.1 Key Insights**

This study finds that environmental disclosure among Indonesian retail real estate firms improved from 2021 to 2024 in both coverage and quality. However, the nature and intent of these disclosures diverged significantly between the two companies.

Pakuwon Jati adopted a stable, compliance-oriented trajectory with consistent reporting across core indicators such as water, waste, and environmental compliance. This suggests an internal focus where disclosure functions as part of operational risk management and governance routines. Lippo Karawaci, on the other hand, demonstrated a more dynamic and segmented approach, emphasizing energy, emissions, and supplier engagement, with data-driven disclosures aimed at external audiences.

These findings indicate that Lippo Karawaci leverages environmental reporting primarily to satisfy market and stakeholder demands, strengthening external legitimacy and reputational capital, whereas Pakuwon Jati uses disclosure chiefly as an internal control and operational risk management instrument, maintaining procedural consistency and stability. In other words, Lippo Karawaci frames ESG reporting as an outward-looking tool to build market trust, while Pakuwon Jati embeds it as a core element of internal governance.

This contrast reflects two underlying theoretical perspectives. The first is legitimacy theory, which explains how firms use ESG reporting to enhance external credibility and meet stakeholder expectations (Zhou et al., 2024). The second is institutional theory, which emphasizes how disclosure practices are shaped by internal governance norms and organizational routines rather than formal regulation (Abu Afifa et al., 2025; Driss et al., 2024). These findings are also consistent with evidence from other emerging markets, where ESG maturity is often driven more by strategic capacity than by regulatory enforcement (Supriyanto et al., 2025).

### **5.2 Alignment with Global Goals**

Both firms demonstrate partial alignment with the Sustainable Development Goals (SDGs). Lippo Karawaci's disclosures on renewable energy, emissions tracking, and energy efficiency contribute to SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). Pakuwon Jati's consistent reporting on waste management and environmental compliance aligns with SDG 12 (Responsible Consumption and Production). Both firms also engage with SDG 6 (Clean Water and Sanitation) through water and effluent disclosures, although the strategic

framing of these efforts remains limited. The alignment appears reactive rather than intentional, suggesting room for more structured integration of SDG principles into corporate ESG strategies.

### **5.3 Practical Recommendations**

Based on the comparative analysis, the following actions are recommended for firms and regulators aiming to enhance environmental disclosure quality in the Indonesian retail real estate sector:

1. Adopt segmented and target-based disclosure frameworks. Both firms can improve stakeholder trust by reporting environmental performance per asset type or business line, supported by measurable targets. Studies like Jamaludin & Razali (2024) show that such segmentation strengthens transparency and enhances ESG credibility across Southeast Asian property firms.
2. Fluctuating scores in 2024 reflect a need for more stable data systems. Implementing digital sustainability dashboards or automated data flows can ensure year-over-year consistency. Faruq & Rahman (2025) emphasize how digital infrastructure enables better ESG traceability, especially in emerging markets.
3. Expand disclosure coverage to underreported areas  
Both firms underreported indicators related to biodiversity and sustainable procurement. Prioritizing these dimensions would not only align disclosures more closely with the full GRI 300 framework but also support broader ESG integration, especially as supply chain sustainability becomes a growing focus globally.

### **5.4 Theoretical and Policy Implications**

The contrasting ways in which both firms approach environmental disclosure reflect the theoretical foundations introduced earlier in this study, particularly institutional theory and legitimacy theory. Lippo Karawaci's segmented and innovation-driven reporting aligns with legitimacy theory, which views ESG disclosure as a tool to signal conformity with stakeholder norms and enhance reputational capital (Wahyuningrum et al., 2024; Zhou et al., 2024). In contrast, Pakuwon Jati's procedural and steady reporting reflects the logic of institutional theory, where disclosure practices follow internalized governance routines and respond to expected norms even in the absence of regulatory pressure (Abu Afifa et al., 2025; Driss et al., 2024).

These findings affirm that in Indonesia's relatively weak regulatory environment, ESG reporting is shaped more by strategic adaptation than legal obligation. The flexible application of frameworks such as GRI further supports this pattern, echoing observations across emerging economies (Supriyanto et al., 2025). From a policy perspective, this highlights the need for stronger national guidance, clearer SDG integration, and increased assurance mechanisms to improve consistency and comparability.

### **5.5 Limitations and Future Research**

This study is subject to several limitations. First, it focuses on only two firms, which limits the generalisability of the findings across the broader Indonesian real estate sector. While Pakuwon Jati and Lippo Karawaci offer contrasting disclosure approaches, they may not represent the full diversity of ESG strategies in the industry. Second, the analysis is based solely on publicly disclosed sustainability reports, which may not fully reflect internal ESG practices or informal initiatives not reported externally. Third, the scoring method, while systematic, remains subject to interpretation and depends on the granularity of available data.

Future research could expand the sample to include more firms or compare retail real estate with other sectors such as industrial or hospitality real estate. Comparative studies between ASEAN markets could also reveal how regulatory strength and investor pressure shape ESG disclosure in different emerging economies. Additionally, a mixed-method approach incorporating interviews or surveys could uncover internal drivers and constraints that influence reporting choices.



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# **The Business Case for ESG:**

## **Financial and Non-Financial Value in Indonesia's Banking Sector**

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### **1. Abstract**

This study examines whether ESG disclosures by Indonesia listed companies reflect business value or mere compliance. While sustainability reporting has gained traction in Indonesia's capital market, its strategic impact remains questionable. Using scoring methodology, we examine annual sustainability reports and analyse whether their results create financial value and non-financial value for improving corporate ESG performance. Our findings indicate that sustainability generate both financial and non-financial value.

### **2. Introduction**

Business, a crucial component of society, constantly evolves. Over the past 30 years, a notable trend has been the growing public demand for companies to prioritize not only profit but also community and environmental well-being. In response, the sustainability initiative has emerged, emphasizing the importance of environmental, social, and governance aspects.

This development aligns with the principles of Stakeholder Theory, as proposed by Freeman, which emphasizes the importance of considering the interests of all stakeholders, not just shareholders. Stakeholder Theory put forward the idea that successful companies are able to align the interest of all stakeholders and therefore they are more sustainable. They focus on not only profit maximizing interests of the shareholders but also interests of other stakeholders of the firm as well (Aydognmus, et al., 2022)

The United Nations, a global institution dedicated to fostering economic, social, and environmental cooperation, has long recognized the importance of sustainable development. In 2015, the UN launched the Sustainable Development Goals (SDGs), a comprehensive global program aimed at promoting sustainability worldwide.

Sustainable Development Goals (SDGs) has transferred the global focus of business actors' in accomplishing global goals. The SDGs are rapidly developing a common language across the business sectors. Investors, employees, consumers, and other stakeholders have pushed business actors to become more sustainable.

Indonesia as part of the world society has committed itself on the SDGs. At the national level, the execution of this commitment has been transformed into a number of policies.

One of the most important policies introduced by the Financial Services Authority No. 51/POJK.03/2017 (POJK 51, 2017). The policy is aimed at strengthening the country's financial services sector, improving stability, transparency and consumer protection.

The policy is created specifically for financial institutions to act in a responsible and sustainable manner. With the issuance of POJK 51, the government requires all financial institutions to implement sustainable financial principles by submitting sustainable financial action plans and sustainability reports to the Financial Services Authority and the public. The banking sector must avoid lending to companies that pose environmental, social and governance risks (Rahmaniati and Ekawati, 2024).

In accordance with its regulatory oversight, the Financial Services Authority has promulgated Regulation No. 16/SEOJK.04/2021 (SEOJK 16, 2021), amending the guidelines for Sustainability Reports applicable to all listed issuers, companies, and financial institutions on the Indonesia Stock Exchange (IDX). This study focuses on the banking industry because recent evidence suggests that banking, above all other industries, is the primary driver of environmental improvement and facilitation (Raza, et al., 2024)

Growing pressure from the public, government, development institutions, and regulatory bodies has prompted companies worldwide to adopt strategic changes. One notable approach is Corporate Social Responsibility (CSR), encompassing economic, environmental, educational, health, infrastructure, cultural, and religious initiatives. Over time, CSR has evolved, with external stakeholders pushing for broader outreach and internal parties, particularly financial managers, demanding measurable financial and non-financial returns.

This perspective shift has led to the emergence of the Environment, Social, and Governance (ESG) concept, which integrates sustainability into core business strategy.

This shift in perspective gave rise to the broader concept of Environmental, Social, and Governance (ESG), which takes governance practices explicitly into account. Therefore, ESG is a broader concept and, at the same time, implies a more profound level of integration into business strategy and decision-making processes than CSR (Cervino and Mendi, 2024).

Despite ongoing criticism and scepticism from investors, shareholders, and boards, ESG practices continue to gain traction globally, including in Indonesia, and have demonstrated a positive impact on businesses. Studies in countries like the US, UK, and G7 nations have investigated the relationship between ESG, corporate governance, and sustainability performance. Recently, emerging economies like China, India, and Korea have also been explored. These studies highlight the significance of ESG in driving sustainability performance, including its impact on stock returns, corporate governance, and environmental practices. Overall, ESG has been recognized as a crucial determinant of sustainable business practices globally (Zhou, et al., 2023). ESG reporting is no longer just a corporate obligation; it is a powerful mechanism driving sustainable development. Companies positioning ESG reporting at the core of their operations and strategies can significantly contribute to addressing the world's most pressing challenges while ensuring their long-term viability (Chopra, et al., 2024).

However, recent developments in 2025 have also seen growing criticism and scepticism towards ESG. According to the Financial Times (2025), a leading British media outlet, ESG fund outflows hit record as sustainable investing backlash grows. It was also found 335 sustainable products changed their names in Europe during the first quarter 2025, including 116 that dropped ESG-related terms. There is a still question about the extent to which ESG has

genuinely created financial and non-financial business value. This study investigates whether ESG practices create business value for Indonesian banks, or if they're merely a cost burden, as critics argue. Through sustainability report analysis, we can assess the effectiveness of their sustainability initiatives and determine whether they have generated business value. Banks are selected as the sample due to the Financial Services Authority's introduction of sustainability reporting requirements in 2017, which is expected to have matured their adoption of ESG practices and created business value.

### **3. Literature Review**

The increasing prominence of ESG considerations in business operations has created a pressing need for organizations to develop their knowledge and capabilities. As companies seek to embed ESG principles into their practices to create more financial and non-financial values, they must navigate the risk of greenwashing accusations. The banking sector is subject to particularly intense scrutiny, highlighting the imperative of robust ESG implementation. The United Nations-backed Principles for Responsible Investment recognized ESG factors are important elements assessing the creditworthiness of borrowers, as they can affect borrowers' cash flow and the likelihood of defaulting on debt obligations (S. Bressan, 2024).

#### **3.1. ESG and Sustainable Business**

In today's globally interconnected business environment, stakeholders increasingly acknowledge that a firm's ESG responsibilities are crucial to long-term sustainability and overall performance (Pujiyono, et al., 2025). Long-term sustainability requires ESG responsibilities to generate both financial and non-financial value. Three prominent global consulting firms have conducted surveys and research, identifying ESG responsibilities that generate both financial and non-financial value for businesses. These studies provide insights into the tangible benefits of ESG responsibilities, including:

##### **3.1.1. Gartner**

Gartner, a \$6.3 billion US-based global consulting firm serving clients in over 90 countries, provides guidelines on how sustainability creates business value. According to Gartner, there are three levels of sustainability value: Level 1- Sustainability Compliance Balances Risk; Level 2-Sustainability Optimization Improves Reputation, and Level 3-Sustainability Transformation Drives Returns (K.Moyer and S.Watt, 2023).

Gartner conducted an online sustainability survey of 221 respondents in North America, Europe, and Asia Pacific. The survey aimed to identify how sustainability can drive opportunities, mitigate risks, strengthen responsible digital technologies, and control energy costs.

A key finding of this survey is the classification of companies into three main categories based on their strategic ambition for sustainable business (Strategic Ambition for Sustainable Business).

## How to Set Strategic Ambition for Sustainable Business



Source: How to set strategic ambition for Sustainability-Gartner Research (K.Moyer and S.Watt, 2023)

From this survey, it can be concluded that the Sustainable Transformation classification has characteristics of sustainability activities that generate financial and non-financial business values. In more detail, the conclusion is as follows:

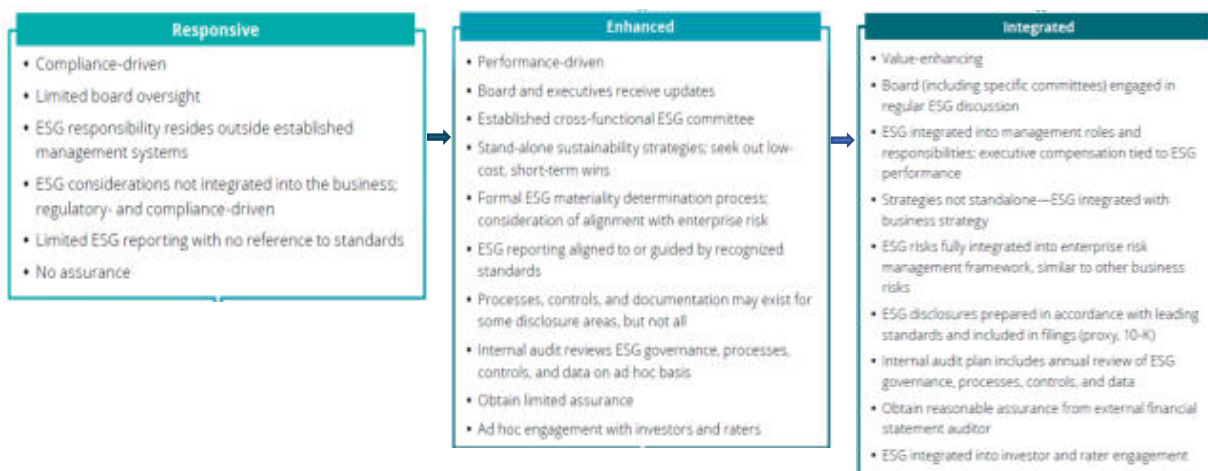
NO	TYPE OF ACTIVITY/ BUSINESS MODEL	RESULT OF ACTIVITY (FINANCIAL & NON-FINANCIAL)
1	Decarbonization	1. Business growth 2. Access to cheaper finance and capital 3. Preferential pricing 4. New revenue streams 5. Competitive advantage
2	Cleaner, Digital, Circular Business Model in Climate Economy	
3	Sustainable Sourcing and practices	
4	Reduced Waste	
5	Inclusive Solutions (e.g. Health, Finance)	
6	Documented and effective sustainability offerings	

### 3.1.2. Deloitte

Deloitte is a leading global consulting firm, renowned as one of the Big Four. With a rich history spanning over 175 years, Deloitte is headquartered in the UK and boasts a vast global presence, employing more than 450,000 professionals across over 150 countries.

From the research titled "On the audit committee's agenda - Navigating the ESG Journey in 2022 and beyond" (Deloitte, 2022), Deloitte introduces the term ESG Maturity Model to

categorize companies into three stages based on their ESG (Environmental, Social, and Governance) journey:



Source: On the audit's committee's agenda-Navigating ESG Journey in 2022 and beyond (Deloitte, 2022)

From this research, it can also be concluded that the Integrated Transformation classification has characteristics of sustainability activities that generate financial and non-financial business values. In more detail, the conclusion is as follows:

SUSTAINABILITY ACTIVITY	FINANCIAL VALUE CREATED	NON-FINANCIAL VALUE CREATED
Energy efficiency projects	Cost savings, risk mitigation	Reputation, stakeholder trust
Green product innovation.	Revenue growth, market expansion	Brand differentiation.
ESG data transparency and assurance	Access to capital, investor confidence	Stakeholder engagement.
Supply chain sustainability programs	Operational efficiency, risk reduction	Social license, resilience.
Board-level ESG governance	Integrated performance, long-term value	Accountability, trust.
Community and employee engagement initiatives	Productivity, reduced turnover	Social impact, inclusion.

### 3.1.3. Fujitsu and Oxford Economics

In 2023, Fujitsu, a multinational information and communication technology company, and Oxford Economics, a global economic advisory firm affiliated with Oxford University, conducted a survey of 1,800 decision-makers across 9 countries.

The survey aimed to assess the status of sustainability transformation among companies and categorized them into four stages based on their progress and maturity.

NO	CATEGORY	DESCRIPTION
1	Non-Active	Organizations limited to CSR activities or high-level vision statement; not yet implementing sustainability as a business priority



2	Followers	Organizations that have set out a sustainability strategy and started some implementation, but have not yet achieved significant maturity or outcomes.
3	Next Leader	Organizations that have implemented strategies and increased sustainability maturity, but are not yet delivering high-level outcomes.
4	Leader	Organizations with high sustainability maturity that have implemented strategies and delivered tangible sustainability outcomes.

From this research, it can also be interpreted and concluded that the Leader category has characteristics of sustainability activities that generate financial and non-financial business values. In more detail, the conclusion is as follows:

No.	Sustainability Activity	Financial Value Examples	Non-Financial Value Examples
1	Sustainable products/services	Revenue growth, market expansion, premium pricing	Enhanced brand reputation, customer trust
2	Digital-driven operational efficiency	Cost savings, supply chain optimization, risk mitigation.	Environmental impact reduction, resilience.
3	Integration of sustainability and KPIs	Improved profitability, better access to capital.	Stakeholder trust, transparent governance.
4	Employee and customer engagement.	Higher productivity, reduced turnover.	Diversity, inclusion, employee satisfaction.
5	Ecosystem partnerships	New business models, shared investment.	Social value, community impact, innovation culture.
6	Reduction of energy usage and waste	Cost saving Risk Mitigation	Environment impact reduction.

### 3.2 Framework of ESG and Sustainable Business

From the three survey and research results, there are several commonalities in activities that generate financial and non-financial benefits. Therefore, the three can be combined into a single conceptual framework as follows:

NO	SUSTAINABILITY ACTIVITY	FINANCIAL VALUE	NON-FINANCIAL VALUES
1	Sustainable Product/Service	Access to cheaper finance and capital, revenue growth, market expansion, premium pricing	Enhanced brand reputation, customer trust, product differentiation
2	Energy Consumption	Cost savings, risk mitigation	Environmental impact reduction, Reputation, stakeholder trust
3	Carbon Emissions	Access to cheaper finance and capital, Cost savings, risk mitigation	Environmental impact reduction, resilience

4	Sustainable Supply Chain	Supply chain optimization, risk reduction	Social license, resilience
5	Employee Engagement	Higher productivity, reduced turnover	Diversity, inclusion, welfare, employee satisfaction
6	Governance Board & KPI System	Access to capital, investor confidence.	Stakeholder engagement, accountability, trust
7	Stakeholder Engagement	New business models, shared investment.	Social value, community impact, innovation culture.
8	Business Operations and Innovation	Operational efficiency, Cost savings, risk mitigation	Environmental impact reduction, resilience
9	Waste & Recycling	Cost savings, risk mitigation	Environmental impact reduction

Figure 1. The conceptual framework

The framework outlines the optimal integration of ESG and sustainable business practices, generating synergistic financial and non-financial value for businesses, as shown below.

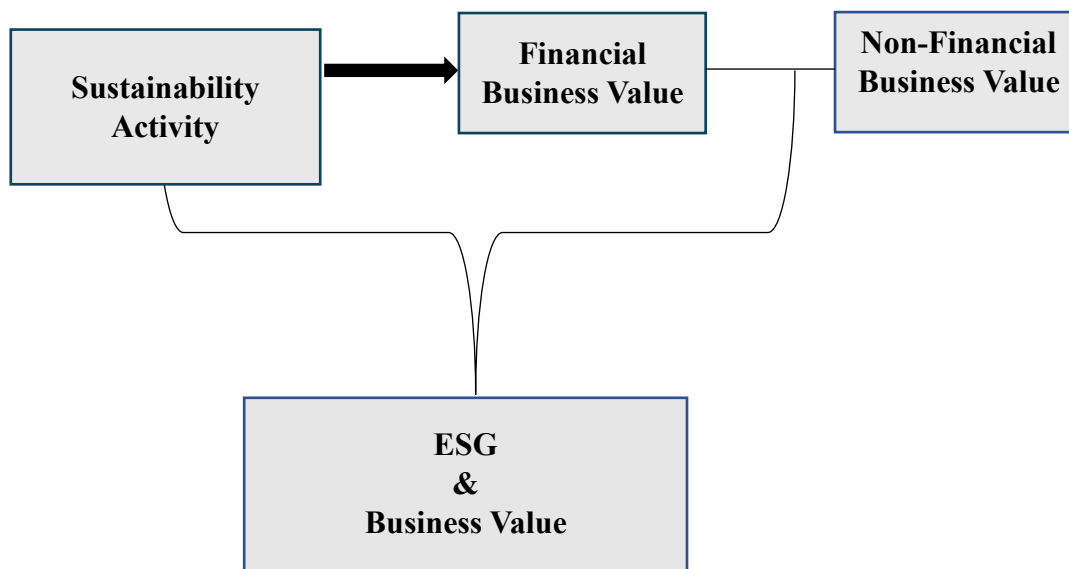


Figure 1. The integration of Sustainability Activity with Financial Business Value, and Non-Financial Business Value

## 4. Methodology

This study aims to analyse whether the ESG (Environmental, Social, and Governance) practices of banks in Indonesia have created financial and non-financial business values. To achieve this, we will utilize the conceptual framework shown in Figure 1.

### 4.1. Variables and Indicators

The variables in this study consist of 3 main dimensions aligned with business value and ESG :

NO	VARIABLE	INDICATOR
1	Sustainability Activity	1. Sustainable Product/Service 2. Energy Consumption 3. Carbon Emissions
2	Financial Business Value	4. Sustainable Supply Chain 5. Employee Engagement

		6. Governance (Board and KPI System)
3	Non-Financial Business Value	7. Stakeholder Engagement 8. Business Operations and Innovation 9. Waste & Recycling

Figure 3: Variable and Sample Indicator

## 4.2 Data Analysis Method

This study employed a data analysis method using content analysis, incorporating the variables and indicators shown in Figure 3.

### 4.2.1. Stage 1- Sample Selection

Selecting 3 banks as samples with the following criteria:

A. Listed on the Indonesia Stock Exchange (IDX).

B. Have published sustainability reports in the last two years (2023 and 2024) publicly.

C. The format of the sustainability report complies with the provisions of SEOJK 16, 2021.

To avoid reputational risk, the names of the three banks in this journal will be anonymized as follows: Bank A (state-owned bank), Bank B (private bank), and Bank C (private foreign bank)

### 4.2.2. Stage 2 – Content Analysis

Conducting an analysis of the bank's sustainability report using the content analysis method. Content analysis is a qualitative technique for systematically interpreting and drawing conclusions from text by evaluating it against predefined criteria (Kurniawati and Michelle, 2025). In this study, the predefined criteria are based on variable and indicator in Figure 3. During the analysis, we will search for 9 indicators in the bank's sustainability report.

### 4.2.3. Stage 3 Scoring

Assigning scores to the 9 indicators. The assessment criteria are as follows:

A. Score 3: If each indicator contains three variables in the bank's sustainability report.

B. Score 2: If each indicator contains two variables in the bank's sustainability report.

C. Score 1: If each indicator contains one variable in the bank's sustainability report.

D. Score 0: If the bank's sustainability report does not contain any indicator.

E. The total score will be multiplied by 80% if the bank's sustainability report does not have assurance from an independent institution, and 100% if it has assurance from an independent institution.

F. All score results will be calculated in total and converted to a percentage of the maximum total score achievable.

### 4.2.4. Conclusion

Based on the percentage of the maximum total score achievable, a final conclusion will be drawn for the banks that are samples:

A. Excellent if it reaches 100%

B. Good if it reaches 80-99%

C. Fair if it reaches 51-79%

D. Poor if it reaches below 50% or less.

The results of this study will provide insights into the implementation of ESG and sustainability for companies, the Financial Services Authority, and the public. For companies, the study's results will be useful for improving the quality of their sustainability activities. For regulatory authorities, the study's results will be useful in evaluating sustainability activities in banks. Meanwhile, for the public, this study will be useful for increasing knowledge about the extent to which banks in Indonesia have implemented sustainability activities.

## 5.Result and Discussion

We analysed three 2024 sustainability reports from banks that were published in 2025. Figure 4 presents the scores for each bank across our methodology's indicators. Notably, the scores showed minimal variation between the banks, with all three receiving nearly identical scores and falling under the 'GOOD' classification.

NO.	INDICATOR	BANK		
		Bank A	Bank B	Bank C
Environment				
1	Energy Consumption	3	3	3
2	Carbon Emission	2	2	2
3	Waste & Recycling	2	3	3
Social				
4	Sustainable Product/Service	3	3	3
5	Sustainable Supply Chain	2	2	2
6	Employee Engagement	3	3	3
7	Stakeholder Engagement	3	2	2
8	Busines Operation & Innovation	3	2	2
Governance				
9	Governance (Board & KPI)	2	2	2
	Total Score	23	22	22
	Report Assurance Score	100%	100%	100%
	% Score (Max 27)	85.2%	81.5%	81.5%
	Classification	Good	Good	Good

Figure 4: Scoring Result

This result shows all three banks fall under the “**Good**” classification, with ESG performance scores ranging from **81% to 85%**. This indicates that the banks have made significant progress in implementing sustainability practices that drive both financial and non-financial value, exceeding mere compliance.

Key important points that can be summarised from the results of the analysis are as follows:

### 5.1. Strength Areas (Common Across Banks)

- A. Sustainable Products/Services (Score 3): This suggests active innovation in green financing, inclusive banking, or sustainability-linked loan offerings. The three banks have created financial and non-financial value through their lending and funding products.
- B. Employee Engagement (Score 3): High scores in this area highlight ongoing commitment to human capital development, internal sustainability culture, and

workplace wellbeing. All three banks exhibit extensive sustainability-related activities in these sectors, which unsurprisingly generate both financial and non-financial value.

- C. Energy Consumption (Score 3 across all): All banks are strong in managing and reporting energy use, which reflects investments in energy-efficient technologies and operations. Notably, all three banks have incorporated solar power into their operations, utilizing it in some of their offices to reduce energy consumption. This initiative yields non-financial benefits, specifically environmental impact reduction, and supports the banks' commitment to achieving net-zero targets.

## 5.2. Areas for Improvement

- A. Carbon Emissions (Score 2): All banks still have gaps in fully disclosing Scope 1, 2, and 3 emissions, or in showing emissions reduction targets and results. While this aspect currently provides limited non-financial value in terms of environmental impact reduction, the implementation of carbon trading in Indonesia could potentially generate financial value as well.
- B. Stakeholder Engagement (Mixed Scores): Indicates inconsistency in how banks engage and respond to external ESG stakeholder expectations (investors, regulators, communities). Bank A excelled in collaborative efforts, establishing a business ecosystem and partnerships that drove innovation in business applications, ultimately enabling the creation of new business models.
- C. Sustainable Supply Chain (Score 2): All three banks score moderately, implying early-stage efforts in ESG supplier screening or sustainable procurement.
- D. Governance (Score 2): Suggests that ESG governance mechanisms (e.g. KPIs, Board oversight) are in place. This indicator plays a crucial role in developing sustainability policies and KPIs for business and operational units, driving the creation of both financial and non-financial value for other indicators.

## 5.3 Comparative Insights

- A. Bank A leads slightly with the highest score (23), especially excelling in Stakeholder Engagement and Business Innovation, due to their partnership collaboration, ecosystem development, and the use of AI and applications for the digitalization of banking services.
- B. Bank B and C show relatively balanced performance, but both can improve in deepening stakeholder engagement and showcasing stronger innovation practices.
- C. This aspect plays a crucial role in developing sustainability policies and KPIs for business and operational units, driving the creation of additional indicators that generate both financial and non-financial value.

## 5.4 Implications for Business Value

- All three banks are not merely using ESG to meet compliance but are starting to strategically align sustainability with business innovation, risk management, and reputation building, product differentiation, and new business model.
- The banks have not yet achieved the "Excellent" classification. This indicates that the three banks still have considerable room to improve their capacity to generate financial and non-financial business value.

Figure 5 presents the types of activities in each indicator that create financial and non-financial value.

NO	ESG Indicator	Mapped ESG Variable		
		Main Activity	Financial Value	Non-Financial Value
Environment				
1	Energy Consumption	Net Zero Emission Target	Risk Mitigation	Emission Reduction
		Renewable Energy		
		Energy Efficiency	Cost Reduction	
2	Carbon Emission	Net Zero Emission Target		Emission Reduction
3	Waste & Recycling	Waste Reduction/Recycle	Cost Saving	Environmental Impact Reduction
Social				
4	Sustainable Product/Service	Lending Product	Market Expansion	Enhanced Brand Reputation
		Funding Product	Revenue Growth	Customer Trust
5	Sustainable Supply Chain	Supply Chain Policy		Resilience
		E-Procurement		
6	Employee Engagement	Maintain gender balance	Higher Productivity	Diversity
		Disability Employee		Inclusion
		Employee Well being		Welfare employee
		Employee Engagement		Employee Satisfaction
7	Stakeholder Engagement	Ecosystem	New Business Model	Social Value
		Partnership	Shared Investment	Innovation Culture
		CSR Program		Community Impact, Social Value
8	Busines Operation & Innovation	Digitalization	Operational Efficiency	
		Risk Management	Zero IT Risk	Resilience
		Green Initiative		Environmental impact reduction
Governance				
9	Governance (Board and KPI)	Sustainability Policy		Stakeholder Engagement
		Boards KPI in Sustainability		Accountability

Figure 5: ESG Indicator to Variable Mapping

This table illustrates how the three banks' ESG activities generate financial and non-financial value. These ESG activities are divided into nine key indicators, derived from international research by Gartner, Deloitte, and Fujitsu-Oxford Economics.

Gartner's research indicates that a company is considered a sustainable business if it has transformed in several aspects. First, the transformation focuses on environmental activities (decarbonization, circularity and climate, and waste), social aspects (digitalization, sustainable sourcing, and inclusive solutions), and governance aspects (documented and effective sustainability offerings). Second, the transformation generates financial value (business growth, cheaper finance, preferential pricing) and non-financial value (new revenue streams and competitive advantage). The findings in the three banks' sustainability reports demonstrate that almost all of these indicators are present. All activities and non-financial values have been identified within the three banks' ESG activities. However, financial value for social aspects (sustainable sourcing) and governance aspects (documented and effective sustainability reporting) have not yet been identified. From our analysis of the three banks' sustainability reports, sustainable sourcing still focuses on developing policies and IT systems to create a transparent, systematic, and efficient procurement system.

The second theory in our study is based on international research from Deloitte. In its research, Deloitte uses the term "maturity" for companies whose ESG activities create financial and non-financial value. These two values are specifically referred to in Deloitte's research as value-enhancing, which comprises environmental (energy efficiency), social (green products, supply chain, community and employee engagement), and governance (transparency, board) aspects. Our findings also indicate that the three banks have implemented ESG activities and generated almost all financial and non-financial value, except for financial value for the sustainable value chain and governance indicators. Our analysis found that ESG activities related to these two indicators focus on creating and improving internal systems and procedures.

Fujitsu-Oxford Economic research also uses the term "sustainability transformation" for companies that have fully implemented sustainable business practices. This sustainability transformation encompasses environmental (energy and waste reduction), social (sustainable products, digital, employee and customer engagement, and ecosystem partnerships), and governance (sustainability KPIs). Our analysis of this third theory yielded similar results to the previous two. All three banks have implemented ESG activities and generated nearly all financial and non-financial value, except for financial value for the sustainable value chain and governance indicators. The three banks have not yet measured whether these policies and IT systems have resulted in cost savings or other financial impacts.

The findings of our analysis substantiate theoretical claims from Gartner, Deloitte, and Fujitsu-Oxford Economics that ESG activity can generate both financial and non-financial business value.

## **6. Conclusion**

The findings show that the sustainability activities of the three banks in the study align with the conceptual framework developed from three studies conducted worldwide. All three banks have implemented all eight aspects of the conceptual framework's sustainability activities. The results of these sustainability activities have also generated financial and non-financial value, which serve as variables in the conceptual framework.

This study clearly demonstrates that ESG practices are not simply a cost burden; they create business value for Indonesian banks.

## **7. Managerial Implications**

This study provides valuable insights into how to implement ESG not only for compliance but also to create financial and non-financial value. The study highlights eight key activities prioritized by Sustainability or ESG managers in banks. Of these eight general activities, three have the greatest potential to create financial and non-financial value.

Many Sustainability or ESG managers face significant challenges in planning and implementing their priority sustainability activities. These challenges include limited internal resources (financial and non-financial), limited time, extensive geographic areas, high stakeholder expectations, and a multitude of sustainability activity options. This study provides valuable insights for bank managers to focus on eight general activities and three priority activities that create financial and non-financial value. By concentrating on these, manager can

allocate resources more efficiently, improve implementation effectiveness, and proactively mitigate associated risks..

## 8. Limitation

While our study provides valuable insights, it is not without its limitations. These constraints should be taken into account when drawing conclusions from our findings to ensure a nuanced understanding.

### A. Limited Sample Size

The study analyses only **three banks**, which limits the ability to generalize the findings across the entire Indonesian banking sector. A broader sample might reveal greater variation in ESG practices and outcomes.

### B. Reliance on Published Sustainability Reports

The analysis is based solely on **self-reported data** in publicly available sustainability reports. These documents may be influenced by **selective disclosure** or **greenwashing**, potentially affecting the objectivity and completeness of the data.

### C. Scoring Subjectivity

While the scoring method is structured, the interpretation of whether a variable or indicator is “present” can still involve **subjective judgment**, which may introduce bias or inconsistencies across banks.

### D. No Stakeholder Perspective

The research does not include perspectives from **external stakeholders** (e.g., regulators, customers, investors), which could enrich the understanding of how ESG disclosures are perceived and valued.

## 9. Recommendation for Future Research

Given the limitations outlined above, we recognize the need for future research that addresses these limitations. First, a future study could expand the number of banks sampled. The types of banks sampled would also be more varied, encompassing small, medium, large, and very large banks. The current sample used is banks with very large assets. Second, a future study could provide more objective data analysis using a more detailed and measurable framework of indicators and variables. This analysis would be even more complete if the data sources were diverse, including customers, regulators, institutional partners, suppliers, and consultants.

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# Analysis of the Implementation of Kredit Mesra in Supporting Sustainable Finance: A Study of Bank Jawa Barat

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## ABSTRACT

This study aims to analyze the implementation of the Kredit Mesra program by Bank Jawa Barat as a sustainable financial innovation to address limited access to formal financial services among vulnerable and unbankable groups. It evaluates how the program aligns with the principles outlined in POJK No. 51/POJK.03/2017 concerning sustainable finance. Using a qualitative case study approach and content analysis method, this research examines Bank Jawa Barat's Kredit Mesra program through the lens of sustainable finance. Primary data are derived from the 2019–2024 Sustainability Reports and official policy documents, triangulated with sectoral data on financial inclusion, gender, age, and economic engagement of beneficiaries. The findings indicate that Kredit Mesra serves as a socially driven financial innovation that enhances financial access for vulnerable groups, particularly women and micro-entrepreneurs, through community-based lending. Its model demonstrates alignment with sustainable finance principles and regulatory compliance. This study focuses solely on a single regional development bank in Indonesia; future research could expand to include other institutions or regions to provide comparative insights into sustainable finance implementation and inclusive credit innovations.

**Keywords:** Sustainable finance, financial inclusion, microfinance innovation

## INTRODUCTION

Currently, financial inclusion has become a significant agenda in many countries, including Indonesia (Setyawan, 2023). Inclusive finance is defined as a condition in which individuals have access to a variety of quality formal financial products and services in a timely, smooth, and secure manner, at affordable costs, in accordance with their needs and capabilities, in order to improve their well-being (National Strategy for Financial Inclusion, 2017). However, achieving this goal remains a challenge in Indonesia. Barriers to financial inclusion, particularly in terms of accessibility, are highly complex and multidimensional. Personal, technological, and procedural obstacles are the main factors preventing low-income households, both urban and rural, from accessing formal financial services (Kandpal et al., 2023). These barriers increase the difficulty of providing inclusive access to finance for underserved populations (Sularmi et al., 2023).

The *Striving to Thrive* report (2025), published by NGO Mercy Corps and Mastercard Strive, reveals that over 60% of Micro and Small Enterprises (MSEs) in Indonesia lack access to formal credit, and nearly 50% remain unregistered. This reflects a significant structural gap in the national financial system. Women and micro-entrepreneurs are among the most affected groups. Common reasons for

credit rejection in these groups include inability to repay, lack of collateral, and lack of knowledge about where to access financial services.

This issue cannot be addressed by a single institution, it requires the involvement of various stakeholders with strategic interests in community economic empowerment. According to Putra (2024), the engagement of stakeholders, such as community members, local governments, and financial institutions, is essential to overcoming barriers to financial services and enhancing entrepreneurial capacity. Local governments possess deep contextual knowledge of the socioeconomic challenges faced by their constituents (Fiscal Policy Agency, Ministry of Finance, 2024). Religious leaders and community figures must also be actively involved in financial literacy efforts (Wathoni, 2025). Bank Jawa Barat, as a regional development financial institution, has the financial instruments, while the Financial Services Authority (OJK) serves as the regulatory body. This collaborative approach aligns with Stakeholder Theory developed by Freeman (1984), and as discussed by Tjahjadi et al. (2024), which emphasizes that companies and public institutions bear responsibility for all parties impacted by their decisions. Effective stakeholder management is key to building sustainable competitive advantage, especially in the Small and Micro Enterprises (SMEs) sector, which faces complex social challenges. In the context of inclusive finance, multi-actor collaboration becomes a foundation for innovation that not only pursues profit but also responds to social needs. Stakeholders can jointly design innovative solutions that address the barriers impeding the growth and sustainability of small enterprises (Putra, 2024).

Bank Jawa Barat identified this problem as an opportunity for financial product innovation by launching the Kredit Mesra (Prosperous Economic Society) program in 2018. This product offers interest-free and collateral-free microloans distributed through religious-based community groups, such as mosques and churches. This lending model addresses the structural barriers faced by the unbankable while fostering a sense of collective responsibility. The provincial government of West Java, in collaboration with Bank Jawa Barat, has worked to promote and support the development of Micro Small and Medium Enterprises (MSMEs) in the region. In its implementation, religious leaders serve as social bridges in identifying and mentoring beneficiaries (Bank Jawa Barat Sustainability Report, 2019). Kredit Mesra illustrates how financial innovation can be designed with attention to local, spiritual, and inclusive values. Thus, the program warrants deeper examination as a contextually and collaboratively driven effort to overcome financial exclusion.

To support the implementation of sustainable finance, the Financial Services Authority (OJK) issued POJK No. 51/POJK.03/2017, which regulates sustainable finance practices for financial institutions, issuers, and public companies. Additionally, OJK Circular (SEOJK) No. 16/SEOJK.04/2021 outlines the structure and content of sustainability reports required of these entities. Under POJK No. 51/POJK.03/2017, financial institutions are obligated to integrate economic, social, and environmental aspects into their business practices in line with eight sustainability principles: responsible investment, sustainable business strategy and practices, social and environmental risk management, corporate governance, transparent communication, inclusivity, priority sector development, and coordination and collaboration. Meanwhile, OJK Circular (SEOJK) No. 16/SEOJK.04/2021 serves as a technical guideline for entities like Bank Jawa Barat in preparing their sustainability reports, including strategy, performance summaries, governance, and disclosures.

In this context, Kredit Mesra presents a valuable case study to assess how social financial innovations align with the principles outlined in POJK No. 51/POJK.03/2017. The program embraces inclusivity, involves multi stakeholder collaboration, and targets priority sectors. Studying its alignment with

regulatory compliance offers an opportunity to evaluate the role of social financial products within the broader sustainability agenda of financial institutions.

To date, limited academic research has examined the program from a regulatory and sustainability perspective, despite its implementation across Java and Sumatra and recognition as an inclusive financial innovation. Existing studies tend to focus either on its social or micro-finance aspects separately, without linking its effectiveness in reaching vulnerable groups with compliance to POJK No. 51/POJK.03/2017. For this reason, empirical evidence on both impact and regulatory alignment is essential to ensure policy replication and long-term viability.

Thus, this study aims to analyze the implementation of the Kredit Mesra program in addressing financial access barriers faced by vulnerable and unbankable groups, and to assess the extent to which the program complies with the principles of sustainable finance under POJK No. 51/POJK.03/2017. The findings are expected to contribute to the development of sustainable finance policy, especially at the regional development bank level, and to strengthen the position of community-based financial programs as innovative models aligned with national regulations and sustainable development goals.

## **LITERATURE REVIEW**

### **Stakeholder Theory**

A company is not only accountable to its shareholders but also to all parties directly or indirectly involved in its business operations, such as employees, suppliers, customers, and the broader community. Their involvement has a direct impact on the company's sustainability performance. This theory emphasizes the importance of social responsibility as an integral part of corporate strategy, where balanced management of both internal and external stakeholders such as employees, customers, and society can lead to a competitive advantage. A lack of awareness regarding stakeholder interdependence may instead trigger conflict and hinder overall corporate performance (Tjahjadi et al., 2024)

### **Issue mapping**

A mapping of risks and opportunities, and cost estimates for the next stage (Dreyer, Marc, et al., 2017).

### **Opportunity**

The potential arising from financial innovations or policies in driving inclusive and sustainable economic development (Valdiansyah and Widiyati, 2024).

### **Innovation**

In the competitive business environment, companies must continuously engage in product innovation, either by launching new offerings or by refining existing ones to align with consumer preferences. The success of new product development depends largely on accurate market information, including customer needs, essential product attributes, acceptable pricing, and trade-offs consumers are willing to make. Additionally, insights into market trends, potential competitors, and market size projections are vital. Without grounding product development strategies in actual market demand, businesses are unlikely to succeed (Mital, 2014).

### **Access to Financial Services**

Financial access is defined not only as account ownership, but also as the meaningful use of financial services, including digital payments, savings, and credit. This access plays a crucial role in strengthening individual economic resilience and promoting social inclusion (World Bank, 2022).

### Compliance

Compliance refers to an organization's effort to adhere to applicable laws and regulations in order to prevent violations, as well as to detect and address any past misconduct. Increasing regulatory requirements have compelled organizations to become more aware of and attentive to the risks associated with the data they manage (Mahanti, 2021).

### Conceptual Framework

Figure 1. Conceptual Framework

### METHODS

This research adopts a qualitative approach using a case study design, with content analysis as the analytical method. POJK No. 51/2017 was selected as the regulatory framework, as it serves as the foundation for the implementation of sustainable finance within financial institutions in Indonesia. Consequently, the evaluation is directed at assessing the extent to which the practices of Bank Jawa Barat align with the guidelines set forth by the Financial Services Authority (OJK).

The subject of this study is Bank Jawa Barat (BJBR.JK), a regional development bank (Badan Usaha Milik Daerah/BUMD) that operates across 14 provinces in Indonesia and has been publicly listed on the Indonesia Stock Exchange (IDX) since July 8, 2010. The bank was selected due to its regulatory obligation to implement sustainable finance with reference to POJK No. 51/POJK.03/2017 and its strategic role in advancing inclusive regional economic development.

The Kredit Mesra program was selected as the research focus due to its distinct features compared to conventional microcredit schemes, including: (1) a social inclusion target group, (2) financial product innovation, (3) a client base rooted in worship-based communities, (4) no collateral, 0% interest, and no provision fees, (5) a focus on micro-enterprises with limited access to formal financial institutions, and (6) a multidimensional impact covering financial literacy, social empowerment, and economic independence.

Accordingly, this study aims to analyze the extent to which Bank Jawa Barat has implemented sustainable finance principles in line with regulatory requirements. The research variables are adapted from previous relevant studies on sustainable finance. Table 1 presents a description of the research framework.

Table 1. Variables and Indicators

N o.	Variables	Description	Dimension	Indicators	Source
1	Stakeholders	Stakeholders are all parties with direct or indirect interests in a company's activities, viewed not merely as	- Relevance	- Parties directly related to company activities - Stakeholders who are directly or	Awa, et al. (2024)

		beneficiaries but as strategic partners in shaping, implementing, and sustaining purpose-driven corporate social responsibility.	<ul style="list-style-type: none"> <li>- Interest</li> <li>- Influence</li> </ul>	<p>indirectly affected by managerial decisions</p> <ul style="list-style-type: none"> <li>- Stakeholders' expectations regarding the success of the program (economic, social)</li> <li>- Commitment and involvement in supporting financial inclusion</li> <li>- The ability of stakeholders to influence company decisions</li> </ul>	
2	Issue mapping	A mapping of risks and opportunities, and cost estimates for the next stage	<ul style="list-style-type: none"> <li>- Vulnerable group</li> <li>- Lack of financial access (unbankable)</li> </ul>	<ul style="list-style-type: none"> <li>- Women</li> <li>- Elderly</li> <li>- Lengthy and complicated administrative process</li> <li>- Unmet document requirements</li> </ul>	Dreyer, Marc, et al. (2017), Sularmi et al. (2023)
3	Opportunity	Potential arising from financial innovation or policy in promoting inclusive and sustainable economic development.	Creation of social and economic value	<ul style="list-style-type: none"> <li>- Contribution to job creation</li> <li>- Involvement in inclusive economy</li> </ul>	Valdiansyah and Widiyati (2024)
4	Innovation	An effort to create new approaches or products, environmentally friendly practices, and transform the mindset of MSME actors to support sustainable economic development.	<ul style="list-style-type: none"> <li>- Innovation mindset</li> <li>- Products and services</li> <li>- Collaborative innovation</li> </ul>	<p>Shift of focus from short-term profit to long-term well-being</p> <p>Development of sustainable products and services</p> <p>Collaborating with regulators, government agencies, financial services institutions, and utilizing</p>	Valdiansyah and Widiyati (2024)

				partnerships with domestic and international institutions to promote sustainable finance issues.	
5	Access to financial services	Efforts to expand individuals or communities ability to use and benefit from formal financial services, both physically and digitally.	<ul style="list-style-type: none"> <li>- Physical and digital access</li> <li>- Affordability</li> <li>- Government / institutional support</li> <li>- Documentation and eligibility</li> </ul>	<ul style="list-style-type: none"> <li>- Ownership of an account at a financial institution</li> <li>- Use of mobile services</li> <li>- Access to the nearest bank</li> <li>- High cost to open or maintain an account</li> <li>- Transaction fees are a barrier to using the service</li> <li>- Payment of social assistance, salaries or subsidies directly into accounts will open up first-time access to financial services</li> <li>- Lack of knowledge on how to open or use an account</li> <li>- Limited experience with digital or online banking</li> </ul>	World Bank (2022), The Global Findex Database 2021, pp. 9–11
6	Compliance	Compliance refers to the obligation to obey laws and regulations, aiming to prevent violations. Regulations have made organizations much more aware of the issues regarding the data they hold.	<ul style="list-style-type: none"> <li>- Awareness and regulation adherence</li> <li>- Governance</li> </ul>	<ul style="list-style-type: none"> <li>- Understanding and adherence to relevant laws, standards, and industry regulations</li> <li>- Procedures to prevent, detect, and address non-compliance</li> </ul>	Mahanti, R. (2021).

## RESULT AND DISCUSSION

### A. Findings Stakeholders

Bank Jawa Barat's Kredit Mesra program engages a wide range of stakeholders across institutional, community, and individual levels. Based on the 2019–2024 Sustainability Reports, the Provincial Government of West Java serves as the key external institutional stakeholder, supporting the program through policy alignment and regional coordination. The bank also collaborates with social and religious organizations including the Dewan Masjid Indonesia, Tim Percepatan Akses Keuangan Daerah (TPAKD), Himpunan Peternak Domba dan Kambing Indonesia (HPDKI), and Patriot Desa, a village empowerment initiative under the West Java Provincial Government. These stakeholders contribute to outreach, group formation, and debtor selection.

At the beneficiary level, Kredit Mesra has reached 44,121 women and 561 elderly debtors by 2024, primarily in microenterprise sectors such as trade, agriculture, fisheries, and services. Furthermore, the program is supported by 1,851 places of worship serving as community-based distribution partners. Internal stakeholders include the ESG Group, the MSME Credit Division, and staff members responsible for sustainable program operations. Within this structure, the PESAT Team (Tim Pemberdayaan Ekonomi Masyarakat Terpadu) plays a crucial role in monitoring and evaluating borrower groups.

Table 2. Stakeholder Engagement

Stakeholders	Stakeholders Concerns
Employees	Employee wellbeing, occupational health and safety, training and development
Suppliers	Mutually beneficial partnerships
Media	Transparency of relevant information, performance and activity updates from the bank
Government and Financial Services Authority (OJK)	Compliance with relevant regulations
Customers	Excellent service, customer privacy
Shareholders	Financial performance, updates on corporate actions and strategic directions, non-financial performance, governance
NGOs/CSR beneficiaries	Improving community quality of life, implementation of social and environmental programs
Employee cooperative	Mutually beneficial partnerships
Independent assessors	Transparency of relevant information, non-financial performance

Source: Bank Jawa Barat Sustainability Report 2024

### Issue Mapping

From 2020 to 2024, data indicate a consistent and significant gender disparity among Kredit Mesra debtors, with female recipients comprising the majority. In 2020, women accounted for 78% (3,272 out of 4,189) of total debtors. This proportion remained dominant through the years, reaching 73% in 2021,

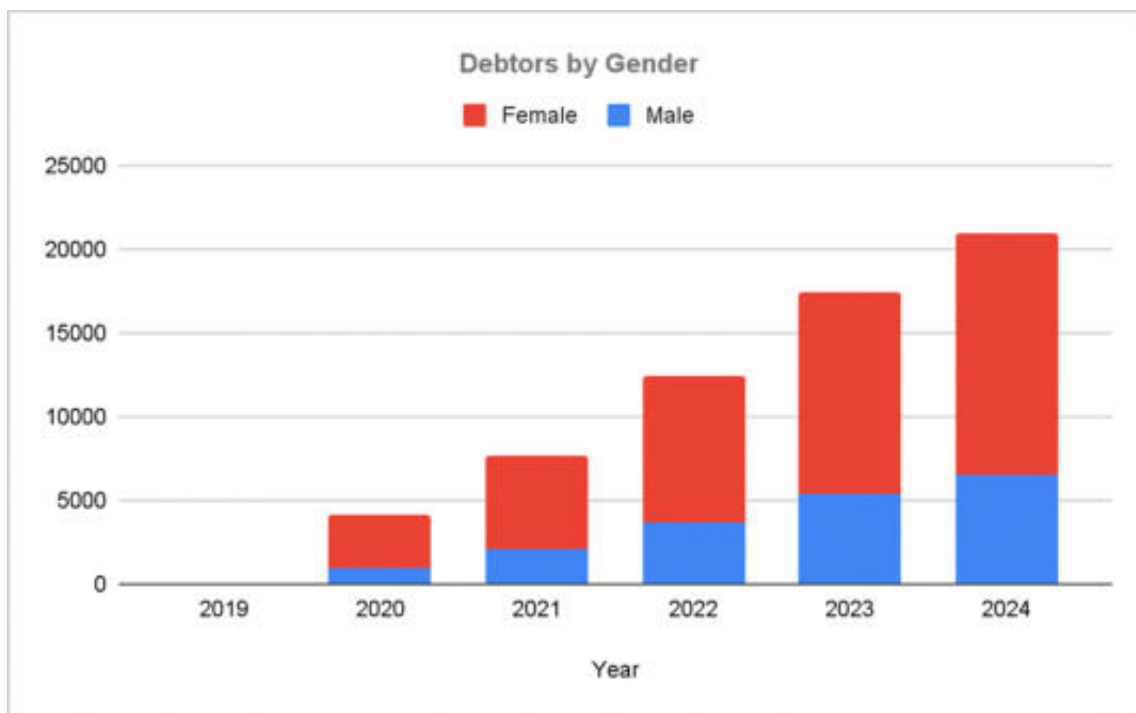


71% in 2022, and stabilizing at 69% in both 2023 and 2024, with a total of 14,370 female debtors out of 20,904. Over five years, the number of female debtors increased more than fourfold, highlighting a structural trend that positions women as key beneficiaries of inclusive financing initiatives.

Table 3. Debtors by Gender

Year	Debtors by Gender			
	Male (people)	Female (people)	Total (people)	Ratio
2020	917	3.272	4.189	1 : 3,6
2021	2.074	5.621	7.695	27 : 73
2022	3.679	8.796	12.475	29 : 71
2023	5.385	12.062	17.447	31 : 69
2024	6.534	14.370	20.904	31 : 69

Source:Bank Jawa Barat Sustainability Report 2020-2024

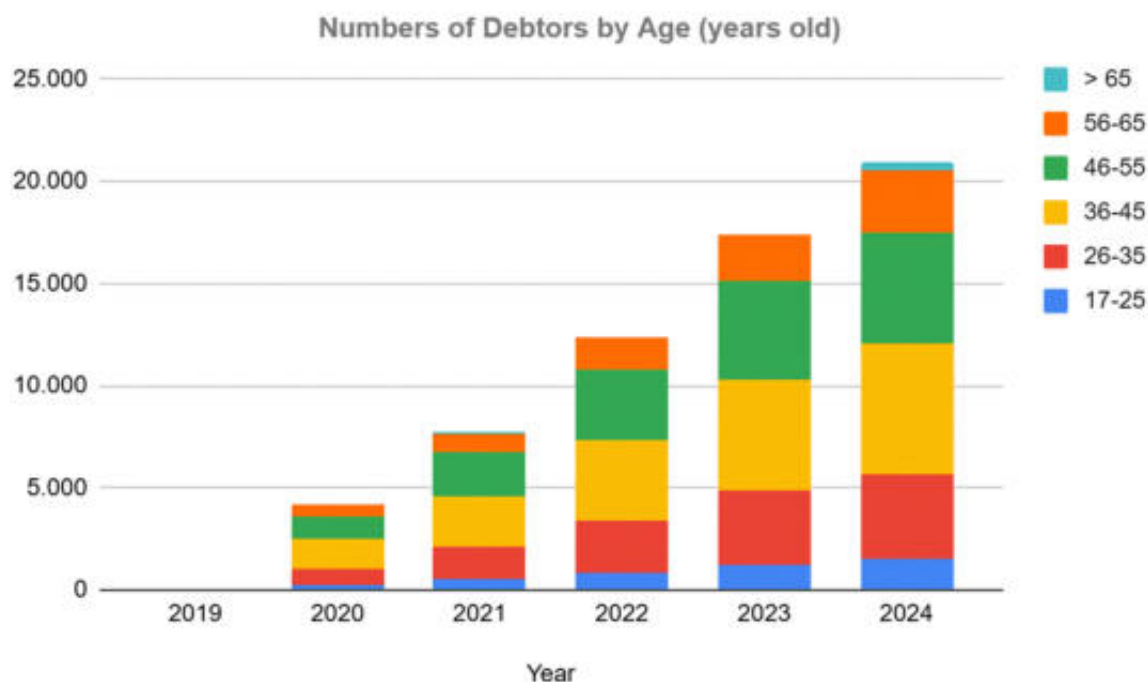


Age distribution data also reveal a growing participation of older adults, especially senior citizens above 65 years old. While initially only 28 individuals in this group were recorded as debtors in 2020, the number steadily increased each year to reach 362 in 2024. This suggests that Kredit Mesra is increasingly reaching segments that traditionally face barriers in accessing formal financial services due to age-related constraints.

Table 4. Debtors by Age (years old)

Year	Numbers of Debtors by Age (years old)						Total
	17-25	26-35	36-45	46-55	56-65	> 65	
2020	245	834	1.421	1.132	529	28	4.189
2021	527	1.572	2.526	2.099	933	38	7.695
2022	829	2.575	3.969	3.429	1.551	59	12.412
2023	1.261	3.637	5.400	4.879	2.195	74	17.446
2024	1.488	4.215	6.362	5.424	3.092	362	20.943

Source: Bank Jawa Barat Sustainability Report 2020–2024



### Opportunity

According to the Sustainability Report of Bank Jawa Barat 2024, a strategic business opportunity lies in addressing the lack of access to formal financial services among vulnerable groups, such as women, the elderly, and micro-entrepreneurs, who often face barriers including collateral limitations, legal documentation issues, and low financial literacy. With a service infrastructure of 64 branch offices, 797 sub-branches, and specialized units such as MSME centers and weekend banking outlets, Bank Jawa Barat is structurally positioned to reach these underserved populations. This is further supported by West Java's consistently strong economic performance, contributing over 12% to national GDP and achieving growth rates of 3.74% (2021), 5.45% (2022), and 5.00% (2023) (BPS - Statistic Indonesia, 2024).

Figure 2. Description of Opportunity

As part of its Sustainable Finance Roadmap (RAKB), Bank Jawa Barat has also formulated six strategic priority programs, two of which are directly relevant to this opportunity: the development of sustainable financial products and services, and enhancing financial literacy and inclusion for communities and industry players. These programs reflect the bank's long-term vision to create inclusive and socially impactful financial innovations that align with national sustainability goals.

### Innovation

Based on the 2024 Sustainability Report of Bank Jawa Barat and the Kredit Mesra product manual, Kredit Mesra was launched in 2018 as a financial innovation aimed at increasing access to inclusive credit facilities. The product offers several key features, including 0% interest, no collateral requirements, and no provision fees. These attributes are designed to provide a safer and more accessible alternative to high-risk informal lending mechanisms such as loan sharks or unregulated online lending platforms.

Kredit Mesra is positioned not only as a financial product but also as a socially oriented innovation. In addition to offering credit, the program includes educational components such as awareness-raising sessions on the risks of borrowing from non-financial institutions. Distribution of the loan is conducted through group-based mechanisms, whereby eligible individuals must first form a community group and undergo entrepreneurial training. The training includes modules on group dynamics, business model canvas development, and both household and microenterprise financial management. The product also incorporates a gender-inclusive approach, with a focus on supporting women in starting small businesses and generating income.

Figure 3. Description of Innovation

**Access to Financial Services**

Kredit Mesra, a financial inclusion initiative by Bank Jawa Barat, has demonstrated consistent growth in outreach from 2019 to 2024. The Number of Accounts (NOA) increased from 2,674 in 2019 to 20,946 in 2024, while the total loan plafond rose significantly from Rp 7.6 billion to Rp 103.9 billion during the same period. This growth indicates that the program has successfully expanded access to formal credit for previously underserved communities. However, the rising trend in the Non-Performing Loan (NPL) ratio, from 0.53% in 2021 to 8.05% in 2024, highlights a shift in loan portfolio quality as outreach scaled up.

Borrower profiles from 2020 to 2024 show that Kredit Mesra primarily served sectors such as trade, services, and agriculture. The trade sector consistently accounted for the largest number of recipients, growing from 3,424 (2020) to 19,380 (2024). The agriculture sector also expanded steadily, with 401 borrowers by 2024. Notably, new segments appeared in recent years, such as "Other Sectors" with 1,277 borrowers in 2023 and 420 in 2024, suggesting broader inclusion. Though data gaps exist for some demographic groups (e.g., housewives, employees, students), this cross-sectoral distribution reinforces the program's role in reaching various categories of the unbanked population.

Table 5. Account Number Growth

Year	Distribution		Outstanding		NPL
	NoA	Plafond (Rp) / Limit (Rp)	NoA	Plafond (Rp) / Limit (Rp)	
2019	2.674	7.607.500.000	2.382	4.164.875.001	0,0%
2020	1.515	6.503.000.000	2.543	5.096.785.963	0,54%
2021	7.695	29.978.200.000	4.385	10.169.899.893	0,53%
2022	12.475	52.578.200.000	4.760	13.499.088.529	1,34%
2023	17.494	80.400.000.000	5.024	16.200.000.000	3,21%
2024	20.946	103.900.000.000	3.822	14.100.000.000	8,05%

Source: Bank Jawa Barat Annual Report 2019–2024

Table 6. Debtors Profiles by Sectors

Year	Sectors (people)									
	Trade	Housewives (people)	Services (people)	Agriculture (people)	Farm/ Livestock (people)	Employees (people)	Fisheries (people)	Not yet employed (people)	Students (people)	Other Sectors (people)
2020	3.424	336	239	75	51	36	16	10	2	-
2021	6.841	336	257	117	74	36	22	10	2	-
2022	8.501	-	2.246	1.639	78	-	11	-	-	-
2023	15.183	-	810	224	-	-	0	-	-	1.277
2024	19.380	-	745	401	-	-	0	-	-	420

Source: Bank Jawa Barat Annual Report 2019–2024

(-) not available

### Compliance

Based on the 2019–2024 Sustainability Reports of Bank Jawa Barat, the institution has formally incorporated sustainability principles into its operations with reference to POJK No. 51/POJK.03/2017 on Sustainable Finance Implementation for Financial Service Institutions. Kredit Mesra, as a social finance product, is included in the list of sustainable product initiatives disclosed annually by the bank. The program is categorized under the priority targets of financial inclusion and sustainable community empowerment. In addition, Bank Jawa Barat reports regularly to the Financial Services Authority (OJK) through its Sustainable Financial Action Plan (RAKB), indicating the integration of ESG (Environmental, Social, and Governance) practices in its credit program management.

To support compliance management, Bank Jawa Barat has established an internal unit tasked with implementing and monitoring ESG indicators across its credit products. The ESG Group, together with the UMKM Credit Division, is actively involved in planning, executing, and reporting the implementation of Kredit Mesra in line with the sustainability criteria outlined in national financial regulations.

The following table presents the economic aspects as outlined in the Bank Jawa Barat 2024 Sustainability Report. Circular Letter No. 16/SEOJK.04/2021 is used as a reference in analyzing the level of Bank Jawa Barat's compliance, particularly through the Kredit Mesra program, with the implementation of sustainable finance.

Table 7. Compliance Aspect based on POJK No. 51/POJK.03/2017

Disclosure	Kredit Mesra Compliance
<b>Economic Aspect</b>	
Quantity of products or services sold	✓
Revenue or sales	✓
Net profit or loss	✓
Environmentally friendly products	✓
Involvement of local stakeholders related to the Sustainable Finance business process	✓
<b>Social Aspect</b>	
Commitment to providing equal service for products and/or services to consumers	✓
Employment	✓
Society	✓
<b>Brief Profile of the Issuer or Public Company</b>	
Products, services, and business activities carried out	✓
<b>Kebijakan merespons tantangan dalam strategi keberlanjutan</b>	
Explanation of sustainability values for LJK, Issuers, and Public Companies	✓
Explanation of the responses of LJK, Issuers, and Public Companies to issues related to the implementation of Sustainable Finance	✓
Explanation of the commitment of the leaders of LJK, Issuers, and Public Companies in achieving the implementation of Sustainable Finance	✓
Performance achievement of Sustainable Finance implementation	✓
Challenges in achieving performance in implementing Sustainable Finance	✓
<b>Sustainable Finance Implementation</b>	
Performance achievements in the implementation of Sustainable Finance (economic, social, and environmental) compared to targets	✓
Explanation of achievements and challenges, including significant events during the reporting period (RKAB/Sustainable Finance Action Plan)	✓
<b>Target Achievement Strategy</b>	
Risk management for the implementation of Sustainable Finance related to economic, social and environmental aspects	✓
Utilization of business opportunities and prospects	✓
Explanation of external economic, social and environmental situations that have the potential to affect the sustainability of LJK, Issuers and Public Companies	✓
<b>Sustainability Governance</b>	
Description of the duties of the Board of Directors and Board of Commissioners, employees, officials and/or work units responsible for implementing sustainable finance	✓
Competency development carried out for members of the Board of Directors, members of the Board of Commissioners, employees, officials and/or work units responsible for implementing sustainable finance	✓

Procedures for Financial Services Institutions (LJK), Issuers, and Public Companies in identifying, measuring, monitoring, and controlling risks in 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 risk management process of LJK, Issuers, and Public Companies.	✓
<b>Relationship with Stakeholders</b>	
Stakeholder involvement based on management assessment results, GMS, decrees or other	✓
The approaches used by LJK, Issuers and Public Companies in involving stakeholders in the implementation of Sustainable Finance include dialogue, surveys and seminars.	✓
Problems faced, developments, and impacts on the implementation of Sustainable Finance	✓
<b>Social Performance</b>	
Commitment of Financial Service Institutions, Issuers, or Public Companies to provide equal access to products and/or services for all consumers	✓
Information on activities or operational areas that have positive and negative impacts on the surrounding community, including financial literacy and inclusion.	✓
<b>Responsibility for Developing Sustainable Financial Products and/or Services</b>	
Innovation and product development	✓
Number and percentage of products and services that have been evaluated for safety for customers	✓
Positive and negative impacts arising from sustainable financial products and/or services and the distribution process, as well as mitigation measures taken to address negative impacts.	✓
Customer satisfaction survey on sustainable financial products and/or services	✓

Source: Bank Jawa Barat Sustainability Report 2024

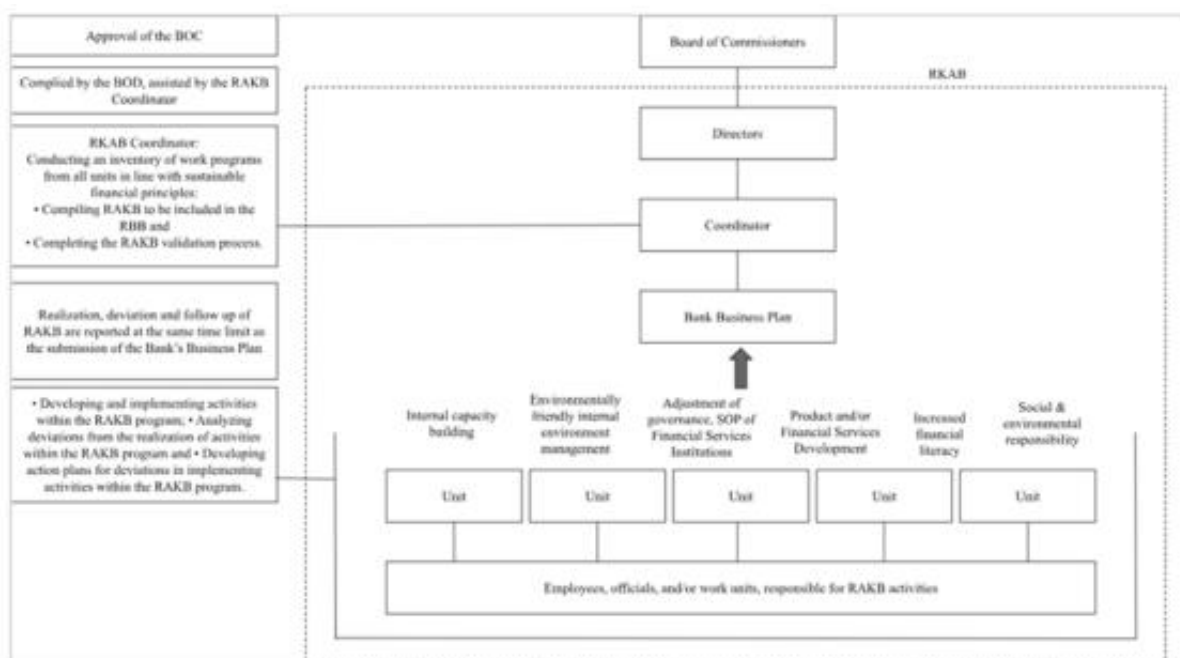


Figure 4. Bank Jawa Barat Sustainable Finance Action Plan/RKAB

Source: Bank Jawa Barat Sustainability Report 2024

## B. Analysis

### The Kredit Mesra Program in Addressing Financial Access Barriers Among Vulnerable and Unbankable Groups

#### Stakeholders

The findings demonstrate that Kredit Mesra embodies an integrative stakeholder approach, where external actors such as religious institutions and government agencies play a strategic role in outreach and social verification, while internal units ensure program governance. This structure aligns with Freeman's Stakeholder Theory which emphasizes that inclusive stakeholder engagement contributes to corporate sustainability performance (Tjahjadi et al., 2024). The synergy built through these collaborations not only strengthens public trust but also ensures contextual appropriateness of the financial product, reinforcing its relevance to the local community. This participatory model makes stakeholder involvement not just a supporting factor, but a core driver of the program's effectiveness and continuity.

#### Issue Mapping

The dominance of women among Kredit Mesra beneficiaries reflects structural barriers faced by female micro entrepreneurs in accessing formal financial services. Although the program is open to all microenterprises, women consistently represent the majority of recipients. This trend aligns with NGO Mercy Corps (2025), which highlights that women face greater exclusion due to limited collateral, low financial literacy, and restricted social mobility. Additionally, as noted by the Asian Development Bank (2024), women lead approximately 60% of MSMEs in Asia-Pacific, signaling their central economic role, but also their systemic disadvantage in credit access. Kredit Mesra's outcomes reinforce these regional patterns, confirming the gendered nature of financial exclusion.

Kredit Mesra also reaches elderly populations, an often-overlooked group in conventional credit schemes. From 2020 to 2024, the program expanded to include borrowers aged 60 and above, despite



older adults often being categorized as high-risk and excluded from product targeting. This finding is in line with Sringernyuang et al. (2023)'s research which emphasizes the socio-economic potential of aging populations when included in financial programs. Similarly, Fang (2023) argues that aging should be viewed as an opportunity, not merely a demographic burden. Kredit Mesra, by offering group-based credit adjusted to community capacity rather than age, exemplifies an inclusive financial design that supports active aging and reduces dependency.

### **Opportunity**

The findings reveal that Bank Jawa Barat has successfully identified social exclusion, particularly among women, elderly individuals, and micro-entrepreneurs, as a strategic opportunity for inclusive product development. Rather than perceiving unbankable groups as credit risks, the bank treats them as untapped markets. This approach aligns with the sustainable finance perspective that social and environmental issues can serve as drivers for innovation and competitive differentiation. This is in line with Valdiansyah and Widiyati (2024) research that social issues create new financial pathways when addressed through inclusive instruments, enabling financial institutions to simultaneously achieve social impact and long-term value creation.

Through Kredit Mesra, Bank Jawa Barat has not only penetrated new market segments but also strengthened customer loyalty and enhanced its institutional image as a socially responsive regional bank. The program's design, interest-free, collateral-free, and embedded in community structures such as places of worship, demonstrates how inclusive finance can function as both a social mandate and a business growth strategy. The Sustainability Report (2019–2024) confirms that this underserved demographic has consistently formed the core of Kredit Mesra's beneficiaries, signaling a structural shift toward values-based financial expansion.

### **Innovation**

Kredit Mesra represents a financial innovation by adopting a community-based distribution model, particularly through religious groups such as churches and prayer communities. This localized approach leverages existing social networks to reach unbankable populations in a culturally trusted and accessible manner. Rather than relying solely on individual creditworthiness, it introduces a social screening mechanism, where group participation, familiarity, and values serve as informal yet effective credit filters. This design enhances credibility, community ownership, and risk mitigation, aligning with the sustainable finance mandate under POJK No. 51/POJK.03/2017 on inclusive and coordinated financial strategies.

Moreover, the integration of religious and social networks into credit delivery enhances access among women and marginalized groups, whose financial behavior often aligns with informal, trust-based interactions. Kredit Mesra thus functions not only as a financial tool, but also as a platform for social empowerment, enabling participation, legitimacy, and visibility for women in economic activities. This aligns with Valdiansyah and Widiyati (2024), who describe innovation as a vehicle for behavioral transformation and sustainable development, especially when rooted in inclusive and value-based practices.

### **Access to Financial Services**

The findings demonstrate that Kredit Mesra has significantly expanded access to formal financial services among unbankable groups, particularly micro-entrepreneurs, women, and elderly individuals. By offering interest-free, collateral-free loans through trusted community structures, the program removes common entry barriers and brings financial services closer to underserved populations. This approach aligns with the World Bank's Global Findex Database 2021 (World Bank, 2022), which defines

financial access as the effort to enhance individuals' and communities' ability to utilize and benefit from formal financial services, both physically and digitally. The program's steady increase in the number of accounts and total loan disbursements from 2019 to 2024 illustrates how inclusive product design, when integrated with social outreach, can translate into real financial inclusion outcomes for marginalized segments.

### **Compliance**

Kredit Mesra reflects Bank Jawa Barat's institutional commitment to regulatory compliance in the realm of sustainable finance. The program aligns with the mandate of POJK No. 51/POJK.03/2017, particularly in promoting inclusive, collaborative, and socially responsible financial practices. This is in line with Mahanti (2021), who defines compliance as the obligation to adhere to laws and regulations with the aim of preventing violations and increasing institutional awareness of regulatory issues. By embedding social values into product design and aligning operations with regulations with regulatory frameworks, Bank Jawa Barat demonstrates that compliance is not merely a legal requirement, but a strategic foundation for long-term sustainability and public trust.

### **Contribution Kredit Mesra to Sustainable Development (SDGs)**

Kredit Mesra program in the SDGs, in case Bank Jawa Barat, especially zero poverty (SDGs 1), zero hunger (SDGs 2), good health and well-being (SDGs 3), quality education (SDGs 4), gender equality (SDGs 5), ensuring availability and management of clean water and sanitation (SDGs 6), decent work and economic growth (SDGs 8), industry innovation and infrastructure (SDGs 9), reduced inequality (SDGs 10), and life below water (SDGs 14).

## **CONCLUSION, MANAGERIAL IMPLICATIONS, LIMITATION, AND FUTURE RESEARCH**

### **Conclusion**

Based on the research findings and the conceptual framework applied, it can be concluded that the Kredit Mesra program is aligned with the theoretical model that underpins it. The program integrates issue mapping involving relevant stakeholders as a foundation to identify opportunities and promote inclusive financial product innovation. Through this approach, Kredit Mesra has made a tangible contribution to enhancing public access to formal financial services, particularly among vulnerable groups such as women, the elderly, and individuals previously excluded from the financial system (the unbankable).

The alignment between theory and practice is evident in how Kredit Mesra begins by identifying key actors (stakeholders) and the specific issues faced by marginalized and underserved groups. This information is then used to develop innovative financial products tailored to local needs. These innovations not only provide interest-free financing facilities, but also include mentorship grounded in social and religious values. Kredit Mesra has shown positive social and economic impacts, particularly in supporting the development of Micro, Small, and Medium Enterprises (MSMEs). The program does more than just expand financial access, it reflects broader dimensions of social and economic empowerment, contributing to the realization of the Sustainable Development Goals (SDGs).

This program also reflects Bank Jawa Barat's commitment to regulatory compliance in sustainability finance, particularly with reference to POJK No. 51/POJK.03/2017, by integrating sustainability principles directly into its operational practices and inclusive service model.

### **Recommendations**

This study focused on a single program, Kredit Mesra by Bank Jawa Barat, and its alignment with sustainable finance principles, particularly within the framework of POJK No. 51/POJK.03/2017. While the findings demonstrate the strategic flow from stakeholder identification through issue mapping to financial product innovation and regulatory compliance, there remain several avenues for future investigation.

Further research is recommended to deepen the analysis of issue mapping, especially in relation to how emerging social, cultural, and economic challenges influence product opportunities in underserved communities. Exploring the determinants of compliance, beyond regulatory adherence, such as trust, social capital, and financial literacy, may also provide richer insight into sustained usage of inclusive financial services.

Additionally, future studies could compare Kredit Mesra with other regional financing schemes like Kredit Mikro Utama, Kredit Usaha Rakyat, or CSR-based microfinance, to assess which innovation pathways most effectively improve financial access while ensuring compliance. Investigating these programs across different institutional settings, such as fintech, credit cooperatives, or other regional development banks (e.g., Bank Jawa Tengah or Bank Daerah Khusus Ibukota), would allow for a broader and more generalizable understanding of community-based financial inclusion strategies.

By incorporating variables such as business capacity, social impact, and digital literacy, future research can capture a more holistic view of the opportunity-compliance nexus and provide strategic recommendations for scaling community-centered microfinance innovations in support of the SDGs.

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## **Examples of presentation**

## Example 1. A Systematic Literature Review : A sustainability review on the Indonesian job creation law, Joko Leksono



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### RESEARCH METHODS IN CONCENTRATION

REVIEW ARTICLE :

- Laporan Keberlanjutan di Indonesia dan Pengungkapannya di Lingkungan Perusahaan: A Systematic Literature Review
- A sustainability review on the Indonesian job creation law
- Kajian Kota Berkelanjutan di Indonesia: Studi Kasus: Kota Yogyakarta

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#### Laporan Keberlanjutan di Indonesia dan Pengungkapannya di Lingkungan Perusahaan: A Systematic Literature Review

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Pengungkapannya di Lingkungan Perusahaan:  
A Systematic Literature Review

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**ABSTRACT**  
This study aims to provide a systematic review of research on sustainability report disclosure in Indonesia. The authors conducted a PRISMA-based search of Indonesian journals, Scopus, and Emerald databases (2012-2023). The search criteria included sustainability reporting, corporate social responsibility (CSR), and environmental, social, and governance (ESG) factors. The results showed that most studies focused on the disclosure of CSR and ESG factors, while the disclosure of sustainability report disclosure was less studied. The findings of this research can be used as a reference for future research on sustainability report disclosure in Indonesia.

Keywords: ESG, Sustainability, Corporate Social Responsibility

#### Overview & Research Method

- Study reviewed 69 articles from 25 accredited Indonesian journals (SINTA 1 & 2)
- Focused on sustainability report disclosures from 2012-2023
- Method: Systematic Literature Review (SLR)
- Approach: 'Charting the Field' to categorize methods and research trends

#### Key Findings

- 93% of studies used quantitative method; qualitative only 3%
- Most studied factors: profitability (31%), audit committee (15%)
- Financial factors (51%) slightly more used than non-financial (49%)
- 59% studies focused on antecedents; 41% on consequences

#### Research Gaps & Future Agenda

- Inconsistent findings indicate need for more qualitative & mixed methods
- Expand studies beyond manufacturing: finance, SMEs, public sector
- Suggest adding gender diversity as a moderating variable
- Explore ESG practices and compare across countries for global benchmarks

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## A sustainability review on the Indonesian job creation law



### Background and Research Purpose

1. The Job Creation Law (JCL) aims to improve business climate and investment.
2. Environmental assessments (EIA) are waived in zoned areas.
3. Study objectives:
  - Review spatial planning changes.
  - Assess environmental impacts from JCL implementation.
  - Evaluate the law-making process under sustainability principles.

### Findings & Environmental Consequences

- Exempting EIAs leads to unchecked projects and spatial misalignment.
- Case: Kendeng Mountains & Semarang show planning ignored SEA studies.
- Only 56 of 514 local governments have detailed spatial plans.
- Environmental sustainability is at risk due to deregulation focus.

### Discussion & Recommendations

- Indonesia's EPI dropped despite higher GDP and Ease of Doing Business.
- Sustainability must become a mutual stakeholder interest.
- Recommendations:
  - Reinforce sustainable development in policymaking.
  - Align national-regional planning.
  - Promote transparency & participation in law creation.



## Kajian Kota Berkelanjutan di Indonesia: Studi Kasus: Kota Yogyakarta



### Introduction & Study Objectives

- Sustainability issues are crucial due to global warming.
- Yogyakarta City is used as a case study for a sustainable city.
- Objective: To evaluate the implementation of environmentally friendly principles in Yogyakarta.
- Method: Qualitative approach using secondary data interpretation.

### Key Findings

- Green Open Space (RTH) is only 17.98%, ideally should be 30%.
- High air pollution (CO2: 559.54 PPM, exceeding the threshold of 381 PPM).
- Economic inequality (Gini Index: 0.4151).
- Economic growth is dominated by the service sector.

### Research Gaps & Future Agenda

- A mayoral regulation is needed for hazardous waste (B3) management.
- Develop village-scale waste treatment technologies.
- Activate village economies & conduct regular infrastructure audits.
- Yogyakarta needs an integrated approach to become a sustainable city.





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Sumber: CNNIndonesia (2019)

## Example 2. Intervention of Bullying in Schools and How Effective to Create Prevention Framework, Ressa Evans Sanjaya



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SUSTAINABLE  
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GOALS

Research Methods in Concentration (RMIC)

Intervention of Bullying in Schools and How Effective  
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What works in anti-bullying programs? Analysis of effective intervention components

Hannah Gaffney<sup>a</sup>, Maria M. Trofi<sup>a</sup>, David P. Farrington<sup>a</sup>

<sup>a</sup> Institute of Criminology, University of Cambridge, UK

**Results**

- Bullying perpetration by approx. 19–20%
- Bullying victimization by approx. 15–16%

**Effective Components for Reducing Bullying:**

- ✓ Anti-bullying policies
- ✓ Informal peer involvement (e.g., group discussions)
- ✓ Information for parents
- ✓ Co-operative group work (with professionals)
- ✓ Mental health components (e.g., CBT)

**Key Findings**

- **Bullying** is a widespread issue with serious long-term effects on mental and social well-being
- **This Research analyzes a 2021** journal that used meta-analysis to identify effective components in anti-bullying programs.
- **Study Type Meta-analysis** based on previous large-scale synthesis
- **Quantitative measurement** of bullying

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Review

## School-Based Nursing Interventions for Preventing Bullying and Reducing Its Incidence on Students: A Scoping Review

Iyus Yusep <sup>1,✉</sup>, Rohman Ikhmat <sup>2</sup> and Ai Mardiyah <sup>3</sup>

### Introduction:

- Indonesia: 50% of adolescents (ages 13–15) experience bullying (UNICEF, 2016).
- USA: 47% of adolescents (ages 15–18) face bullying; 50% report teasing (Josephson Institute).
- Japan: 40% of students bullied weekly; Africa: 30% of students affected.

### Results Nurses' Roles Identified

- Educator** Increase students' awareness and knowledge about bullying.
- Advocate** Collaborate with teachers on school bullying policies.
- Facilitator** Support and supervise prevention programs. Game Programs
- Provider** Deliver holistic care (biological, psychological, sociological, spiritual). Physical Activity Program Training Programs

### Impact:

- Builds awareness, empathy, and adaptive coping
- Reduces stress, depression, and social isolation
- Encourages positive student behavior and prevents recurrence

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ISSN 1744-5019 (PRINT); ISSN 1660-5310 (ONLINE) journal homepage: www.mdpi.com/journal/ijerph

## The role of bullying-related policies: Understanding how school staff respond to bullying situations

Tracy Evian Waasdorp, Rui Fu, Ann L. Perezpezo & Catherine P. Bradshaw

To cite this article: Tracy Evian Waasdorp, Rui Fu, Ann L. Perezpezo & Catherine P. Bradshaw (2021) The role of bullying-related policies: Understanding how school staff respond to bullying situations, *European Journal of Developmental Psychology*, 16(6), 880–895, DOI: 10.1080/17445019.2021.1889503

To link to this article: <https://doi.org/10.1080/17445019.2021.1889503>

### Method:

- Participants & Procedure** The study involved 8,668 school staff across 156 schools,
- Data were collected through the anonymous**, online MDS3 School Climate Survey in Spring 2018, as part of the Maryland Safe and Supportive Schools Project (MDS3).
- Measures & Demographics** Staff self-reported demographic data including gender, race/ethnicity, years of experience, school level (elementary, middle, high), and role (e.g., administrator, general/special education teacher, school counselor/psychologist, office/support staff).

### Introduction:

- Effectiveness of Anti-Bullying Policies Depends on Staff Action
- Key Factors in Staff Intervention

### Results

- Variation in Staff Responses
- Influencing Factors
- Impact of Policy Training

### Discussion

- Training Drives Action
- Response Varies by Role and Grade Level
- School Context Matters

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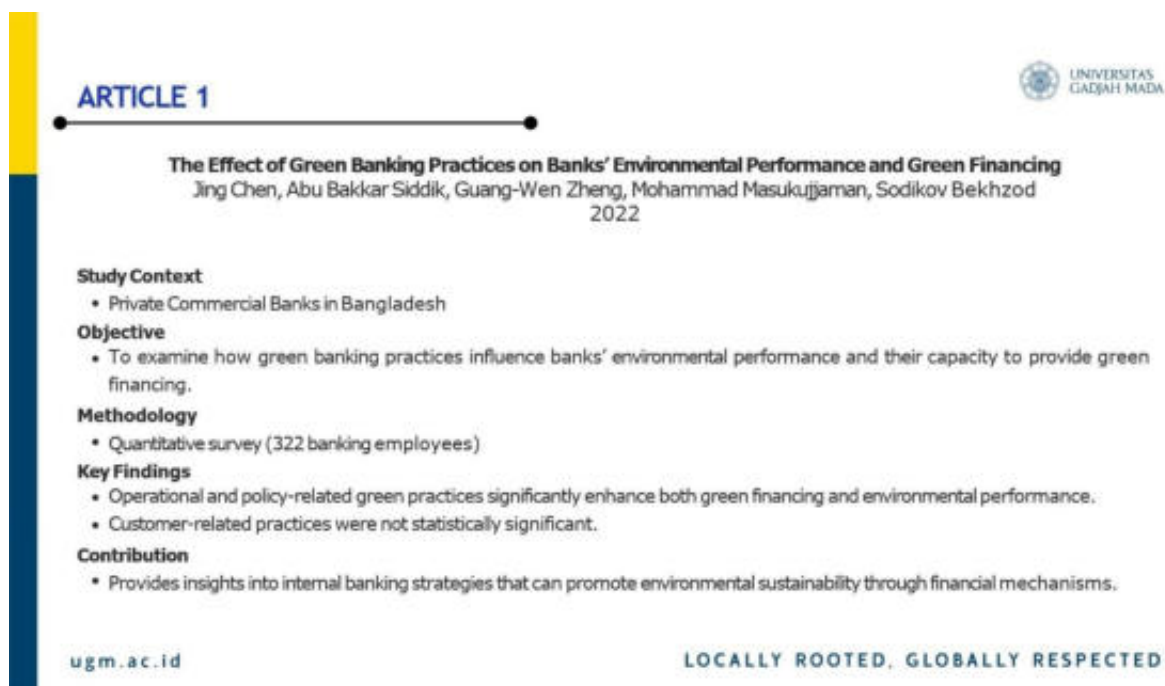
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-



### Example 3. Article review, Green Finance in Banking Industry , Thomas Aquino



## ARTICLE 2



### Green Financing as a Bridge Between Green Banking Strategies and Environmental Performance in Punjab, India

Neha Bansal, Sanjay Taneja, Ercan Ozen  
2023

#### Study Context

- Public and Private Sector Banks in Punjab, India

#### Objective

- To investigate the mediating role of green financing between green banking strategies and banks' environmental performance.

#### Methodology

- Quantitative survey (290 respondents)

#### Key Findings

- Green financing effectively mediates the relationship between green strategies and environmental performance.
- Incorporating green initiatives improves sustainability and operational effectiveness.

#### Contribution

- Highlights the critical role of green financing as a strategic linkage to achieve environmental goals in banking.

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## ARTICLE 3



### The Impact of Green Finance on the Sustainability Performance of the Banking Sector in Palestine: The Moderating Role of Female Presence

Nariman Abuatwan  
2023

#### Study Context

- Credit Managers from Banks in Palestine

#### Objective

- To assess how green finance affects banking sustainability performance and whether female representation strengthens this impact.

#### Methodology

- Quantitative survey (104 credit managers)

#### Key Findings

- Green finance positively impacts all dimensions of sustainability performance.
- Female presence enhances this positive relationship.

#### Contribution

- Adds a gender-based lens to green finance discussions, emphasizing inclusivity in sustainable banking strategies.

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Abuatwan, N. (2023). The Impact of Green Finance on the Sustainability Performance of the Banking Sector in Palestine: The Moderating Role of Female Presence. *Economies*, 11(10). <https://doi.org/10.3390/economies11100247>

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## Example 4. Circular Economy: Unlocking Sustainable and Economic Value, Dimas Bayu Arya Putra





### Circular Economy: Unlocking Sustainable and Economic Value

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### Theoretical Foundations of Circular Economy



- CE is essentially a **closed system** in which all goods produced become inputs to sustain the system in the long run.
- The paper develops a **balanced growth model** where consumption, waste, and pollution increase at the same steady rate.
- **Optimal policy suggestion:** negative income tax and positive pollution tax to balance growth and environmental protection.
- The model demonstrates that **long-term economic growth** and **environmental sustainability** can be achieved simultaneously under a circular system.

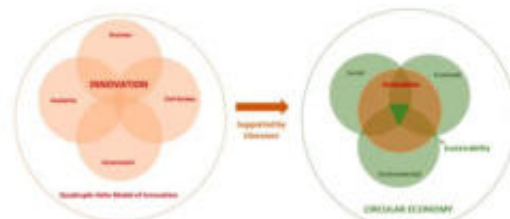


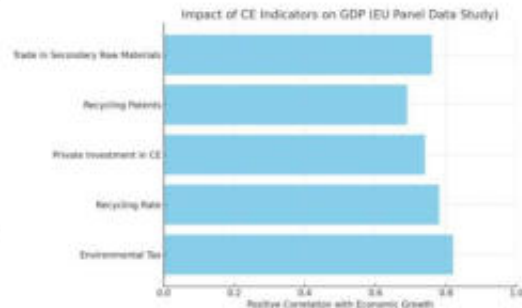
Figure 1. Conceptual framework of integrated circular economy.

Lin, B. C. A., Shieh, I. Y., & Chen, J. H. (2025). A Circular Economy Model of Sustainable Growth. *Circular Economy and Sustainability*.

## Empirical Evidence: CE & Economic Growth in the EU



- The study uses **panel data** and **generalized method of moments (GMM)** to examine the relationship between CE and GDP in EU countries.
- Five key CE indicators analyzed:
  - Environmental tax
  - Waste recycling rate
  - Private investments in CE
  - Recycling-related patents
  - Trade in secondary raw materials
- Findings:
  - All CE indicators are **positively associated** with economic growth.
  - CE supports the **three pillars of sustainable development**: economic, environmental, and social.
- Conclusion: **Innovation** within CE practices is crucial to sustainable wealth creation.



Hysa, E., Kruja, A., Balman, N. U., & Laurenti, R. (2020). Circular Economy (Innovation and Environmental Sustainability) Impact on Economic Growth: An Integrated Model for Sustainable Development. *Sustainability*, 12(12), 4831.

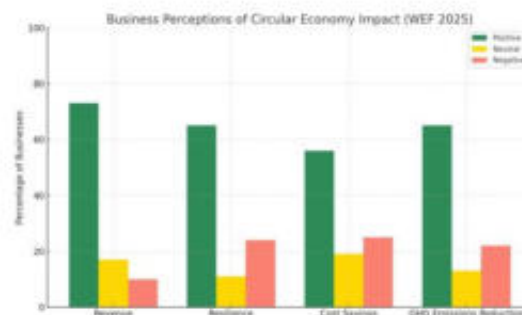
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## Industry Strategy and Real World Impact



- Survey of 420 global executives from 10 industries:
  - 73% expect revenue increase from CE
  - 65% anticipate improved resilience
  - 56% foresee cost savings
- Three main CE strategies in industry:
  - Circular feedstock** – replacing virgin materials with recycled ones
  - Lifespan extension** – designing products for repair, reuse, and refurbishment
  - Capacity sharing** – business models based on shared use or rental
- CE adoption generates not only environmental but also **tangible economic benefits**: new markets, higher efficiency, and competitive advantage.



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**Example 5. Challenges and responses of Indonesian exporters in fulfilling environmental commitments. A Journal review to support thesis idea of ‘Analysis of Exporters’ Compliance Behavior with Environmental Management Commitments under OSS RBA: A Qualitative Study in Yogyakarta’, Budi Purwanto**



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ASSIGNMENT

## CHALLENGES AND RESPONSES OF INDONESIAN EXPORTERS IN FULFILLING ENVIRONMENTAL COMMITMENTS

A JOURNAL REVIEW TO SUPPORT THESIS IDEA OF  
**Analysis of Exporters’ Compliance Behavior with Environmental Management Commitments under OSS RBA: A Qualitative Study in Yogyakarta**

RESEARCH METHODS IN CONCENTRATION (RMIC)  
Trainer:



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## **JOURNAL-1** Dynamics of Environmental Approval in Perspective of Government Regulation number 22 of 2021 and its Derivative Regulations

H. Effendi, Mursalin, R. Sonaji (2021) | Published by IPB University, Bogor, Indonesia

### **Context**

This article analyzes the shift from traditional environmental licensing to a risk-based environmental approval system (as mandated by PP No. 22/2021). It focuses on new requirements like Technical Approval (Pertek), Operational Eligibility Letter (SLO), and the role of the Environmental Feasibility Team (TUK). The paper provides practical guidance for businesses navigating the updated OSS RBA framework and compliance documentation such as AMDAL and UKL-UPL.

### **Topic Scope Mapping:**

- **Research Methods:** Regulatory and content analysis, using document review and flowchart models to evaluate implementation procedures of new environmental regulations.
- **Methodology:** Qualitative legal-regulatory study combining normative interpretation with procedural analysis of government regulations (PP, PerMenLHK).
- **Sustainability Aspect:** Describes the integration of environmental protection standards into licensing, addressing water/air pollution, waste management, and land use planning.
- **Economics Aspect:** Discusses how regulatory compliance impacts business operations, particularly for companies seeking OSS-based business permits..

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## **JOURNAL-2** Environmental Sustainability and Corporate Responsibility: A Legal Framework for Indonesian Business in the Future.

Nur Arifudin & Purwanti (2024) | Published by Universitas Mulawarman

### **Context**

This article investigates the interaction between environmental sustainability, corporate responsibility, and the legal system in Indonesia. It evaluates current legal frameworks and stakeholder perspectives, revealing both regulatory strengths and gaps. The study stresses the need for coherent, enforceable environmental laws, stronger stakeholder engagement, and alignment with international sustainability standards to foster responsible corporate behavior and ecological protection.

### **Topic Scope Mapping:**

- **Research Methods:** Mixed qualitative approach including literature review, normative legal analysis, comparative policy review, and stakeholder consultations (surveys, interviews, focus groups).
- **Methodology:** A normative & analytical approach aimed at assessing the effectiveness of Indonesia's legal system and developing policy recommendations for corporate accountability and environmental governance.
- **Sustainability Aspect:** Emphasizes corporate sustainability, legal reforms, and responsible governance in response to climate change, biodiversity loss, and deforestation.
- **Economics Aspect:** Discusses the balance between profitability and sustainability, and the legal incentives and barriers businesses face in adopting sustainable practices.

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### JOURNAL-3 Challenges to the Sustainability of Exports of Indonesian Commodity Product from the EU Environmental Perspective

Victor Tulus Pangapoi Sidabutar (2024) | Published by Universitas Diponegoro

#### Context

This article explores the impact of the EU Deforestation Regulation (EUDR) on Indonesia's commodity exports (palm oil, timber, cocoa, etc.). It highlights regulatory risks, the need for improved forest governance, support for SMEs, and the importance of traceability and compliance to ensure market access and sustainability in global trade.

#### Topic Scope Mapping:

- **Research Methods:** Theoretical approach using Porter's Diamond Model to analyze export readiness factors (demand, resources, industry support, firm strategy).
- **Methodology:** Conceptual-evaluative; based on literature and policy analysis without primary data collection.
- **Sustainability Aspect:** Focus on deforestation-free supply chains, traceability, and environmental standards in international trade.
- **Economics Aspect:** Analyzes trade disruption, cost burdens for SMEs, and policy adjustments for maintaining export performance.

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