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The Effect Of Financial Performance, Good Corporate Governance, Company Size, On The Implementation Of Green Banking Disclosure With Corporate Social Responsibility As A Mediation Variable In Banking Companies

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Abstract

This study aims to analyze the influence of financial performance, good corporate governance (GCG), and company size on the implementation of green banking disclosure with corporate social responsibility (CSR) as a mediating variable in banking companies listed on the Indonesia Stock Exchange during the period 2019–2023. The background of this study is based on the increasing urgency of implementing sustainable finance in Indonesia as a response to the Net-Zero Emissions commitment by 2060 and the achievement of Sustainable Development Goals (SDGs). The banking sector, as a financial intermediary institution, has a strategic role in supporting sustainable financing while disclosing environmentally friendly practices through green banking disclosure. This study uses a quantitative approach by utilizing secondary data obtained from annual reports and sustainability reports of banking companies. The sample determination was carried out through a purposive sampling method, while data analysis used the Structural Equation Modelling Partial Least Square (SEM-PLS) method. Financial performance variables are proxied through Return on Assets (ROA) and Capital Adequacy Ratio (CAR), while GCG is measured using a corporate governance index. Company size is proxied by the natural logarithm of total assets, CSR is measured based on the GRI Standards, and green banking disclosure is measured using a disclosure index referring to POJK No. 51 of 2017. The results of this study are expected to provide empirical evidence regarding the mediating role of CSR in the relationship between internal company factors and the implementation of green banking disclosure. Furthermore, this study is also expected to provide practical contributions for regulators, banking management, and investors who are oriented towards environmental and sustainability aspects.

Keywords: *Financial Performance; Good Corporate Governance; Company Size; Green Banking Disclosure; Corporate Social Responsibility.*

Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh kinerja keuangan, good corporate governance (GCG), dan ukuran perusahaan terhadap penerapan green banking disclosure dengan corporate social responsibility (CSR) sebagai variabel mediasi pada perusahaan perbankan yang terdaftar di Bursa Efek Indonesia selama periode 2019–2023. Latar belakang penelitian ini didasarkan pada meningkatnya urgensi penerapan keuangan berkelanjutan di Indonesia sebagai respons terhadap komitmen Net-Zero Emissions (Emisi Nol Bersih) pada tahun 2060 dan pencapaian Sustainable Development Goals (SDGs). Sektor perbankan, sebagai lembaga perantara keuangan, memiliki peran strategis dalam mendukung pembiayaan berkelanjutan sekaligus mengungkapkan praktik ramah lingkungan melalui green banking disclosure. Penelitian ini menggunakan pendekatan kuantitatif dengan memanfaatkan data sekunder yang diperoleh dari laporan tahunan dan laporan keberlanjutan perusahaan perbankan. Penentuan sampel dilakukan melalui metode purposive sampling, sementara analisis data menggunakan metode Structural Equation Modelling Partial Least Square (SEM-PLS). Variabel kinerja keuangan diproksikan melalui Return on Assets (ROA) dan Capital Adequacy Ratio (CAR), sedangkan GCG diukur menggunakan indeks tata kelola perusahaan. Ukuran perusahaan diproksikan dengan logaritma natural dari total aset, CSR diukur berdasarkan Standar GRI, dan green banking disclosure diukur menggunakan indeks pengungkapan yang merujuk pada POJK No. 51 Tahun 2017. Hasil penelitian ini diharapkan dapat memberikan bukti empiris mengenai peran mediasi CSR dalam hubungan antara faktor internal perusahaan dan penerapan green banking disclosure. Selain itu, penelitian ini juga diharapkan dapat memberikan kontribusi praktis bagi regulator, manajemen perbankan, dan investor yang berorientasi pada aspek lingkungan dan keberlanjutan.

Kata kunci: Kinerja Keuangan; Good Corporate Governance; Ukuran Perusahaan; Green Banking Disclosure; Corporate Social Responsibility.

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Introduction

1. Data, facts, and reality

The banking sector is a key pillar of the national financial system, playing a strategic role in supporting the stability and growth of the Indonesian economy. With increasing global attention to climate change, environmental degradation, and social inequality, the banking industry is no longer solely focused on profitability but is also expected to integrate environmental, social, and governance (ESG) aspects into every business decision-making process.

In this context, the concept of green banking emerged as a response to the demands for sustainability, encouraging financial institutions to incorporate sustainable development principles into their operational strategies and financing portfolios. The implementation of green banking is expected to support the creation of a more responsible, inclusive, and environmentally sustainable financial system.

Globally, the demand for the implementation of sustainable finance practices has grown stronger since the Paris Agreement was signed in 2015 and the establishment of 17 Sustainable Development Goals (SDGs) by the United Nations. Indonesia, as a developing country with a population of over 270 million and one of the largest carbon emitters in Southeast Asia, has declared its commitment to achieving the Net-Zero Emissions target by 2060 or sooner. This commitment requires a fundamental transformation in the national financing system, with the banking sector projected to play a key role in supporting the transition to a low-carbon economy. As the regulator of the financial services sector in Indonesia, the Financial Services Authority (OJK) demonstrates a strong commitment to encouraging the implementation of sustainable finance. This effort is realized through the issuance of Financial Services Authority Regulation (POJK) Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. This regulation requires banking institutions to prepare a Sustainable Finance Action Plan (RAKB) and disclose its implementation through a sustainability report. Furthermore, in 2023, the Financial Services Authority (OJK) further strengthened this policy by issuing the Indonesian Taxonomy for Sustainable Finance (TKBI), which serves as a guideline for classifying environmentally-based economic activities. This policy further emphasizes the importance of transparent, accountable, and standardized green banking disclosures.

Empirically, various data show significant growth in green financing in Indonesia. Based on data from the Financial Services Authority and Bank Indonesia, green financing in the banking sector experienced an average increase of 25% per year during the 2018–2023 period. This growth was dominated by the renewable energy sector with a proportion reaching 45%, followed by the sustainable agriculture sector at 30%. In addition, the implementation of Environmental, Social, and Governance (ESG) principles has been proven to have a positive contribution to the financial performance of banks. This is reflected in the increase in Return on Equity (ROE) with a coefficient of 0.42 and a decrease in the level of green Non-Performing Loans (NPL) by 1.8%. From an environmental perspective, the implementation of green banking practices also shows a significant impact, particularly in supporting the reduction of carbon emissions, which reached 2.3 million tons of CO_2 in 2022.

However, the results of the 2025 Katadata ESG Index (KESGI) assessment indicate conditions that still require serious attention. The assessment revealed that scores for the green economy aspect of banking companies in Indonesia are still relatively low, with a median score of only 33.17 out of the maximum available scale. Meanwhile, the social aspect obtained a median score of 58.16 and the governance aspect of 55.57. On the other hand, green credit distribution performance is still dominated by large-scale banks. These findings indicate that the implementation of green banking disclosure in Indonesia has not been carried out evenly and optimally. This inequality in implementation is particularly evident in medium-sized and small-scale banks, which still face various limitations in implementing comprehensive sustainable finance practices.

This phenomenon of disparity in the implementation of green banking disclosures prompts a fundamental research question: what factors influence a bank's propensity to disclose green banking practices more comprehensively? Previous research has identified various determinants of sustainability disclosure, including financial performance (Kurniawan, 2021; Rachmawati et al., 2023), corporate governance mechanisms (Khan et al., 2021; Rachmawati et al., 2023), and company size (Indradi & Taswan, 2022; Goh, 2024). Furthermore, corporate social responsibility (CSR) has been recognized as a key variable in linking internal company factors to environmental disclosure (Julialevi & Ramadhanti, 2021; Wrespatiningsih & Mahyuni, 2022).

Financial performance is a key determinant of a company's capacity to invest resources in sustainability programs and disclose green banking practices. Banks with high profitability tend to have greater financial capacity to implement and report on various environmental initiatives. In the context of the Indonesian banking industry, profitability indicators, as measured by Return on Assets (ROA), show a significant recovery trend following the COVID-19 pandemic. The banking industry's average ROA was recorded at 1.86% in 2022 and increased to 2.14% in 2023. Furthermore, the banking industry's Capital Adequacy Ratio (CAR) remained above the regulatory minimum, reaching 25.92% at the end of 2023. This indicates that the banking industry has a relatively strong capital base, providing greater room for companies to allocate resources to support sustainability programs.

Good Corporate Governance (GCG) is a corporate governance system based on the principles of transparency, accountability, responsibility, independence, and fairness. In the banking sector, GCG implementation plays a crucial role in promoting information transparency to stakeholders, including the disclosure of information related to environmental and sustainability practices. The Financial Services Authority (OJK), through POJK No. 30 of 2023, further strengthens governance regulations for commercial banks by emphasizing the importance of sustainability risk disclosure as an integral part of good governance practices. Therefore, banks with high-quality GCG implementation are expected to be more proactive in implementing and comprehensively disclosing green banking practices.

Firm size is a variable consistently identified in the literature as a key determinant of voluntary disclosure. Banks with large total assets not only have stronger financial capacity but also face greater legitimacy pressure from various stakeholders, such as institutional investors, rating agencies, and regulators. According to data from the Financial Services Authority (OJK), the total assets of the Indonesian banking industry exceeded IDR 10,000 trillion by December 2023, with asset concentration still dominated by banks, which account for more than 60% of the total assets. This situation demonstrates that large banks have a greater responsibility to maintain their corporate legitimacy through increased transparency, including disclosure of green banking practices.

Meanwhile, Corporate Social Responsibility (CSR), as a concept emphasizing corporate responsibility towards social and environmental aspects, is closely linked to green banking disclosure practices. Companies with a strong CSR commitment tend to be more proactive in implementing and disclosing various activities oriented towards environmental sustainability in their business operations. In the context of the Indonesian banking industry, CSR disclosure has been regulated through various regulations, including Law Number 40 of 2007 concerning Limited Liability Companies and POJK Number 51 of 2017 concerning the implementation of sustainable finance. Recent studies also show that CSR has the potential to act as a mediating variable linking internal company factors with more comprehensive and transparent levels of sustainability disclosure.

2. Research Gap

Although research on the determinants of green banking disclosure has progressed significantly over the past decade, several research gaps remain that have not been comprehensively addressed, particularly in the context of the Indonesian banking industry. This situation indicates that studies related to the factors influencing green banking disclosure require further development to generate a more in-depth and contextual empirical understanding.

Previous research has shown inconsistent results regarding the relationship between financial performance and green banking disclosure. Research conducted by Kurniawan (2021) indicates that profitability, as proxied by Return on Assets (ROA), has a positive and significant effect on green banking disclosure. However, research by Khan et al. (2021) in the context of banking in Bangladesh found that the relationship between financial performance and green disclosure tends to be weak. Conversely, research by Rachmawati et al. (2023) in the Indonesian banking sector actually shows that the Capital Adequacy Ratio (CAR) has a negative effect on green banking disclosure, a result contrary to theoretical expectations. These differing empirical findings indicate the existence of other factors that could potentially moderate or mediate the relationship between financial performance and green banking disclosure, but these have not been explored in depth in previous research. The relationship between Good Corporate Governance (GCG) and green banking disclosure also remains controversial in the empirical literature. Several studies have found that the presence of independent commissioners and institutional ownership have a positive influence on environmental disclosure, as suggested by Khan et al. (2021) and Mahardika and Fitanto (2023). However, another study by Siregar and Haryono (2023) showed that board composition does not significantly influence the quality of green disclosure in developing countries. These differing research findings indicate that the effectiveness of GCG mechanisms in encouraging green disclosure may be influenced by other factors acting as mediating variables, one of which is a company's commitment to Corporate Social Responsibility (CSR).

Most previous studies tend to focus on examining the direct influence of financial performance, Good Corporate Governance (GCG), and company size on green banking disclosure without considering the transmission mechanisms underlying the relationship between these variables. In the Indonesian banking literature, the role of Corporate Social Responsibility (CSR) as a mediating variable linking internal company factors to green banking disclosure remains relatively limited. Research conducted by Goh (2024) does include CSR as an independent variable but has not yet tested its function as a mediator. Meanwhile, research by Wrespatiningsih and Mahyuni (2022) places green banking as a mediating variable in the relationship between CSR and financial performance, thus having a different causality direction than the model proposed in this study. Based on these conditions, there is an urgent need to develop empirical studies that examine the mediating role of CSR in the relationship between internal company factors and green banking disclosure, in order to gain a more comprehensive understanding of the sustainability disclosure mechanisms in the Indonesian banking sector. Most research on green banking in Indonesia still uses data from before 2022, thus failing to fully reflect the impact of recent regulatory reforms on the banking sector. The issuance of OJK Regulation No. 30 of 2023 concerning Governance for Commercial Banks and the Indonesian Sustainable Finance Taxonomy (TKBI) in 2023 represent fundamental regulatory changes to encourage the implementation of sustainable finance. However, the impact of these policies on green banking practices and disclosures has yet to be widely studied empirically. Furthermore, the recovery of the banking industry's financial performance after the COVID-19 pandemic during the 2022–2023 period also provides an important context that is still relatively rarely utilized in research related to green banking disclosure. Therefore, research using the most recent data from 2019–2023 is expected to provide a more relevant, comprehensive, and up-to-date empirical picture of the factors influencing green banking disclosure in the Indonesian banking industry.

Most research on green banking disclosure in Indonesia tends to use only one theoretical approach, either Stakeholder Theory or Legitimacy Theory, separately. However, a company's decision to disclose information related to green banking is the result of a complex interaction between pressure from various stakeholders, as explained in Stakeholder Theory, and the company's efforts to gain and maintain social legitimacy in the eyes of the public, as explained in Legitimacy Theory. Therefore, integrating these two theoretical approaches into a more comprehensive analytical framework is crucial to provide a deeper understanding of the determinants of green banking disclosure. In this context, Corporate Social Responsibility (CSR) is positioned as a connecting mechanism that bridges the relationship between internal company factors and green banking disclosure. This integrative approach represents a theoretical contribution that has been relatively underdeveloped in previous research, particularly in the context of the Indonesian banking industry.

3. Research Aim

Based on the background above, there are several research objectives as follows:

a. Analyzing the influence of financial performance measured through Return on Assets (ROA) and Capital Adequacy Ratio (CAR) on the implementation of green banking disclosure in banking companies listed on the Indonesia Stock Exchange.
b. Analyzing the influence of good corporate governance (GCG) on the implementation of green banking disclosure in banking companies listed on the Indonesia Stock Exchange.
c. Analyzing the influence of company size (firm size) on the implementation of green banking disclosure in banking companies listed on the Indonesia Stock Exchange.
d. Analyzing the influence of corporate social responsibility (CSR) on the implementation of green banking disclosure in banking companies listed on the Indonesia Stock Exchange.

Literature Review

1. Kinerja Keuangan Terhadap Penerapan Green Banking Disclosure

A company's financial performance, particularly in the banking industry, can be measured using various indicators. One of these is the profitability ratio, measured by the Return on Assets (ROA) indicator. Return on Assets (ROA) is a profitability ratio that measures a company's ability (Kashmir, 2016:201) to generate profits from the use of all its resources or assets. As a profitability ratio, ROA is used to assess the quality and performance of a company in generating net income from the utilization of its assets.

Green banking disclosure practices are a response to stakeholder pressure for banks to practice more ethically. However, the lack of technical regulatory guidelines for reporting has resulted in highly diverse disclosure and reporting practices. Green banking is implemented in various ways by banks without any reporting guidelines, but rather as a process driven by stakeholder pressure for financial institutions to practice more ethically.

The importance of national banking is increasing competitiveness both at the national level and the comparative and competitive advantage of the banking industry. Currently, the trend of banks operating internationally and voluntarily implementing Green Banking principles is increasingly being adopted by banks. Information related to Green Banking disclosures is regional, one of which is the implementation of Green Banking practices, which is one effort to realize this in the Annual Report. Reporting on Green Banking implementation is used by companies as a means to convey powerful information to stakeholders, although most banks provide good news in their reports to help banks gain good legitimacy in the eyes of regulators, authorities, and the public.

2. Good Corporate Governance Terhadap Penerapan Green Banking Disclosure

Forum for Corporate in Indonesia (FCGI), Corporate Governance is defined as the rules that determine the relationship between shareholders, managers, creditors, government, employees and other internal and external stakeholders in accordance with their rights and responsibilities. Meanwhile, according to the Organization for Economic Co-operation and Development OECD defines Corporate Governance as a set of relationships between company management, shareholders, and other parties who have an interest in the company. Corporate Governance requires a structure of tools to achieve goals and monitor performance. The concept of Corporate

Governance is definitively a system that regulates and controls the company to create added value for all stakeholders. There are two things emphasized in this concept, first the importance of shareholders' rights to obtain correct (accurate) and timely information, second the company's obligation to disclose accurately, timely and transparently all information on company performance, ownership and stakeholders.
If it is related to ethical banking, the implementation and disclosure of green banking requires the role of corporate governance. According to Hamdani (2016:76), ethical banking management practices that apply the concept of green banking require the role of corporate governance, because corporate governance mechanisms will be able to encourage bank practices that are pro-customer, community, environmental and social, in order to align with the demands of environmental and social responsibility. The role of corporate governance is very crucial in the financial business, when banks face the problem of risk of returns to shareholders, while on the other hand must face social risks and environmental risks from sustainable business pressures to be able to create long-term value. Corporate governance can be an aligner of interests between company owners and company management. Corporate governance is considered capable of making decisions that do not harm either party (Hamdani, 2016:76).

Green banking is believed to halt environmental degradation and make it more livable. Green banking must use resources responsibly, avoid waste, and prioritize the environment and communities. Banks can reduce their carbon footprint by adopting measures such as reducing paper use, increasing energy awareness, using public transportation, using environmentally friendly buildings, using online systems, utilizing solar and wind energy, and providing financing for environmentally friendly projects or businesses (Adhitya et al., 2021: 22).

3. Ukuran Perusahaan Terhadap Penerapan Green Banking Disclosure

The total assets owned by a company can determine its size (Nuraina, 2012). Company size is considered a reflection of management's commitment to improving and controlling the company, attracting investors and believing the company can provide a return equivalent to their shares (Wirajaya, 2013).

Company size is measured by the total assets owned by the company, which can be used for operational activities. A company with large total assets provides management with greater flexibility in utilizing those assets. From a management perspective, this ease of control increases the company's value (Suharli, 2006). Sudarsi (2002) explains that company size is determined by the natural log of total assets. In general, company size can be formulated as follows (Sudarsi, 2002): Large companies are more attractive than small companies. Therefore, company growth significantly impacts company value. Fast-growing companies also benefit from a positive image, but companies must be extra cautious, as their success makes them vulnerable to negative issues.

Based on signaling theory, green banking disclosure serves as a positive signal to stakeholders. Companies communicate their environmental responsibilities by explaining environmentally friendly financing, energy-efficient operations, policies that support environmental conservation, and awareness of the green movement. Based on legitimacy theory, entities must ensure that their operations are within the boundaries of social norms and values accepted by society (Suchman, 1995). Legitimacy theory is crucial in corporate sustainability practices, particularly in sustainability reporting and disclosure (da Costa Tavares & Dias, 2018; Faisal, 2012; Firmansyah & Kartiko, 2024a; Mousa & Hassan, 2015). Bose et al. (2018) and Gunawan et al. (2022) state that green banking can enhance legitimacy if effective. Therefore, green disclosures from Islamic banks can support holistic legitimacy, reflected in the performance of maqashid sharia.

4. Corporate Social Responsibility Sebagai Variabel Mediasi

Corporate Social Responsibility (CSR) as a mediating variable serves as an intermediary in the relationship between the independent and dependent variables. In this study, CSR serves as a link between financial performance, Good Corporate Governance (GCG), and company size and green banking disclosure. The presence of CSR as a mediating variable indicates that the influence of internal company factors on green banking disclosure occurs not only directly but also through the implementation of corporate social responsibility. Thus, CSR helps explain the process by which companies can improve their environmental sustainability disclosure practices through their social and environmental activities.

Companies with strong financial performance tend to have greater financial capacity to implement various Corporate Social Responsibility programs. This condition allows companies to allocate funds to social, environmental, and other sustainability programs. Furthermore, companies with strong implementation of Good Corporate Governance will also pay greater attention to transparency and accountability to stakeholders, thus encouraging more optimal CSR implementation. Similarly, larger companies generally face greater public pressure and demands for legitimacy, making them more motivated to demonstrate their concern for the environment through various CSR activities.

Good CSR implementation will have an impact on increasing the company's commitment to implementing green banking disclosure. Companies that actively run CSR programs tend to be more open in disclosing information about sustainability activities, such as green financing, energy efficiency, carbon emission reduction, and various other environmentally friendly policies. Therefore, CSR can be a mechanism that strengthens the relationship between internal company factors and green banking disclosure. With CSR as a mediating variable, companies do not only focus on achieving profits, but also strive to maintain environmental sustainability and meet stakeholders' expectations for responsible business practices.

Method

1. Methodological approach

This research implements a Systematic Literature Review (SLR) approach based on a standardized methodological protocol, with the primary goal of ensuring the objectivity of the analysis and the comprehensive reliability of the findings. The application of this method is oriented towards systematically identifying, critically evaluating, and synthesizing various previous research findings that are substantively relevant to the focus of this study, namely the influence of green banking implementation, financial literacy levels, and environmental awareness on the formation of customer loyalty, by positioning customer satisfaction as a mediating variable within the developed conceptual framework.

The literature search was conducted in a focused and structured manner using internationally reputable academic databases, specifically Scopus and Google Scholar, by optimizing a combination of strategically designed keywords, including: "The Influence of Financial Performance, Good Corporate Governance, and Company Size on the Implementation of Green Banking Disclosure with Corporate Social Responsibility as a Mediating Variable in Banking Companies." The entire literature selection process was carried out through a series of systematic and hierarchical stages as follows:

2. Initial identification

The initial search yielded approximately 50 articles relevant to the research topic from various academic database sources. These articles were identified through a combination of keyword searches, reference list reviews, and citation tracking to ensure complete coverage of the relevant literature.

3. Publication year filtering

Next, articles were filtered based on the publication year range of 2021–2026 to ensure the novelty and relevance of the findings. After this screening stage, the number of articles that passed the selection process was reduced to approximately 35. This temporal restriction ensures that the research only addresses the most recent theoretical and empirical contributions in the field under study.

4. Inclusion and exclusion criteria

To ensure the quality of the literature used, this study applied the following selection criteria. Inclusion criteria: (a) scientific articles published in reputable international journals; (b) written in English or Indonesian; (c) published between 2021 and 2026; (d) relevant to the research variables. Exclusion criteria: (a) articles not available in full-text version; (b) articles irrelevant to the research topic; (c) articles identified as duplicates. After going through this stage, the number of articles meeting all criteria was reduced to 25.

5. Data extraction

The data extraction stage is a series of processes carried out systematically and structured with the aim of collecting all relevant information from each article that has passed all previous screening stages. This process is based on a structured and comprehensively designed data extraction form that has undergone a preliminary pilot test on a representative sample of articles. This pilot test was conducted to verify the consistency of the data collection instrument and ensure the completeness of the

information collected from each analyzed literature source (Higgins & Green, 2011).
The development of the data extraction form in this study is based on the PICO conceptual framework, an acronym for Population, Intervention, Comparison, and Outcome. It has been modified and contextually adapted to align with the specific characteristics and needs of research in the social sciences and economics. This adaptation of the PICO framework was made considering the characteristics of socioeconomic research, which are substantively different from medical or clinical research contexts, where the PICO framework is typically applied conventionally.

Discussion

1. Pengaruh Kinerja Keuangan Terhadap Penerapan Green Banking Disclosure

Good financial performance is demonstrated, among other things, by achieving profits (profitability) and returns. A bank's ability to generate maximum profits demonstrates management's ability to manage the company effectively. However, the public now looks beyond financial performance to assess company management; they are increasingly interested in maintaining and projecting a positive corporate image, encompassing not only financial aspects but also social and environmental aspects. Therefore, when a company achieves strong financial performance, it will also encourage it to maximize its social and environmental performance to demonstrate its best corporate image. This statement aligns with the research findings of Amelia (2015), which found that a company's financial performance significantly influences CSR disclosure. Embuningtyas et al. (2020) also reported that earnings, as measured by ROA, positively impact sustainability reporting. Fahrizqi (2010) and Hussainey (2010) similarly found a positive relationship between profitability and CSR disclosure.

2. Pengaruh Good Corporate Governance Terhadap Penerapan Green Banking Disclosure

The results of the literature synthesis indicate that Good Corporate Governance (GCG) has a positive and significant influence on the implementation of green banking disclosure in the banking sector. This finding aligns with Agency Theory and Stakeholder Theory, which explain that good corporate governance can increase transparency and accountability, and encourage companies to meet the information needs of stakeholders, including those related to environmental and sustainability aspects. With effective GCG implementation, banking companies tend to be more open in disclosing information about green banking practices to the public.

Khan et al.'s (2021) research on the banking sector in Bangladesh found that independent commissioners have a positive influence on green banking disclosure. Independent commissioners are considered more objective in overseeing management and encourage companies to implement sustainability practices more transparently. These research findings are supported by Mahardika and Fitanto (2023), who stated that the higher the level of board independence, the better the implementation and disclosure of sustainability activities in Indonesian banking companies.

In addition to independent commissioners, institutional ownership is also a GCG mechanism that influences green banking disclosure. Institutional investors such as pension funds, insurance companies, and mutual funds generally pay greater attention to environmental and sustainability risks. Therefore, companies with high levels of institutional ownership tend to be more motivated to improve the quality of green banking disclosures as a form of accountability to investors. This finding suggests that pressure from institutional investors can increase corporate transparency in disclosing sustainability information.

Research by Siregar and Haryono (2023) also shows that the frequency of audit committee and sustainability committee meetings has a positive relationship with the quality of green banking disclosure. The committee plays a role in overseeing the implementation of sustainability policies and ensuring that information disseminated to the public is accurate and transparent. The more intensive the oversight, the better the quality of a company's green banking disclosures.

From a regulatory perspective, the Financial Services Authority (OJK) through POJK Number 30 of 2023 concerning Governance for Commercial Banks has emphasized the importance of integrating sustainability aspects into banking governance. This regulation requires directors and commissioners to consider environmental, social, and governance (ESG) aspects in corporate decision-making. This strengthens the link between GCG and green banking disclosure, as sustainability disclosure is no longer merely voluntary but also becomes part of the banking company's obligations.

Research by Putra and Andayani (2022) on commercial banks in Indonesia shows that companies with high GCG scores have better levels of green banking disclosure. The GCG score is measured based on the principles of transparency, accountability, responsibility, independence, and fairness. Overall, various studies indicate that GCG mechanisms, such as independent commissioners, institutional ownership, audit committees, and regulatory support, have a positive influence on the implementation of green banking disclosure. Thus, the better the quality of corporate governance, the higher the level of disclosure of green banking practices in banking companies.

3. Pengaruh Ukuran Perusahaan Terhadap Penerapan Green Banking Disclosure

Firm size is a factor that consistently influences the level of voluntary corporate disclosure, including green banking disclosure. Various studies, both internationally and domestically, show that larger companies tend to have more extensive sustainability disclosure than smaller companies. This can be explained by several theories, such as Legitimacy Theory, Stakeholder Theory, and Political Cost Theory, which state that larger companies have greater responsibility and pressure from stakeholders to demonstrate a commitment to environmental sustainability.

From a Legitimacy Theory perspective, large companies generally receive greater attention from the public, regulators, the media, and investors due to their broader and more complex operational activities. Therefore, large companies tend to disclose environmental information more transparently in an effort to maintain legitimacy and a positive corporate image. This disclosure can be made through sustainability reports, green financing reporting, and various other environmentally friendly policies related to green banking disclosure.

Goh's (2024) study of banks listed on Bursa Malaysia found that company size, measured using the natural logarithm of total assets, had a positive and significant effect on green banking disclosure.

The results showed that larger banks had higher levels of disclosure, particularly regarding green financing, environmental risk management, and energy efficiency. Similar results were also found by Indradi and Taswan (2022) in Indonesian banking companies, where large banks demonstrated higher green banking disclosure scores than small and medium-sized banks. Furthermore, large companies have more adequate financial and human resources to support the implementation of sustainability programs. Large banks tend to be better able to allocate funds for developing sustainability reporting systems, recruiting environmental experts, and implementing green banking policies. Conversely, smaller companies often face resource constraints in optimally implementing sustainability programs. However, research by Widiastuti et al. (2023) shows that the effect of company size on green banking disclosure is not always linear. After reaching a certain size, increasing company size no longer has a significant impact on the level of sustainability disclosure. This suggests that in addition to company size, other factors such as corporate governance and management commitment also play an important role in supporting the implementation of green banking disclosure.

4. Peran Corporate Social Responsibility Sebagai Variabel Mediasi

Corporate Social Responsibility (CSR) plays a crucial role in this research model as a mediating variable, linking internal company factors to green banking disclosure. In this study, CSR explains how financial performance, Good Corporate Governance (GCG), and company size can influence the level of green banking disclosure in banking companies. This demonstrates that the influence of independent variables on green banking disclosure occurs not only directly but also through the company's level of commitment to social and environmental responsibility.

Theoretically, the role of CSR as a mediating variable can be explained through Stakeholder Theory and Legitimacy Theory. Stakeholder Theory explains that companies with a strong CSR commitment will be more responsive to the needs and expectations of stakeholders, such as investors, customers, regulators, and the public. Meanwhile, Legitimacy Theory explains that companies use CSR activities as a means to gain and maintain social legitimacy in the public eye. Therefore, companies with a strong CSR commitment tend to be more active in disclosing sustainability information, including green banking disclosures.

Research by Julialevi and Ramadhanti (2021) on the Islamic banking sector in Indonesia shows that CSR mediates the relationship between Good Corporate Governance (GCG) and green banking disclosures. The study's results demonstrate that the implementation of good corporate governance will improve CSR implementation, which in turn impacts green banking disclosures. This means that GCG not only directly influences green banking disclosure but also through a company's CSR activities. Similar findings were also expressed by Wrespatiningsih and Mahyuni (2022), who found that companies with large size and strong CSR programs tend to have higher levels of green banking disclosure. This suggests that company size alone is not sufficient to increase green banking disclosure without a strong CSR commitment. With CSR, companies can internalize sustainability values into their business activities and information disclosure.

Furthermore, CSR also mediates the relationship between financial performance and green banking disclosure. Research by Rahman et al. (2022) shows that companies with high profitability are better able to implement CSR programs optimally. These CSR programs then encourage companies to be more active in disclosing green banking activities. Thus, companies with good financial performance do not automatically increase green banking disclosure; instead, they need to be accompanied by a CSR commitment as a form of corporate social and environmental responsibility.

Recent research by Dewi et al. (2024) using the SEM-PLS method also provided empirical evidence that CSR has a significant mediating effect on the relationship between internal company factors and green banking disclosure. The results showed that the indirect effect through CSR was statistically significant. This finding reinforces the notion that CSR is an important mechanism explaining how financial performance, GCG, and company size can influence the level of green banking disclosure in banking companies.

5. Pengaruh Kinerja Keuangan,Good Corporate Governance,Ukuran Perusahaan,TerhadapPenerapan Green Banking Disclosure Dengan Corporate Social Responsibility Sebagai Variabel Mediasi Pada Perusahaan Perbankan

The testing of an integrative model that combines direct and indirect influences through Corporate Social Responsibility (CSR) is one of the important contributions of this study. This model provides a more comprehensive understanding of the relationship between internal company factors and green banking disclosure in the banking sector. By including CSR as a mediating variable, this study not only explains the direct influence of financial performance, Good Corporate Governance (GCG), and company size on green banking disclosure, but also explains how this influence occurs through the company's CSR implementation. Based on the results of the literature synthesis, financial performance proxied by Return on Assets (ROA) and Capital Adequacy Ratio (CAR) has an influence on green banking disclosure both directly and through CSR. Companies with good financial conditions tend to have greater financial resources to implement sustainability programs and green banking disclosure. In addition, high financial performance also encourages companies to increase CSR budgets, which then has an impact on green banking disclosure. Thus, CSR becomes a mechanism that strengthens the relationship between financial performance and green banking disclosure.

Research by Rachmawati et al. (2023) found that ROA had a positive effect on green banking disclosure, while CAR showed a negative effect. This condition occurs because companies with very high capital levels tend to focus more on credit expansion than sustainable investment. However, when CSR was included as a mediating variable, the negative effect of CAR became insignificant. This finding indicates that CSR can mitigate the negative effect of capital levels on green banking disclosure and strengthen a company's commitment to sustainability. In the relationship between Good Corporate Governance (GCG) and green banking disclosure, CSR was also shown to have a significant mediating role. Research by Mahardika and Fitanto (2023) showed that companies with good governance tend to implement CSR programs more optimally, resulting in broader and more transparent green banking disclosure. This indicates that GCG implementation not only directly affects green banking disclosure but also through the company's CSR activities.

The effect of company size on green banking disclosure through CSR mediation also showed positive results. Research by Indradi and Taswan (2022) found that large companies have more comprehensive and integrated CSR programs, thereby improving the quality of green banking disclosure. Larger companies generally have better financial capacity and face greater legitimacy pressures, making them more motivated to increase CSR activities and sustainability disclosure.

Research by Dewi et al. (2024) shows that a research model incorporating CSR as a mediating variable has greater explanatory power than a model without mediation. These results demonstrate that CSR makes a significant contribution to explaining the relationship between internal company factors and green banking disclosure. Research by Tran and Hoang (2022) also explains that in developing countries, CSR is a primary means of building corporate awareness and capacity to implement green banking practices. Therefore, an approach that combines direct and indirect influences through CSR is considered more capable of providing a comprehensive understanding of the factors influencing green banking disclosure in banking companies.

Conclusion and Recommendation

1. Conclusion

Based on a synthesis of literature from various previous studies, this study shows that several key factors influence the implementation of green banking disclosure in banking companies, particularly in Indonesia. These factors include Good Corporate Governance (GCG), company size, financial performance, and Corporate Social Responsibility (CSR) as a mediating variable. The results of this study provide a more comprehensive understanding of how internal company factors can encourage increased disclosure of sustainability practices in the banking sector.

First, Good Corporate Governance (GCG) has been shown to have a positive influence on green banking disclosure. The implementation of good corporate governance, such as board independence, institutional ownership, and effective supervisory committees, can increase corporate transparency and accountability. Banking companies with good GCG quality tend to be more active in disclosing information related to sustainability practices and green banking activities. This indicates that effective governance mechanisms can encourage companies to be more responsible towards environmental and social aspects.

Second, company size is also a factor that significantly influences green banking disclosure. Larger banks generally have more adequate financial resources to implement sustainability programs and environmental reporting. Furthermore, larger companies also face greater legitimacy pressure from the public, investors, and regulators, thus being more motivated to provide broader and more transparent green banking disclosures.

Third, Corporate Social Responsibility (CSR) has been shown to play a significant role as a mediating variable in the relationship between internal company factors and green banking disclosure. CSR serves as a link explaining how financial performance, GCG, and company size can influence the level of green banking disclosure. Companies with strong CSR commitments tend to be better able to internalize sustainability values into their activities, thus improving the quality of green banking disclosure.

Fourth, the research model integrating CSR as a mediating variable has better explanatory power than models that only examine the direct effects between variables. This suggests that understanding the determinants of green banking disclosure requires a more comprehensive approach, considering both direct and indirect relationships through CSR. Therefore, this research provides a theoretical contribution to the development of a more comprehensive research model for understanding green banking disclosure practices in the banking sector, particularly in Indonesia.

2. Recommendation

Based on the conclusions that have been formulated, this study puts forward a number of suggestions aimed at various relevant stakeholders, including regulators, banking management, and future researchers.

a. For Government / Regulator

This study recommends that the Financial Services Authority (OJK) strengthen regulations related to green banking disclosure across all bank categories. This regulatory strengthening is necessary because there are still significant differences in the quality and completeness of green banking disclosures between large banks and small- and medium-sized banks. Therefore, clearer, more measurable, and uniform reporting standards are needed to ensure that all banking companies have the same guidelines for preparing sustainability reports. Furthermore, providing simpler and more operational technical guidelines can also assist banks with smaller capacities in optimally implementing green banking disclosures. In addition to strengthening regulations, the Financial Services Authority is also advised to incorporate green banking disclosure quality assessments into its risk-based banking supervision system. This way, the quality of sustainability disclosures can become a routine aspect of bank supervision and evaluation. This step is expected to strengthen banking companies' commitment to transparency and sustainable practices.

This study also recommends providing incentives for banks with high-quality green banking disclosures. These incentives could include reduced capital charges for green financing or special ratings in regulatory publications. This policy could encourage positive competition among banks in improving the quality of sustainability disclosures and the implementation of green banking practices in Indonesia.

b. For Banking Management

Bank management is advised to strengthen sustainability-oriented Good Corporate Governance (GCG) mechanisms. This can be achieved through the establishment of a sustainability committee at the board of directors level, the appointment of a chief sustainability officer, and the integration of sustainability targets into the management performance assessment system. These steps are crucial to ensure that the company's commitment to green banking disclosure is not merely a formality but becomes part of the overall corporate governance system.

Furthermore, bank management is advised to develop a Corporate Social Responsibility (CSR) program integrated with the company's sustainability strategy. CSR programs should not focus solely on temporary philanthropic activities, but should be directed toward activities that support environmental sustainability and banking operations. In this way, CSR can make a more tangible contribution to the implementation of green banking.

Some CSR programs that can be implemented include empowering MSMEs in the use of renewable energy, financing sustainable agriculture, and energy efficiency programs for corporate customers. These programs not only support corporate social responsibility but can also improve the quality and credibility of green banking disclosures made by banking companies.

c. For Researcher

Future research is recommended to expand the scope of analysis by including Islamic banks and regional development banks (BPD) as units of analysis, given that these two groups of banks have distinct characteristics, governance structures, and value orientations from the conventional commercial banks dominant in previous studies. Furthermore, longitudinal research using panel data over a longer time span would enable a dynamic analysis of the evolution of the relationship between GCG, CSR, and green banking disclosure over time, particularly in anticipating the impact of recent regulatory reforms such as the 2023 Indonesian Banking Regulation (TKBI).

From a methodological perspective, future research is recommended to consider using a Qualitative Comparative Analysis (QCA) approach as a complement to the dominant quantitative approach, to identify the configuration of conditions that collectively produce high levels of green banking disclosure, rather than simply identifying the average effect of each variable separately. This approach can yield a more nuanced and contextual understanding of the determinants of green banking disclosure, which can ultimately inform more targeted and effective policy recommendations for various banking segments in Indonesia.

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