Content Analysis of Green Banking Reports as an Effort to Fulfill Sustainability

Susi Susilawati 1*, Nova Rini 2, Nur Hasanah 3

123 Department of Economics and Business, Universitas Teknologi Muhammadiyah Jakarta, Indonesia

ARTICLE INFO

ISSN: 2723-1097

ABSTRACT

Research Aims: This research aims to explore green banking disclosure among banks listed on IDX-IC shares in Indonesia.

Design/methodology/approach: The method used involves conducting content analysis using indicators from research by Bose et al. (2018) and Handajani (2019). The total number of indicators is 21 items, covering the reporting period of 2019-2022.

Research Findings: The findings of the study indicate a growing focus among banks on sustainability initiatives, particularly following the enactment of SEOJK Number 16/SEOJK.04/2021. The research reveals that in 2019, the disclosure rate stood at 50.71%, which increased slightly to 56.19% in 2020, followed by a less pronounced rise to 57.76% in 2021. However, in 2022, there was a notably substantial increase to 62.74%. During 2019-2020, the highest disclosure was observed in the paper waste reduction indicator, while in 2021-2022, it shifted to the indicator of incorporating a dedicated section for environmentally friendly banking reporting in the annual report. Although still relatively low, there has been a notable improvement in the quality of sustainability report information from 2021 to 2022.

Theoretical Contribution/Originality: This research contributes to the literature related to bank disclosures in their activities supporting the SDGs and discusses the extent to which banks prioritize environmentally friendly banking activities.

Keywords: sustainable bank, green banking, content analysis

Introduction

Steady bank growth ensures that the real economy runs well. Banks' short-term economic goals and managers' risk-taking considerations were the main factors causing the global crisis of 2008. The global financial and economic system was directly impacted by this movement. At the same time, investments and other financial products made through credit provided by banks have direct and indirect impacts on the environment, economy, and social life (Aras et al., 2017). Thus, companies are starting to pay attention to this impact as part of the important things to consider.

This increasing attention was triggered by increasing concern for social and environmental problems, one of which is the Sustainable Development Goals (SDGs) agenda initiated by the UN. The more countries commit to supporting the SDGs, the
more companies from various industries will participate in achieving the SDGs. This is strong evidence that environmental and social problems are now important problems besides economic problems. Financial institutions are no exception, although financial institutions are seen as institutions that have the least negative impact on the environment (Gunawan et al., 2022) banks can hurt the environment both directly and indirectly (Inácio & Delai, 2022). Directly from operational activities, and indirectly because there is the potential to finance dirty industries that aggressively pollute the earth (Bukhari et al., 2020). Therefore, banks will screen potential borrowers, by having to know the operations and prospects of the project design they will finance (Scholtens & van’t Klooster, 2019). Banks are now increasingly embedding sustainable behavior in their strategies and business models. This represents a major shift in the way the banking industry views financial markets. This transformation shows that bank commitment may be the right way to increase value for business and provide value for society by driving sustainable growth (Carè, 2018).

The evolution of green banking in Indonesia has undergone a notable transformation with the introduction of new regulatory frameworks, namely POJK Number 51/POJK.03/2017 followed by SEOJK Number 16/SEOJK.04/2021. POJK Number 51/POJK.03/2017 established essential legal foundations for green banking in Indonesia by setting out guidelines and benchmarks for sustainable financial operations. However, the enactment of SEOJK Number 16/SEOJK.04/2021 has brought about a significant upsurge in both attention to and dedication towards green banking practices. This shift signifies a considerable advancement in the realm of green banking within Indonesia. These regulations not only prompt banks to embrace sustainable practices but also contribute to fostering an environmentally conscious and sustainable business environment on a broader scale.

Sustainable banking refers to the provision of financial products and services, that are developed to meet people's needs and protect the environment while generating profits (Gunawan et al., 2022; Yip & Bocken, 2018). Due to its unique intermediation role, the banking industry is critical to achieving sustainable development (Aracil et al., 2021). Beneficiaries can become clients through social intermediation, which allows them to enter into contracts with reciprocal responsibilities (Bennett & Cuevas, 1996). Examples of this intermediation such as the provision of resources for environmentally friendly projects and the management and distribution of sustainable responsible investment (SRI) funds help ensure funding of the Sustainable Development Goals (SDGs) (Aracil et al., 2021). SRI, otherwise known as sustainable investment, is an investment policy that does not only focus on market or financial returns but also looks at the positive social, ethical, and environmental impacts of its investments (Miralles-Quirós et al., 2019).

Banking and financial institutions are considered to have a strategic position in creating and maintaining a green revolution to save the planet. This is because many industries and the business world obtain most of their funding from the banking
sector, and this funding role has created enormous responsibility and accountability for banks. If banks fail to detect and identify the potential environmental impacts of their business clients, this can indirectly cause environmental damage (Gunawan et al., 2022; Shaumya & Arulrajah, 2017).

Sustainability has been identified as a source of opportunity and a driver of competitive advantage and providing shareholder value (Inácio & Delai, 2022; Hauptmann, 2018). Large banks, such as Bank of America and Deutsche Bank, now publish detailed sustainability reports emphasizing their commitment to sustainability and responsible lending practices (Hauptmann, 2018). Bank sustainability has been widely researched, such as being linked to social banking or what can be called CSR, then ethical banking, and green banking by considering ecology (Aracil et al., 2021; Kumar & Prakash, 2019; Mendez & Houghton, 2020).

The concept of sustainability related to CSR is divided into three main factors or axes, namely environmental, social, and governance. These three factors are not always addressed simultaneously (Nájera-Sánchez, 2020). The CSR carried out by companies in various industries ignores the fact that their business operations still pose a threat to society and the environment (Gunawan et al., 2022). The demands of stakeholders regarding the implementation of CSR are closely related to the company's goal of realizing business continuity (Going Concern). Business continuity is the belief that an entity will continue to carry out its operations in the future. Organizations will not be forced to stop operations or liquidate their assets shortly (Dewi & Dewi, 2017). Furthermore, issues regarding corporate ethical responsibility and environmental pressures also encourage the implementation of ethical responsibility in bank business practices (Handajani, 2019).

All banks have a lot of potential, not only preserving the planet/earth but also changing the whole world to be more energy conscious. Banks support environmental programs by educating their consumers about environmentally friendly banking and implementing all techniques to help save the environment while improving the bank's reputation (Mir & Bhat, 2022). In realizing green banking, one of the efforts made is that financial institutions must commit to supporting environmentally friendly financing. In addition, banks are expected to continue to balance their desire to pursue short-term profits with sustainable financial policies (Pratama, 2023).

This research aims to explore green banking disclosure through content analysis. This method is carried out by examining and analyzing written documents published by banks, such as sustainability reports or annual reports, to see how much information the banks convey regarding activities that support green banking principles.
Literature Review
Sustainable Bank

The banking sector is facing new challenges due to heightened competition and increasingly stringent regulations. These regulations compel companies to project a strong image regarding their profitability and solvency while adapting to emerging roles within the financial industry. Part of this evolving role involves reallocating funds to promote sustainable growth and enhance access to financial services (Ballate, 2018; Gutiérrez-López & Abad-González, 2020).

Banks wield both quantitative and qualitative influence on economic growth through their intermediary function, and their financing policies present opportunities for fostering sustainable economic development (Carè, 2018). According to Pampurini and Quaranta (2018), sustainability is a crucial consideration for the risk management function within financial intermediaries, as identifying and measuring environmental and social risks should be integral to the standard risk assessment and management process. Additionally, Igbudu et al. (2018) assert that sustainable banking practices positively impact bank loyalty and corporate image, signaling stakeholders about their position and role within the corporate environment.

Kumar and Prakash (2019) elaborate on the evolving concept of sustainability in banking, which encompasses social banking (involving philanthropy and community development programs for social advancement), ethical banking (integrating business values and ethical practices into banking operations), green banking (incorporating environmental management systems and avoiding financing harmful industries), and sustainable banking (integrating ESG issues and managing environmental and social impacts of banking activities for sustainable development). Furthermore, sustainable business models offer competitive advantages for banks, including enhanced reputation, brand differentiation, increased customer loyalty, and expanded market share (Olmo et al., 2021).

Stakeholder Theory and Legitimacy Theory

Stakeholder theory posits that companies must engage with a diverse array of stakeholders, including employees, industry bodies, consumers, media, government, suppliers, interest groups, and society. Given the interdependence between business and society, it is crucial for businesses to refrain from activities that could harm these stakeholders. While businesses rely on society for survival, society in turn depends on businesses to provide goods and services (Hossain et al., 2016).

Stakeholder theory and legitimacy theory are interconnected such that a company’s activities ultimately must be deemed legitimate by the stakeholders affected. Stakeholder theory comprises two branches: the ethical branch and the managerial branch. It is acknowledged that safeguarding and prioritizing the interests of all stakeholders is challenging. In this regard, from a reporting perspective, management must strive to furnish the necessary information to all stakeholders.
stakeholders, not only pertaining to finances but also concerning environmental matters aligned with the company's long-term objectives (Hossain et al., 2016).

Legitimacy theory delineates a social contract between companies and society, alongside information asymmetry between companies and their stakeholders. Legitimacy is perceived as actions by a company that are viewed as commendable, appropriate, or congruent with socially constructed norms, values, beliefs, and definitions (Gunawan et al., 2022).

Banks that adopt environmentally friendly practices can bolster their reputation (Mir & Bhat, 2022; Owen & Temesvary, 2018) by fostering customer trust and loyalty, setting them apart from competitors, and attracting environmentally conscious investors, thereby enhancing their access to capital. One potential method to enhance a bank's reputation and regain credibility is by encouraging bank participation in sustainable initiatives, integrating environmental preservation, social responsibility, and financial benefits into business management and operations (Olmo et al., 2021; Shah et al., 2019). According to legitimacy theory, organizations tend to conform to institutional standards and requirements prevailing in their environment. Attentiveness to these external conditions can lead to improved bank performance (Awino, 2014).

Green Banking

The banking sector can contribute to achieving sustainable development by embracing the concept of green banking. This concept typically refers to financial products and services designed to generate sustainable profits while concurrently benefiting the environment and society (Gunawan et al., 2022). Green banking entails aligning a bank's core operations with environmental management practices (Dewi & Dewi, 2017). It encompasses two dimensions: firstly, the operational aspects of banking, such as whether it operates in a paperless manner, and secondly, the allocation of funds by the bank towards environmentally beneficial initiatives (Sarma & Roy, 2021).

In addition to its potential to enhance a bank's reputation, the adoption of environmentally friendly banking practices also presents challenges, such as initial higher operational costs and a lack of reliable environmental data (Gunawan et al., 2022). Nonetheless, the positive impacts outweigh these challenges, as evidenced by several studies indicating that green banking, as a form of environmentally friendly banking, positively influences bank performance (Awino, 2014; Bose et al., 2021).

Various sources suggest that green banking encompasses diverse practices (Gunawan et al., 2022). Bank Indonesia (BI) continues to promote sustainable financing through policy instruments, such as easing down payments for motor vehicles and providing favorable loan-to-value (LtV) ratios for sustainable housing. Additionally, BI facilitates liquidity for banks that extend credit or financing to sustainable and green sectors (Pratama, 2023).

Method
This research aims to investigate green banking disclosures through content analysis. The application of content analysis is intended to examine both annual reports (including sustainability reports) and sustainability reports reported separately from the annual report. The research period spans from 2019 to 2022. The research population consists of banks listed on the IDX_IC shares. Out of the 48 registered banks, 8 banks were deemed incomplete, inconsistently registered, or did not meet the sampling criteria, resulting in a sample size of 40 banks.

Content analysis is defined as a meticulous, detailed, and systematic research approach (Hossain et al., 2016). Through content analysis, the extent of disclosed information is assessed and then converted into scores and ratios (Gunawan et al., 2022). This analysis involves transforming qualitative information into quantitative data using a dummy variable (0-1). The objective of this research is to gauge the level of green accounting disclosure among the banks selected as research samples.

**General Guidelines**

Coders must comprehend and meticulously adhere to each step in the content analysis process. Throughout this process, disclosure sheets and recording score guidelines should remain readily available. While each coder conducts content analysis independently, communication among them is encouraged to address any queries that may arise. Information is cross-checked to monitor and calculate the number of samples evaluated once company names are confirmed by coders (Gunawan et al., 2022).

Following the collection of annual reports or sustainability reports, the reports undergo examination to identify various green banking issues (Hossain et al., 2016). This procedure is adapted from the methodology utilized in the research conducted by Gunawan et al. (2022), wherein all coders follow a series of steps involving reading the report text, identifying the index, assigning scores, calculating values, determining scores, and drawing conclusions. Hence, this research proceeds with the following steps:

a) Carefully read the text of the sustainability report (whether combined with the annual report or separately) from the first page to the last.

b) Locate the guideline indicator index as utilized by Bose et al. (2018) and Handajani (2019).

c) Assign a score of 1 if the indicator is disclosed in the report.

d) Calculate the average or percentage of disclosure for the 21 green banking disclosure items.

e) Upon completion of the assessment process, calculate the score for each item, and accumulate all scores to obtain the total disclosure percentage.

f) Draw conclusions.
Result and Discussion

The results of content analysis testing on guideline indicators from Bose et al. (2018) and Handajani (2019) (21 items) are presented in Table 1.

<table>
<thead>
<tr>
<th>Item</th>
<th>Average Value (%)</th>
<th>2019-2022</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBDI-1</td>
<td>Bank policies regarding environmental preservation and climate change management.</td>
<td>73</td>
<td>55</td>
<td>75</td>
<td>78</td>
<td>83</td>
</tr>
<tr>
<td>GBDI-2</td>
<td>Financing environmentally friendly projects</td>
<td>44</td>
<td>33</td>
<td>45</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>GBDI-3</td>
<td>Reducing paper waste</td>
<td>95</td>
<td>93</td>
<td>95</td>
<td>95</td>
<td>98</td>
</tr>
<tr>
<td>GBDI-4</td>
<td>Implementing policies and technologies to minimize water and gas waste in internal bank operations</td>
<td>27</td>
<td>23</td>
<td>25</td>
<td>28</td>
<td>33</td>
</tr>
<tr>
<td>GBDI-5</td>
<td>Utilizing environmentally friendly materials</td>
<td>96</td>
<td>93</td>
<td>95</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td>GBDI-6</td>
<td>Conserving energy during business operations</td>
<td>61</td>
<td>50</td>
<td>58</td>
<td>68</td>
<td>70</td>
</tr>
<tr>
<td>GBDI-7</td>
<td>Taking steps to combat climate change and reduce emissions</td>
<td>77</td>
<td>60</td>
<td>75</td>
<td>85</td>
<td>88</td>
</tr>
<tr>
<td>GBDI-8</td>
<td>Introducing new environmentally friendly products</td>
<td>88</td>
<td>88</td>
<td>88</td>
<td>88</td>
<td>88</td>
</tr>
<tr>
<td>GBDI-9</td>
<td>Reporting information on bank initiatives and involvement in environmental issues networks</td>
<td>22</td>
<td>20</td>
<td>20</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>GBDI-10</td>
<td>Conducting environmental impact studies on potential clients' businesses before providing financing facilities</td>
<td>73</td>
<td>63</td>
<td>75</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>GBDI-11</td>
<td>Organizing, or planning to organize, seminars, workshops, or training sessions in the near future to increase public awareness of environmental issues</td>
<td>48</td>
<td>43</td>
<td>40</td>
<td>53</td>
<td>55</td>
</tr>
<tr>
<td>Item</td>
<td>Average Value (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-12</td>
<td>Awarding environmentally friendly activities and excellence in environmental reporting practices</td>
<td>29 18 33 30 38</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-13</td>
<td>Appreciating customer and partner initiatives in preserving the natural environment</td>
<td>17 15 18 15 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-14</td>
<td>Sponsoring facilities that align with environmental harmony</td>
<td>49 48 48 48 55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-15</td>
<td>Establishment of a climate change fund</td>
<td>44 40 43 48 45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-16</td>
<td>Establishment of a green branch</td>
<td>19 18 20 18 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-17</td>
<td>Internalization of green marketing</td>
<td>48 40 48 50 55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-18</td>
<td>Initiatives and involvement of banks to train their employees regarding green movements</td>
<td>70 63 63 78 78</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-19</td>
<td>The amount of budget allocated each year for environmentally friendly banking practices</td>
<td>38 30 33 40 48</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-20</td>
<td>Actual amount spent on various green banking activities</td>
<td>92 88 93 93 95</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBDI-21</td>
<td>Use of a separate section for green banking reporting in the annual report</td>
<td>96 90 95 100 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed by researchers, 2024

Based on Table 1, it presents the average disclosure value for each item, totaling 21 disclosures. The data is based on disclosures in the research years: 2019, 2020, 2021, 2022, and the overall average for all research years (2019 to 2022). In 2019, the three lowest scores sequentially are for the items: "Appreciation for customer and partner initiatives in preserving the natural environment"; "Reporting information regarding bank initiatives and involvement in building networks on environmental issues"; "Implementation of policies and technology to reduce water and gas waste in bank internal operations". Each has an average percentage value of 15 percent, 20 percent, and 23 percent, respectively. Regarding the use of water-saving policies and technology, more banks are disclosing their water sources such as using PDAM water services or groundwater, or advocating and campaigning to save water. Rarely do people reveal how savings are made with technology such as the use of sensor water taps, which are proven to save water and are more hygienic.

Next, in order, the values of the three highest numbers are in the items: “Reduction of paper waste”; “Use of environmentally friendly materials”; “Use of a separate page for green banking reporting in annual reports”. Each has an average
percentage value of 93 percent, 93 percent, and 90 percent, respectively. The highest percentage value indicates that, based on the sample used, the level of disclosure is very high. In line with research by Gunawan et al. (2022), the indicator "paper waste reduction" is the most frequently expressed because in banking operations, paper is the main material used for customer reports, mail delivery activities, and other operational support activities. The reduction in paper consumption also occurs due to the growing trend of "e-banking" in Indonesia today. By using digital e-banking, most transactions now use eco-friendly printing and paperless processes.

In 2020, the three lowest scores were in order for the items: "Appreciation for customer and partner initiatives in preserving the natural environment"; "Establishment of a green branch"; "Reporting information regarding bank initiatives and involvement in building networks on environmental issues". Each has a value of 18 percent, 20 percent, and 20 percent, respectively. Sequentially, the value of the highest number three is for the same item as the disclosure in 2019, but for 2020 it has the same percentage for the three items (95 percent).

In 2021, the value of the lowest three numbers sequentially corresponds to the same items as disclosed in 2020, but for 2021, they have different average percentages: "Appreciation for customer and partner initiatives in preserving the natural environment"; "Establishment of a green branch"; "Reporting information regarding bank initiatives and involvement in building networks on environmental issues". Each has a value of 15 percent, 18 percent, and 23 percent, respectively. The three highest values sequentially align with the same items disclosed in 2020 but with different percentages: "Use of a separate page for reporting on environmentally friendly banking in the annual report"; "Paper waste reduction"; "Use of environmentally friendly materials". Each has an average percentage of 100 percent, 95 percent, and 95 percent. The disclosure value of separate pages becomes very high, reaching 100 percent, indicating that banks have begun to concentrate on sustainability reporting, especially by having two types of reports: annual reports and sustainability reports, both separate and combined. This can also be supported because after the pandemic ends, the relaxation period is over, so sustainability reports will become mandatory from 2021, supported by the OJK circular, namely SEOJK Number 16/SEOJK.04/2021.

In 2022, the value of the lowest three numbers sequentially corresponds to the same items as the disclosures in 2020 and 2021, but for 2022, the average percentage is different: "Appreciation for customer and partner initiatives in preserving the natural environment"; "Establishment of a green branch"; "Reporting information regarding bank initiatives and involvement in building networks on environmental issues". Each has an average percentage of 20 percent, 20 percent, and 25 percent, respectively. The three highest scores sequentially align with the items: "Use of a separate page for reporting on environmentally friendly banking in the annual report"; "Use of environmentally friendly materials"; "Paper waste reduction". Each has an average percentage of 100 percent, 100 percent, and 98 percent. In 2022, the
use of environmentally friendly materials, such as recycled (reversible) paper, will increase until it reaches the maximum figure.

Overall, the lowest disclosure was observed in the item "Appreciation for customer and partner initiatives in preserving the natural environment," with an average percentage value of 17 percent. The highest disclosures were in the items "use of separate pages for reporting environmentally friendly banking in annual reports" and "use of environmentally friendly materials," both of which had the same average percentage value, namely 96 percent. This indicates that banks in Indonesia have begun to implement the concept of sustainability by incorporating environmentally friendly materials in their operational activities. The research findings align with Gunawan et al. (2022), which stated that the materials used are among the three most frequently disclosed environmental indicators, albeit with a significantly different percentage, namely 35 percent.

<table>
<thead>
<tr>
<th>Reporting Year</th>
<th>Disclosure Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>50.71</td>
</tr>
<tr>
<td>2020</td>
<td>56.19</td>
</tr>
<tr>
<td>2021</td>
<td>59.76</td>
</tr>
<tr>
<td>2022</td>
<td>62.74</td>
</tr>
</tbody>
</table>

Based on Table 2, it indicates that the quality of disclosure from all bank samples (40 banks) listed on IDX-IC shares for the 2019-2022 period remains relatively low. Particularly, from 2019 to 2020, it hovered around 50%, specifically 50.71 percent in 2019, 56.19 percent in 2020, and slightly increased to 59.76 percent in 2021. In 2022, the quality of disclosure is projected to rise to 62.74 percent. In reality, despite sustainability reports becoming mandatory in 2021, many banks still disclose sustainability information at very low levels, or there are numerous sustainability programs yet to be implemented. Especially noteworthy are the five items with the lowest disclosure rates, listed in order: implementation of policies and technology to reduce water and gas waste in internal bank operations (33%); awards for environmentally friendly activities and excellence in environmental reporting practices (38%); establishment of a climate change fund (45%); the amount of budget allocated annually for environmentally friendly banking practices (48%), environmentally friendly project financing (50%).

The results of the analysis found that, on average, banks are beginning to increase the disclosure of information related to environmentally friendly banking activities. This indicates that banks are starting to pay attention to their activities by focusing not only on financial aspects but also on non-financial aspects that contribute to sustainability. This change has proven to be significant since the enactment of
Conclusion

Based on the research results, the quality of sustainability disclosure (green banking) by banks in Indonesia ranged from 50-56 percent in 2019-2020. However, there has been an increase in 2021 and 2022, reaching around 60-63 percent. This indicates that the establishment of guidelines in SEOJK Number 16/SEOJK.04/2021, concerning the form and content of annual reports of issuers or public companies, has been relatively effective in improving the quality of sustainability information disclosure. Notably, "paper waste reduction" scored highly, demonstrating the banks' commitment to environmentally friendly practices by focusing on operational activities through e-banking.

This study examines the extent of green banking disclosure in Indonesia, recognizing its significance as an indicator of a bank's dedication to sustainability initiatives and its potential to enhance its standing among stakeholders, encompassing investors, clients, and the broader community. The implication is that banks should augment transparency and responsibility in divulging their green banking endeavors. Achieving this could entail undergoing independent audits, furnishing more comprehensive reports, and fostering transparent communication with all stakeholders. Such measures could foster a stronger reputation, mitigate risks, and bolster access to funding, thereby facilitating enduring growth and sustainability. Additionally, banks could also conduct training sessions involving executives or directors to deepen their understanding of sustainability principles.

The study makes a significant academic contribution by potentially enhancing research methodologies utilized in sustainability and banking studies. This includes improving techniques such as content analysis, disclosure measurement, and sustainability performance assessment. For financial institutions, the research serves to raise awareness and understanding regarding the significance of disclosing green banking practices. It allows banks to develop a deeper understanding of the most pertinent and effective green banking practices.

Limitations: The green banking disclosure utilized still lacks information on environmental aspects such as reducing energy consumption and organizational energy consumption levels. Future research could incorporate indicators from different models, such as GRI guideline indicators, to identify disclosure items and provide more diverse analytical content. This could especially enhance analysis related to environmental aspects such as energy usage and social aspects such as customer satisfaction and product quality.
Acknowledgment

The author would like to express gratitude to the PP Muhammadiyah Diktilitbang Council and the Leadership of Universitas Teknologi Muhammadiyah Jakarta for their moral and material support, which contributed to the smooth completion of this research.

References


