

The Concept of Green Taxonomy in Strengthening the Financial Performance of The Islamic Banking Sector in Indonesia in Mitigating Greenwashing

Sri Anugrah Natalina¹, Rendi Ardika², Rofik Efendi³

Department of Accounting, Faculty of Islamic Economics and Business, UIN Syekh Wasil Kediri, Indonesia^{1,2,3}

Corresponding Author: Sri Anugrah Natalina (anugrah.sujadmiko@gmail.com)

ARTICLE INFO

Date of entry:
24 February 2026
Revision Date:
15 June 2026
Date Received:
19 June 2026
Published:
01 July 2026

ABSTRACT

In 2022, the G20 promoted green banking to support sustainable growth and balance. However, companies may engage in greenwashing to maintain their image. As regulated by the Indonesian Financial Services Authority (OJK), Islamic banking is expected to implement the green taxonomy through sustainable financing and transparent CSR practices. This explanatory study examines the effect of green taxonomy components on financial performance, with greenwashing as a mediating variable. Path analysis was applied to data from 132 Islamic Commercial Banks in Indonesia during 2010–2020. The results show that environmental and social dimensions significantly improve financial performance, proxied by ROA, supporting legitimacy theory, whereas governance has no significant effect. Greenwashing mediates only the relationship between social factors and financial performance but does not mediate the effects of environmental and governance factors. These findings highlight the importance of prioritizing green financing in accordance with OJK standards and implementing CSR programs that create measurable social and environmental benefits, such as community economic empowerment and validated environmental initiatives.

Keywords: Green Taxonomy; Greenwashing; Financial Performance



Cite this as: Natalina, S. A., Ardika, R., & Efendi, R. (2026). The Concept of Green Taxonomy in Strengthening the Financial Performance of The Islamic Banking Sector in Indonesia in Mitigating Greenwashing. *Assets: Jurnal Ilmiah Ilmu Akuntansi, Keuangan Dan Pajak*, 10(2), 236–251.
<https://doi.org/10.30741/assets.v10i2.1943>

INTRODUCTION

The market share data starting in 2020 show that Islamic banking has reached 6.18% of the total banking sector nationwide. (Financial Services Authority of the Republic of Indonesia, 2020) The national vision for Islamic banks is to work to realize or significantly contribute to the green economy, and to play a role in maintaining financial system stability to achieve equitable development and increase competitiveness. The assessment measures the consistency of Islamic banks in supporting green economy policies implemented in their operations. The Financial Services Authority (OJK) is one of the state institutions that help maintain economic stability. The efforts made are always sensitive to global constraints that impact the country. Amendments to the Law, as a form of being up to date on the problems that arise and a form of adjustment to the

existence of new regulations, are made to synergize various Laws into one Law. To support and realize efforts to develop and strengthen the financial sector in Indonesia in line with the increasingly complex and diverse development of the financial services industry, a fast-moving, competitive, and integrated national and international economy, and an increasingly developed financial system; and to strengthen the regulatory and supervisory framework for financial services institutions, new regulations and adjustments are needed in the financial sector. The implementation of this is stipulated in Law No. 4 of 2023 concerning the development and strengthening of the financial sector. This regulation is valid for implementation as of January 12, 2023.

Currently, in a country, financial system stability is needed. There is a need for synergy among various government institutions to achieve this goal; the integration of OJK, BI, LPS, and the Ministry of Finance is urgently needed. The institutions are then consolidated into a single forum, the Financial System Stability Committee. The committee's duties are as macroprudential and microprudential supervisors in the financial system safety net, as well as regulators and supervisors of the financial sector, and increasing public trust. The green economy is an international issue that all countries can realize in various sectors. This is due to global unrest over rising environmental pollution and evidence that the state of the Earth is no longer comfortable for humans. The green economy is also becoming increasingly necessary to address health crises, climate change, and extreme global warming. (Carlsson et al., 2021).

Table 1. Development of Sharia Commercial Bank Industry

Components	Year			
	2019	2020	2021	2022
Total Assets	318,06	397,07	586,04	661,02
Financing provided (PYD)	295,92	246,53	398,01	470,00
Third Party Funds (DPK)	318,06	322,85	462,41	531,54

Source: Data processed, Databox Katadata (2023)

The pattern of investment and governance in companies across various sectors in Indonesia has increased, with objectives aligned with the environmental, social, and governance (ESG) *concept*. According to Triyono (2018), the operational standards for measuring ESG investment indicators are commonly referred to as *sustainability measurement*. Refinitiv (2020) uses ESG scores to assess *sustainability*, either by dimension or simultaneously. Environmental disclosure focuses on aspects of water use, waste, energy, and operational emissions that can impact the environment. Social disclosure is the extent to which the pattern of relationships with employees and production results correlates with the surrounding environment. Governance disclosure refers to the management policy framework, including board structure and functions, corporate political involvement, and executive compensation. The definition of *greenwashing* was adopted from the *Encyclopedia of Corporate Social Responsibility* (2013), namely, the existence of information addressed to the public about the company's environmental performance. Still, the practice carried out is only for the purpose of deceiving the community. *Greenwashing* is also defined as a company's marketing strategy to create an environmentally friendly image without being carried out properly. (Department of the Environment BEM UI, 2020). The term "*greenwashing*," which refers to it, was coined by environmental activist Jay Westerveld in his 1986 essay. Westerveld found that *the practice of greenwashing* in hotel companies, namely by reusing towels, is an environmentally friendly strategy. Still, it is only a way to save on operating costs. Regulations on financial institutions' obligation to present *sustainability reports* are weak, making it easier for banks to engage in *greenwashing* to maintain their image.

Based on Kamla & Rammal (2013) and Hachicha & Ammar (2015), there is no consistency among Islamic commercial banks in their efforts to reduce poverty and support social welfare programs. Various studies show that Islamic commercial banks have not been fully committed to sustainability finance, as measured by financial inclusion. (Hamidi & Worthington, 2021; Khmous & Besim,

2020). The arguments put forward to claim that the performance of Islamic commercial banks has not been satisfactory in the green economy and sustainable finance are influenced by their low market share relative to conventional banks. Islamic commercial banks have not developed the capacity to compete with conventional banks, despite their long history. The Financial Services Authority issued a regulation on sustainable finance for banks in Indonesia in POJK Number 51/POJK.03/2017 (Application of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, 2017), which explains the implementation of sustainable finance for financial service institutions, issuers, and public companies. Under this regulation, banks are required to present sustainable financial statements. The regulation is strengthened by PBI Number 23/13/PBI/2021, which explains the macro-economic inclusive financing ratio for conventional commercial banks, Sharia Commercial Banks, and Sharia Business Units. (Macroprudential Inclusive Financing Ratio for Conventional Commercial Banks, Islamic Commercial Banks, and Sharia Business Units, 2021). Recently, following the 2022 regulation, Bank Indonesia and the Financial Services Authority issued the Green Taxonomy. (2022), which regulates the standardization of green definitions and criteria in the financial sector and monitoring facilities by regulators and government agencies.

The focus of implementing economic development achievements is on digital finance patterns, energy-efficient processes, *paperless processes*, and *virtual services*. In a nation, if the level of per capita income is not very high or very low, it will produce good environmental quality, and vice versa. If per capita income is moderate, then environmental quality is low. This refers to the Kurnetz curve. (Suparmoko, 2005). Other opinions by Shikha Jha et al. (2018), et al. (2021), and Sun et al. identify components of economic welfare, social inclusion, and environmental sustainability for measuring *inclusive green growth*. The correlation between green finance and energy conservation can encourage sustainable energy development. The opinion of L. He Zhang, Zhong, Wang, and Wang (2019) outlines that coal consumption in China has decreased with the implementation of green finance. The reduction of sulfur dioxide emissions and environmental sustainability can be achieved through the application of green finance, proxied by financial technology (Yan and Mungayi, 2021; Cen and Hen, 2018). Sustainability activities in the green taxonomy are divided into 3 pillars, namely *Environment, Social, and Governance (ESG)*. *Sustainability reporting* is also called bank financial statements that present information about economic, social, and environmental aspects based on the bank's work ethic, showing that the bank cares about the environment and supporting social legitimacy of *stakeholders*. The development of sharia-based institutions is accelerating today, so the basis for sharia accounting recording is the Sharia Financial Accounting Standards (SAS), which, in general, remains grounded in general accounting principles adapted to sharia principles. The concept of SAS is embodied in the Basic Framework for the Preparation and Presentation of Sharia Financial Statements (KDPPLKS), serving as a framework and reference for the development of Islamic financial accounting standards.

Risk management is a form of the precautionary principle applied to BUS. The regulation governing this is POJK No. 65/POJK.03/2016. (Application of Risk Management for Sharia Commercial Banks and Sharia Business Units, 2016). This risk management aims to reduce the negative impact of extreme weather events on BUS operational activities. Especially financing risks related to ESG, or what is referred to in the banking industry as financing in the Sustainable Business Activity Category (KKUB). Banking must serve as an intermediary in the financial sector and strengthen the country's resilience within the national financial system. Referring to the 1945 Constitution of the Republic of Indonesia as the basis of the state, the goal of the state is to create a just and prosperous people. The Government of Indonesia, in maintaining practices that can cause economic instability, has established Law No. 4 of 2023. Referring to OJK regulation, POJK No.65/POJK.03/2016 shows a gap in the practical approach for Islamic banks to integrate climate change risk into the Sustainable Business Activity Category (KKUB) without affecting their financial stability. In addition, the implementation of Law No. 4 of 2023 can create a compliance gap. An exploration of how Islamic commercial banks make operational adjustments to comply with these new regulations amid global

economic uncertainty is needed. Harmonization of Accounting Standards (SAS/KDPPLKS) with Green Taxonomy, namely sharia accounting that uses the basis of SAS and KDPPLKS, which are derived from general accounting, there seems to be a gap, namely the absence of a specific sharia accounting standard that regulates the assessment and reporting of green assets or carbon emission financing (ESG) in accordance with the OJK Green Taxonomy. In Islamic banking, sustainability reporting is generally used to gain social legitimacy with stakeholders. Meanwhile, there is a blurred boundary between BUS's motives for reporting on ESG, whether purely to maintain sharia values or to comply with OJK sanctions. This research aims to answer how the financial performance of the Islamic banking sector, using the concept of green taxonomy, mitigates greenwashing. The purpose of this study is to provide a scientific study of the role of Islamic banking in mitigating greenwashing practices by strengthening its financial performance and prioritizing the concept of green taxonomy. This research is novel in that it focuses on the new regulation issued in 2023, namely Law No. 4 of 2023 (P2SK Law). In contrast, existing research generally focuses on the OJK's previous regulations. In addition, previous research focused only on financing risk, market risk, or conventional operational risk, whereas this study introduced new financial risk variables mitigated by financing portfolios.

THEORETICAL FRAMEWORK AND HYPOTHESES

Financial performance is used to assess a company's performance, and this report is an obligation the company must provide. In banking institutions, overall performance is a description of a bank's achievements in running its business or operations across finance, promotion, and the collection and distribution of funds. The company's performance will also be assessed by how human resources carry out operations to achieve its goals. According to Anggraini (2012), the concept of presenting financial statements is that they are a collection of a company's transactions. It can be compared between years within the company or between similar companies. Financial ratios are a set of metrics used to assess a company's performance across liquidity and stability. Achieving the goals of a company's assessment of its financial exam. (Sari, 2010). Financial performance is an overview of the company's financial condition, including profitability. (Wahususmiah, 2015). Information from financial statements can be used to predict the company's future condition. (Prasojo, 2015).

The sustainability report shows a positive relationship with ROA. (Wijayanti (2016). Mulyadi (2013, p. 416) defines good financial performance as the successful management of a company's finances. Financial performance is an overview of a company's development and growth prospects, both internally and relative to similar companies. Sustainability-based business development is an important issue in today's world. One of the countries with a high agency problem is Indonesia, given its status as a developing country. The proof is that managers use the concept of sustainability as a tool to hide the company's bad news from stakeholders. (Masulis & Reza, 2015) The impact is that if bad news is known to the market, stock prices can decline, and consumer and investor confidence also fall. The relationship between sustainability implementation and financial performance is that the better a company's sustainability implementation, the better its financial performance. This relationship supports the existing theory, namely the stakeholder theory. The benefits of ESG make the company appear more attractive to investors, thereby increasing the market value of its assets. The long-term goal of a company is to optimize its value. (Wahyudi & Pawestri, 2006). One way to assess a company's value is to look at its share price. (Fama, 1978). The company needs a consistent financial management function to achieve its value. Financial decision-making will impact other financial decisions, thereby affecting financial performance and company value. (Fama & French, 1998). Financial performance, according to Fahmi (2018, p. 142), is an analysis that the company has carried out to implement the rules for running finances properly. A company's good financial performance is the proper implementation of applicable rules.

Environmental information is at the center of international attention today. International consistency in protecting the earth has resulted in almost all countries making regulations aimed at businesspeople that promote environmentally friendly business activities. The company's compliance with government regulations has led to attempts to deceive to obtain a good title. This practice is known as greenwashing. The increasing practice of greenwashing causes confusion among the community and stakeholders, with claims of being environmentally friendly that do not align with their benefits. (Pomeroy & Johnson, 2009) Public confusion is caused by the lack of synchronization of existing information related to the company's performance in its sustainability program. (Turnbull et al., 2000) Lyon and Maxwell (2011) state that companies that implement sustainability initiatives may be doing so only to enhance their reputation or as a corporate promotion strategy. Brand credibility can be built through eco-friendly initiatives, namely by working with environmental protection organizations. Companies can introduce eco-friendly products using existing trusted brands (Ng et al., 2014). However, credibility can be easily destroyed when an instant mistake occurs, namely, a trust problem. Chen and Chang (2013b) outline that greenwashing creates consumer confusion, increases risk perception, and negatively affects green beliefs. A credible brand can be measured by two dimensions, namely expertise and trust. (Erdem & Swait, 1998, 2004) The definition of expertise is a company's ability to deliver on its promises to consumers, while trust is evidence of any company's willingness to fulfill those promises. (Baek et al., 2010) Brand investment can be interpreted as the process of creating and managing brand credibility. (Erdem & Swait, 1998) Brand investment can be referred to as a company's expenditure on the brand. This is a long-term relationship that the brand has promised to maintain.

Empirical testing of sustainability activities in Asia has been limited, especially research examining greenwashing practices and environmental risk issues. (Mengze & Wei, 2015). If greenwashing is known to the public, it will damage the company's image, further reducing public trust. Trusted brands will be purchased more often than competitors' brands that do not generate high levels of trust (Knox, 2004; Sichtmann, 2007). Findings show that brand power and price information affect consumer preferences (Chitturi et al., 2010). Consumers are willing to pay higher prices for credible and reliable brands (Netemeyer et al., 2004). The green taxonomy provides an overview and classification of subsectors to be categorized as green, based on scientifically grounded principles. The ultimate goal is to inhibit and limit the development of greenwashing practices. The company's performance report is divided into 2 components: the main report, an annual financial report, and a complementary sustainability report. The presentation of sustainability reporting is regulated in the Statement of Financial Accounting Standards (PSAK) No. 1, paragraph nine (Indonesian Institute of Accountants, 2014), namely, PSAK allows companies to present additional reports, such as environmental reports, as a form of value-added reporting. The implementation of sustainability reporting in Indonesia is supported by various regulations, such as Law No. 23/1997 on environmental pollution (Law on Environmental Management, 1997), which impose obligations to maintain environmental sustainability and prevent pollution. Indonesia's Green Taxonomy (2022) aims to limit and guide education for banking institutions and customers to transition to a green economy. BUS must create an ESG-focused KKUB financing portfolio map. The strategy applied to green banking for the environmental dimension focuses on the efficient use of electricity, water, and paper, as well as waste management. With regulations in place, companies operating in the green economy follow established guidelines, thus minimizing the risk of greenwashing.

In this study, it connects the main theories between Legitimacy Theory, Stakeholder Theory, and Agency Theory. ESG is believed to increase the trust of prospective customers, customers, and investors. This refers to *Stakeholder Theory*, which holds that if a business unit meets Environmental, Social, and Governance (ESG) criteria, it is considered to be performing well. Sharia Commercial Banks (BUS), with their green financing products, can mitigate climate risks (POJK No. 65) and attract market segments, especially customers who care about sharia. This can lower long-term operational costs because green investment costs will only erode short-term costs and increase Return on Assets (ROA). With the introduction of new regulations from the OJK, Islamic

banking managers will face significant pressure to implement the green taxonomy and present perfect sustainability reports. In *Agency Theory*, it creates an incentive to maintain an instant image that can trigger information asymmetry, namely, the actions of managers, who are more likely to make excessive green claims (*greenwashing*) that are difficult for the public to verify. *Greenwashing* is an action that serves as a managerial strategy by manipulating pseudo-legitimacy. In the short term, it may appear that social imagery can increase profitability, but the impact is a deceptive positive market response. However, in the long term, applying *greenwashing* to environmental or governance aspects without real action will fail to drive an increase in financial performance, as the market or the regulator (OJK) can quickly detect the falsity of the data.

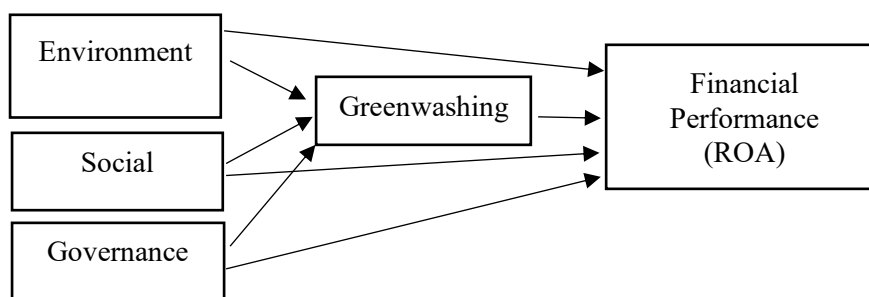


Figure 1. Relationship between Variables in Research

Source: Adapted from *Author et al.*

Sharia Commercial Banks in Indonesia are vulnerable to greenwashing to gain legitimacy from the government and other stakeholders. This study will test the implementation of green taxonomy through the sustainability activity criteria of BUS sustainability in applying green criteria to company operations. Proof that the practice of greenwashing is carried out is in the name of the company/BUS that gains consumers' trust to become its customers. Meanwhile, the strengthening of BUS performance is driven by the growth of ROA BUS.

H₁: There is an influence of Green Taxonomy (environment, social, and governance) on financial performance

The Green Taxonomy is based on how companies carry out sustainability activities. There are three main dimensions in the green taxonomy: environmental, social, and governance. The environment dimension is assessed from the information in the financial statements of Islamic banking, namely from banking policies in providing financing for the productive sector, or financing for investment or participation. The measurement tool used is in accordance with the IPI measurement concept. In the social dimension, the focus is on the concept of distributing corporate zakat or the zakat performance ratio (ZPR). The frequency of DPS meetings with the board of directors and the provision of briefings and evaluations on banking performance measure the consistency and continuity of DPS's supervision of Islamic banking.

H₂: There is an influence of green taxonomy on greenwashing

Brand credibility is an effort to manage and maintain consumer consumption despite the risk of consumption. The existence of a good relationship or strong bond between consumers and brands illustrates this. (Leischnig et al., 2012) A company's positive environmental influence can affect continuity or purchase intention (Rahbar et al., 2011). Research by Labafi et al. (2019) advises company leaders to replace polluting and hazardous materials within the organization. The intention that organizations must focus on minimizing material use and waste generation during production and distribution, as well as on reuse and recycling, and on processes that impact operations and environmental performance in the company.

H₃: There is an influence of green taxonomy on financial performance through greenwashing

The concept of taxonomy through sustainability activities, as presented in sustainability reporting, influences financial performance (Hirigoyen et al., 2005). According to LeBlanc and DeRose (2013, p. 13), voluntary and open disclosure of sustainability reports provides information to investors, and transparency in government policies and in sustainability disclosure is positively related to return on assets and cash flow from company operations. Research by Soelistyoningrum and Prastiwi (2011), Burhan and Rahmanti (2012), Dewi and Sudana (2015), and Wijayanti (2016) indicates that the disclosure of sustainability reports affects financial performance, as measured by ROA.

METHODS

This research aims to analyze 'The Concept of Green Taxonomy in Strengthening the Financial Performance of the Islamic Banking Sector in Indonesia in Mitigating Greenwashing', and is therefore of an explanatory type. According to Eferin et al. (2004, p. 9), phenomena that arise as research arguments are carried out are described in detail and developed to find explanations and arguments for why they occur. In this study, the aim is to identify the cause of a phenomenon through hypothesis testing. Data analysis will use the path analysis approach, which tests the components of green taxonomy with financial performance through greenwashing. The population in this study comprises Sharia Commercial Banks registered with the Financial Services Authority (OJK) from 2010 to 2020. Sharia Commercial Banks used as research samples numbered 12 BUS. Here is the path analysis with panel data; the model statistics are divided into two structural equations:

Equation 1 (Testing the Greenwashing Factor Trigger):

$$\text{Greenwashing}_{it} = \alpha_1 + \beta_1 E_{it} + \beta_2 S_{it} + \beta_3 G_{it} + e_{1it}$$

Equation 2 (Testing Financial Performance/ROA):

$$\text{ROA}_{it} = \alpha_2 + \beta_4 E_{it} + \beta_5 S_{it} + \beta_6 G_{it} + \beta_7 \text{Greenwashing}_{it} + e_{2it}$$

Description:

1. i = i th Sharia Commercial Bank (1 to 12)
2. t = Year t (2010 to 2020)
3. E, S, G = Green taxonomic index/pillar score (ESG)
4. e_1, e_2 = *Error term* (other variables that were not examined)

ROA drives Financial Performance, or the Ability of Sharia Commercial Banks (BUS) to generate profits from all assets under management, calculated as profit before tax divided by total assets, multiplied by 100%. The Green Taxonomy is proxied with ESG components (Independent Variables; X_1, X_2, X_3); this variable will be measured using content *analysis* in the Sustainability Report with the GRI Standards index checklist (which is aligned with the OJK Green Taxonomy document. Environmental (X_1): Focus on the disclosure of Green Financing (KKUB) allocations, office energy efficiency, and climate risk mitigation (based on POJK No.65/POJK.03/2016). Measured by the portion of items disclosed divided by the total number of items in the GRI environment. Social (X_2): Focus on disclosing CSR fund distribution, community economic empowerment, partnerships, and sharia-based MSME financing. Measured by the ratio of GRI's social disclosure. Governance (X_3): Focus on the structure of sharia governance, the effectiveness of meetings of the Board of Directors, Board of Commissioners, and the role of the Sharia Supervisory Board (DPS) in overseeing aspects of green compliance. Measured by the GRI governance disclosure ratio. Greenwashing (M) will be measured using the ESG Decoupling/ESG Discrepancy Index. This formula calculates the difference between *what is claimed in the report* (ESG Disclosure Score/Promise) and *what is financially allocated* (Green & Social Financial Budget Performance/Realization Score).

This analysis path will test for direct influence by measuring the direct impact of ESG on ROA without going through intermediaries. This path aims to prove, based on Legitimacy Theory, whether genuine green commitments are responded to instantly by the market. Next, it tests the indirect influence: measuring the impact of ESG on ROA must first pass through the door of *Greenwashing*. This path will show whether the opportunistic behavior of management (*Agency Theory*), namely, whether the false image succeeds in boosting profitability or fails because regulators detect it. Finally, this test will assess the total influence, which is the sum of direct and indirect influences. This result will provide a complete and comprehensive picture of the net impact of ESG implementation on BUS performance.

RESULTS AND DISCUSSION

A company can give a positive signal by continuing to report on sustainable activities; good financial performance also indicates future results, as well as the results of an empirical test that tests performance with a proxy for profitability. Empirical tests that have tested the relationship between the concept of green taxonomy through ESG sustainable activities and financial performance, namely Duy, Thinh, & Hue (2022); Sungjin, & Jootae (2022); Velte (2017); Nisar, Asma, & Naheed (2021); Zia, et.al (2020); Marilyn (2021); Mustofa, et.al (2020), with the result that there is a positive relationship between the two.

Table 5. Normality Test

Normality Test	Mean	Std.Deviation	Asymp.Sig(2-tailed)
EV (Environment), SC Social), GV (Governance) GW (Greenwashing)	0.00	0.07	0.20
EV (Environment), SC (Social), GV (Governance) GW (Greenwashing) KK (Financial Performance)	0.00	1.01	0.12

Source: Data Processed

The financial statement data of Sharia Commercial Banks were tested, with as many as 127 pieces from the initial data of 132, because it was an outlier. The concept of green taxonomy: Environment, Social, and Governance towards Greenwashing shows that the data is normally distributed because the value of Asymp. Sig. Sig. (2-tailed) is more than 5%, i.e., 0.12 or (0.05 < 0.12). Meanwhile, for Environment, Social, Governance, and Greenwashing on Financial Performance, the data shows a normal distribution because the value of Asymp. Sig. (2-tailed) is more than 5%, namely: 0.20 or (0.05 < 0.20).

Table 6. Multicollinearity and Autocorrelation Test

Multicollinearity and Autocorrelation Test	Eigenvalue (k)	Condition Index (CI)	Chi Square
EV (Environment), SC (Social), GC (Governance) GW (Greenwashing)	756.6	27.51	81.15
EV (Environment), SC (Social), GV (Governance) GW (Greenwashing)	941.0	28.96	78.74

Multicollinearity and Autocorrelation Test	Eigenvalue (k)	Condition Index (CI)	Chi Square
KK (Financial Performance)			
Source : Data Processed			

If the Condition Index is >30 and the Eigenvalue is <0.001 , multicollinearity is present. The test results for Environment, Social, and Governance on Greenwashing showed an Eigenvalue (k) of $756.6 > 0.001$ and a Condition Index (CI) value of $27.51 < 30$, indicating that the data used did not experience symptoms of multicollinearity. The autocorrelation test indicates that the Chi Square probability value is > 0.05 , so there is no autocorrelation. The test results show that the chi-square probability value exceeds the significance level. Hence, the LM test concludes that the data do not exhibit autocorrelation. Likewise, the results of the Environment, Social, Governance, and Greenwashing test on Financial Performance showed that the Eigenvalue (k) $941.0 > 0.001$ and the Condition Index (CI) value of $28.96 < 30$, indicating that the data used did not experience symptoms of multicollinearity. The autocorrelation test indicates that the Chi-Square probability value is > 0.05 , so there is no autocorrelation. The test results show that the chi-square probability value is greater than the significance level. Hence, the LM test indicates that the data do not exhibit autocorrelation.

Table 7. Variable Significance Test

Influence between Variables	Path Coefficient (Beta)	Std. Error	T value	Significance value
X ₁ (EV) against Y ₁ (GW)	.295	.009	3.431	.001*
X ₂ (SC) against Y ₁ (GW)	-.279	.005	-3.217	.002*
X ₃ (GC) against Y ₁ (GW)	.136	.022	1.601	.112
X ₁ (EV) against Y ₂ (KK)	-.331	.139	-3.789	.000*
X ₂ (SC) against Y ₂ (KK)	.290	.070	3.298	.001*
X ₃ (GC) against Y ₂ (KK)	-.055	.322	-.657	.051
Y ₁ (GW) against Y ₂ (KK)	-.112	1.280	-1.278	.204

* Significant at α : 5%

Source: SPSS secondary data processing results

Based on the results of the significance test, the environmental and social variables showed that they were significant for greenwashing, while the governance variable showed different results, namely, not significant for greenwashing. This means that the environment and society have an influence on greenwashing, or H_a is accepted. The governance variable showed results that there was no influence on Greenwashing, or H_a was rejected. The same results for environmental and social variables on financial performance showed a significant relationship, and governance did not have a significant relationship with financial performance. There is a positive and significant influence of environmental variables on financial performance, proxied by ROA or H_a received. There is a negative and significant influence of social variables on financial performance, which is proxied by ROA or H_a rejected. The governance variable shows the result that there is no influence and is not significant on financial performance (ROA) or H_a is rejected. The same is true for greenwashing, which has no effect and is not significant on financial performance, or H_a is rejected.

The framework of the empirical causal relationship between X₁ (Environment), X₂ (Social), X₃ (Governance) against Y₁ (Greenwashing) and Y₂ (Financial Performance) formed from the equation is as follows:

$$\begin{aligned}
 \text{Model 1} \quad \text{Greenwashing}_{it} &= \alpha_1 + \beta_1 E_{it} + \beta_2 S_{it} + \beta_3 G_{it} + e_{1it} \dots \dots \dots \text{equation 1} \\
 &= -0.369 + 0.032 - 0.015 + 0.036 + e \\
 &= -0.369 + 0.032 - 0.015 + e
 \end{aligned}$$

$$\text{Model 2 } ROA_{it} = \alpha_2 + b_4E_{it} + \beta_5S_{it} + \beta_6G_{it} + \beta_7\text{Greenwashing}_{it} + e_{2it} \dots \text{equation 2}$$

$$= 0.002 - 0.525 + 0.232 - 0.211 - 1.635 + b$$

Table 8. Influence Between Variables

Variables	Influence between	Direct Influence	Indirect Influence	Total Impact
X ₁ (<i>EV</i>) against Y ₂ (KK)		-.331	.033	.060
X ₂ (<i>SC</i>) against Y ₂ (KK)		-.055	.006	-.048
X ₃ (<i>GC</i>) against Y ₂ (KK)		.290	.003	-.293

* Significant at α : 5%

Source: SPSS secondary data processing results

The direct influence is greater than the indirect influence, so Y₁ Greenwashing is unable to mediate the influence of X₁ environment on Y₂ financial performance. This is evidenced by the direct influence of X₁ on Y₂ being -0.331, while the indirect influence of X₁ on Y₂ is -0.033. The total influence of direct and indirect influence is 0.06. The direct influence is smaller than the indirect influence, so that Y₁ Greenwashing can mediate the influence of X₂ social on Y₂ financial performance. This is evidenced by the direct influence of X₂ on Y₂ being -0.055, while the indirect influence of X₂ on Y₂ is 0.006. The total influence is the sum of the direct and indirect influences, which is -0.048. The direct influence is greater than the indirect influence, so Y₁ Greenwashing cannot mediate the influence of X₃ governance on Y₂ financial performance. This is proven by the direct influence of X₃ on Y₂ = 0.290, while the indirect influence of X₃ on Y₂ is 0.003. The total influence, combining direct and indirect effects, is -0.293. Environmental and social variables influence financial performance, as evidenced by ROA among Sharia Commercial Banks in Indonesia, supporting the legitimacy theory. The theory of legitimacy outlined in this study is evident in the strong bond between the company and the community, and in the company's obligation to continually legitimize its institution by carrying out corporate social responsibility. Social activities carried out by the company will increase public trust. In addition, consistent environmental activities will impact future financial performance, i.e., the company will achieve better profitability. Sustainability activities for the environment show positive results for financial performance. This supports the findings of Martha et al. (2018), which find that financial performance is positively and significantly influenced by environmental performance. But it also does not support the research by Tarigan and Samuel (2015), which finds that the results are insignificant, indicating that the environmental dimension does not influence the financial performance of companies, proxied by ROA.

Islamic banking must be able to provide an example of consistently implemented sharia by showing how zakat is applied, both in collection and distribution. In the annual financial statements, there is a report on the collection of zakat and the use of zakat funds. Transparent disclosure of zakat can increase customer trust and public will, as it is perceived that Islamic banking provides benefits. Social variables have a significant negative influence on financial performance, as measured by ROA; these results support the research of Wijayanti (2016), Puspitandari et al. (2017), and Hartini (2019). This result suggests that the disclosure of the company's social activities will not always directly impact the community related to decision-making. Still, it can influence the public to use the company's products. The existence of DPS in Islamic banking reinforces the public's and customers' understanding that Islamic banking operations are supervised and guaranteed to be implemented in accordance with sharia. The average number of meetings held by DPS in Islamic banking in Indonesia is once a month. However, some things can be done more often if there are problems that need to be solved. The intensity of the meeting was used as a measure of the consistency of Islamic banking's governance practices. However, this study shows results that reject the argument that the intensity of DPS cannot be used as a measure of well-maintained corporate governance.

Empirical tests have been conducted to examine the relationship between governance and financial performance. Evidence of a positive relationship between governance and financial performance is provided by Latif et al. (2017) and Nazir & Afza (2018). Another study was conducted by Agwili and Gerged (2020), describing the implementation of governance with a well-designed mechanism, showing that public shareholders' monitoring and the impact on management will improve financial performance and company value. These results reject previous research; it is possible that governance cannot be understood solely through the role of DPS in banking institutions. Greenwashing is influenced by environmental and social variables, as shown by the results of research from Li, Lu, & Lin (2022), that green policies do not improve profitability and sustainability performance, but are expected to contribute to supervision and evaluation from the board to become more continuous so that the practice of Greenwashing can be minimized. The current era of globalization underscores the importance of the banking sector as a source of capital for business actors seeking to achieve sustainable development (Mishal et al., 2017). In 2022, through the G20, which represents countries and international banking institutions, the implementation of green banking was established, emphasizing massive, sustainable, and balanced growth. However, there is also an increase in company managers' desire to maintain the company's image by engaging in greenwashing practices.

This research shows that environmental pressure can trigger greenwashing in Islamic banks; this is used as a self-defense tactic. By contrast, those with social commitments succeed in suppressing the practice of false image policies. The presence of high social action indicates that it can boost profitability, while implementing environmental initiatives entails considerable costs or additional burdens. The presence of greenwashing by managers did not affect profits, so this result confirms that greenwashing is not an effective mediator between environmental issues and financial performance. This result suggests that Islamic banks need to focus on real social actions and reduce false environmental imagery to achieve long-term improvements in financial performance. Based on the results of this study, the strategic steps that must be taken by Islamic banking include: a). Avoid greenwashing; Islamic banking should focus on budget reallocation, namely by means of funds prepared for advertising campaigns or "environmentally friendly imagery" diverted to financing renewable energy projects or environmentally friendly MSMEs in real terms; b). Improve Social Programs: Islamic banking must strengthen real social programs that touch the lower classes, including: optimization of ZISWAF funds integrated with Qardhul Hasan financing; c). Environmental innovation, even though it is expensive, is required for the transition to green financing; it. It entails high costs (compliance costs), which are used for HR training to conduct climate risk assessments according to the OJK Green Taxonomy standards. Islamic banking managers must view this high environmental cost as a long-term investment for the bank's resilience to external climate change risks (in accordance with POJK No.65/POJK.03/2016) and long-term compliance with Law No. 4 of 2023.

Referring to a report from Urgewald, the institution in Germany stated that there are still 6 banks in Indonesia that provide loans/financing to companies in the coal sector. In 2020, BNI, one of the banks, mentioned in its sustainability report a commitment to implementing sustainable finance to reduce GHG emissions. In fact, coal is a highly destructive fossil fuel; its damage can affect not only the environment but also human health. According to Lauri Myllyvirta, an activist with Greenpeace International, the use of coal can result in 60,000 Indonesians dying every year. In addition, according to Donna Lisenby, the Global Waterkeeper Alliance's coal campaign coordinator, about 26% of babies born around coal mines have potential disabilities. In the climate crisis, GHG emissions from coal accelerate it. The combustion of coal produces more CO₂ per unit of energy than other fossil fuels. Greenwashing practices continue to grow, along with increasingly stringent sustainability regulations. If there are no strict sanctions for greenwashing practices, this step will be the company's choice to make. For example, in Brazil, as a country that has implemented green banking since 2008, only 11% of bank loans were based on new energy and low-carbon agriculture considerations in 2013. While the Chinese state has been implementing since 2007, showing that in

2015 no more than 10% of the best banks in China implemented Green Credit and green banking systems. Mexico has had Sustainability Protocols since 2016, and Turkey has had 18 banks report on sustainability. (Mishal et al., 2017) The Indonesian state has been regulating sustainability reporting since 2009, and continues to develop the concept of its application to minimize the practice of Greenwashing.

According to Jeucken (2004), as described in Rahman (2016), green banking is understood in various aspects, including investment management, deposits, housekeeping, the acceptance and development of human resources, corporate social responsibility (CSR), and awareness among customers and the wider community. An awareness of environmental and climate change issues linked to business opportunities is needed (Cogan, 2008). The commitment of Sharia Commercial Banks in Indonesia to sustainability activities and preventing greenwashing is that each bank will create programs and strategies to realize concern for the environment. In 2021, BTPN sharia banks disbursed sustainable financing of 12.04 trillion. In addition, it is a member of the Net-Zero Banking Alliance, which has a shared commitment to align financing and investment portfolios with greenhouse gas emissions targets to achieve net-zero emissions by 2050 (Darmawan & Widiarini, 2022). In the past three years, Bank Mandiri Syariah has disbursed green sector financing of 221 trillion, or 11.1%, focused on green energy programs, namely FMCG, energy development, CPO-based energy, meta mining, and sustainability strategies in accordance with DC. OJK appreciates the increasing distribution of green sector financing with the issuance of bonds that support Greenwashing. There are two banks, namely BRI Syariah and Bank Mandiri Syariah, that have issued global sustainability bonds totaling 12.25 trillion (Republika.co.id, Friday 10/2/2023). In 2021, BCA Syariah disbursed sustainable financing of 43.3 trillion yuan, of which 31.8% went to the living, natural resources, management, and sustainable land use sectors. In the same year, BRI's sharia sustainable portfolio was disbursed to MSMEs amounting to 588.6 trillion, or 64.5% of total loans (Kontan co. idm, Friday 10/2/2023).

Overall, the results of this study remain consistent with the legitimacy and stakeholder theories. Sharia Commercial Banks in Indonesia are committed to implementing green banking, or the concept of green taxonomy, through sustainability activities as a form of interaction with the community and its environment, and to implementing government-set social norms and regulations. ESG performance in banking continues to improve, underscoring that stakeholders have supported banking performance. The reputation of Islamic banking is expected to increase, which can cause profitability also to increase. The function of the Financial Services Authority (OJK) as a supervisory institution for financial institutions will be one of the sources of public trust for minimizing the practice of greenwashing in banking institutions, with the existence of Law No. 4 of 2023, which aims to realize the contribution of the financial sector to achieve inclusive economic growth, sustainability, and justice in improving people's lives, to minimize economic inequality. Based on the results of this study, the recommendation to the management of Sharia Commercial Banks (BUS) is to divert the inefficient environmental marketing budget (greenwashing) towards internal capacity building and to integrate Islamic social financial instruments (ZISWAF/Qardhul Hasan) into MSME financing to optimize financial performance. The Financial Services Authority (OJK), when issuing policies, can always monitor the implementation and difficulties experienced by the regulated entities. One of them is to accelerate the standardization of sharia-compliant green accounting and to provide financial incentives to mitigate the impact of the environmental transition on banks' profitability. Furthermore, the next research expands the greenwashing proxy using artificial intelligence-based sentiment analysis. These suggestions and recommendations aim to strengthen governance, regulatory compliance, and the sustainability of Indonesia's Islamic banking sector.

Follow-up recommendations are aimed at the policies of the Financial Services Authority (OJK), including: a). Providing Incentives for the Green Transition. The goal is that this incentive can reduce the Bank's financial burden. OJK not only focuses on tightening regulations but also

prioritizes ensuring that the regulated entity has ease in implementing its policies. Forms of regulation that can provide relief to Islamic banking in implementing regulations set by the OJK include: easing the maximum limit for financing (BMPP), reducing the weight of Risk-Weighted Assets (ATMR) specifically for the sharia-based sustainable business sector (KKUB), or providing a green certification fee subsidy scheme for MSME customers in Islamic banking. These measures can mitigate the short-term financial risks of Islamic banks when transitioning portfolios, while reducing managers' motivation to engage in greenwashing practices due to the pressure to comply with new standards; b). There is standardization in the disclosure of social reports, which helps limit the practice of Greenwashing. OJK needs to tighten supervision of reports by integrating sharia social financial instruments into the assessment matrix. This regulation requires Islamic banks to provide standardized accounting and reporting, in collaboration with the Sharia Financial Development Committee (KPKS), on the distribution of integrated social financing, such as ZISWAF and Qardhul Hasan funds. Strict and transparent supervision based on the ESG Decoupling Index will compel Islamic banking to present real data on social and environmental activity, so that the loophole for management to manipulate information for the sake of pseudo-legitimacy can be completely closed.

CONCLUSION

The conclusion of the results of this study is that the implementation of the Green Taxonomy (ESG) component shows that it can have a non-uniform impact on the financial performance (ROA) of Islamic Commercial Banks in Indonesia, which refers to the Legitimacy Theory. The social aspect shows that the results are proven to have a positive and significant influence on ROA, which is due to the existence of a real successful social commitment that aligns bank values with societal norms, so as to gain social recognition that triggers customer loyalty and bank profitability. Different results on the environmental aspect showed a significant negative influence, caused by the high initial investment cost and compliance costs for the green financing transition in Indonesia, and the latter the governance aspect was shown to have no significant influence on the bank's financial performance. Testing of greenwashing behavior can provide information on the applicability of Agency Theory, the existence of obligations or demands of green regulations encourages managers to act opportunistically by conducting false environmental imagery in order to maintain an instant image in the eyes of principals and regulators. However, based on the real social commitment of Islamic banks, it is proven to be able to minimize or reduce this information asymmetry and can suppress the intention of managers to carry out greenwashing actions. This is evidenced by the results of the path analysis that greenwashing fails to be an effective mediation variable, because the practice of manipulating the report actually has a negative impact on the bank's profitability, or confirms that spending on green imaging will only be a dead cost that is not responded positively to by the Islamic banking market that prioritizes the value of honesty (trust).

REFERENCES

- Carlsson, F., Gravert, C., Johansson-Stenman, O., & Kurz, V. (2021). The use of green nudges as an environmental policy instrument. *Review of Environmental Economics and Policy*, 15(2), 216–237.
- Darmawan, E. S., & Widiarini, A. D. (2022, April 26). Program Pembiayaan Hijau, Wujud Nyata Sektor Perbankan dalam Membangun Masa Depan Berkelanjutan. *Kompas.Com* (Online). <https://money.kompas.com/read/2022/04/26/143203126/program-pembiayaan-hijau-wujud-nyata-sektor-perbankan-dalam-membangun-masa?page=all>
- DATABOX Katadata. (2023). Perkembangan Industri Bank Umum Syariah. Data Kata Media Work. <https://databoks.katadata.co.id/tags/bank-syariah>

- Departemen Lingkungan Hidup BEM UI. (2020). Greenwashing: Ketika Realita Tak Sehijau Kata-Kata. Universitas Indonesia. <https://green.ui.ac.id/greenwashing-ketika-realita-tak-sehijau-kata-kata/>
- Dewi, K. E. C., & Sudana, I. P. (2015). Sustainability Reporting Dan Profitabilitas (Studi Pada Pemenang Indonesian Sustainability Reporting Awards). *Jurnal Ilmiah Akuntansi Dan Bisnis*, 10(1). <https://ojs.unud.ac.id/index.php/jiab/article/view/16812>
- Djajadiningrat, S. T., Hendriani, Y., & Famiola, M. (2014). *Green Economy (Ekonomi Hijau)*. Penerbit Rekayasa Sains.
- Erdem, T., & Swait, J. (2004). Brand Credibility, Brand Consideration, and Choice. *Journal of Consumer Research*, 31(1), 191–198. <https://doi.org/10.1086/383434>
- Fahmi, I. (2018). *Analisis Kinerja Keuangan: Panduan bagi Akademisi, Manajer, dan Investor dan Menganalisis Bisnis dari Aspek Keuangan*. Alfabeta.
- Fama, E. (1978). The Effects of a Firm's Investment and Financing Decisions on the Welfare of Its Security Holders. *American Economic Review*, 68(3), 272–284. <https://econpapers.repec.org/RePEc:aea:aecrev:v:68:y:1978:i:3:p:272-84>
- Gerged, A. M., & Agwili, A. (2020). How corporate governance affect firm value and profitability Evidence from Saudi financial and non-financial listed firms. *International Journal of Business Governance and Ethics*, 14(2), 144. <https://doi.org/10.1504/IJBGE.2020.106338>
- Hachicha, N., & Ben Amar, A. (2015). Does Islamic bank financing contribute to economic growth? The Malaysian case. *International Journal of Islamic and Middle Eastern Finance and Management*, 8(3), 349–368. <https://doi.org/10.1108/IMEFM-07-2014-0063>
- Hamidi, M. L., & Worthington, A. C. (2021). Islamic banking sustainability: theory and evidence using a novel quadruple bottom line framework. *International Journal of Bank Marketing*, 39(5), 751–767. <https://doi.org/10.1108/IJBM-06-2020-0345>
- Hartini, H., & Rahayu, D. H. (2019). Pelaksanaan Corporate Social Responsibility (CSR) dan Kinerja Perusahaan Manufaktur di Indonesia. *Media Riset Bisnis & Manajemen*, 18(1), 11. <https://doi.org/10.25105/mrbm.v18i1.4991>
- Harun, M. S., Hussainey, K., Mohd Kharuddin, K. A., & Farooque, O. Al. (2020). CSR Disclosure, Corporate Governance and Firm Value: a study on GCC Islamic Banks. *International Journal of Accounting & Information Management*, 28(4), 607–638. <https://doi.org/10.1108/IJAIM-08-2019-0103>
- Haryati, S. (2016). Studi Tentang Model Prediksi Tingkat Kesehatan Bank Umum Swasta Nasional Indonesia. *Ventura*, 9(3), 1–19.
- He, L., Zhang, L., Zhong, Z., Wang, D., & Wang, F. (2019). Green credit, renewable energy investment and green economy development: Empirical analysis based on 150 listed companies of China. *Journal of Cleaner Production*, 208, 363–372. <https://doi.org/10.1016/j.jclepro.2018.10.119>
- Helfert, E. A. (1997). *Teknis Analisis Keuangan: Petunjuk Praktis untuk Mengelola dan Mengukur Kinerja Perusahaan* (H. Wibowo (Trans.)). Erlangga.
- Ikatan Akuntan Indonesia. (2014). *PSAK 1 Penyajian Laporan Keuangan*. Ikatan Akuntan Indonesia.
- Jha, S., Sandhu, S., & Wachirapunyanont, R. (2018). Inclusive Green Growth Index: A New Benchmark for Quality of Growth. <https://doi.org/10.13140/RG.2.2.30764.10889>
- Khmous, D. F., & Besim, M. (2020). Impact of Islamic banking share on financial inclusion: evidence from MENA. *International Journal of Islamic and Middle Eastern Finance and Management*, 13(4), 655–673. <https://doi.org/10.1108/IMEFM-07-2019-0279>
- Knox, S. (2004). Positioning and branding your organisation. *Journal of Product & Brand Management*, 13(2), 105–115. <https://doi.org/10.1108/10610420410529735>
- Labafi, S., Salamzadeh, Y., & Jalalpoor, M. (2019). Green Supply-Chain Management and Green Purchase Intention, The Role of Green Brand-Equity. 23–33. <https://doi.org/10.15405/epsbs.2019.08.3>
- Li, J., Huang, D. Q., Zou, B., Yang, H., Hui, W. Z., Rui, F., Yee, N. T. S., Liu, C., Nerurkar, S. N., Kai, J. C. Y., Teng, M. L. P., Li, X., Zeng, H., Borghi, J. A., Henry, L., Cheung, R., & Nguyen,

- M. H. (2021). Epidemiology of COVID-19: A systematic review and meta-analysis of clinical characteristics, risk factors, and outcomes. *Journal of Medical Virology*, 93(3), 1449–1458. <https://doi.org/10.1002/jmv.26424>
- Li, X., Lu, T., & Lin, J.-H. (2022). Bank Interest Margin and Green Lending Policy under Sunflower Management. *Sustainability*, 14(14), 8643. <https://doi.org/10.3390/su14148643>
- Masulis, R. W., & Reza, S. W. (2015). Agency Problems of Corporate Philanthropy. *Review of Financial Studies*, 28(2), 592–636. <https://doi.org/10.1093/rfs/hhu082>
- Mengze, H., & Wei, L. (2015). A Comparative Study on Environment Credit Risk Management of Commercial Banks in the Asia-Pacific Region. *Business Strategy and the Environment*, 24(3), 159–174. <https://doi.org/10.1002/bse.1810>
- Miller, M. H., & Modigliani, F. (1961). Dividend Policy, Growth, and the Valuation of Shares. *The Journal of Business*, 34(4), 411. <https://doi.org/10.1086/294442>
- Mishal, A., Dubey, R., Gupta, O. K., & Luo, Z. (2017). Dynamics of environmental consciousness and green purchase behaviour: an empirical study. *International Journal of Climate Change Strategies and Management*, 9(5), 682–706. <https://doi.org/10.1108/IJCCSM-11-2016-0168>
- Mulyadi. (2013). *Sistem Akuntansi*. Salemba Empat.
- Mustofa, U. A., Edy, R. N. A. P., Kurniawan, M., & Kholid, M. F. N. (2020). Green Accounting Terhadap CSR pada Bus di Indonesia dengan Kinerja Keuangan Sebagai Variabel Intervening. *Jurnal Ilmiah Ekonomi Islam*, 6(3), 508. <https://doi.org/10.29040/jiei.v6i3.1372>
- Nazir, M. S., & Afza, T. (2018). Impact Of Corporate Governance On Discretionary Earnings Management A Case Of Pakistani Firms. *Mian Sajid Nazir and Talat Afza*, 56(1), 157–184.
- Nguyen, D. T., Hoang, T. G., & Tran, H. G. (2022). Help or Hurt? The Impact of ESG on Firm Performance in S&P 500 Non-Financial Firms. *Australasian Business, Accounting and Finance Journal*, 16(2), 91–102. <https://doi.org/10.14453/aabfj.v16i2.7>
- Otoritas Jasa Keuangan. (2022). *TAKSONOMI HIJAU INDONESIA - Indonesia Green Taxonomy* (1st ed.). Otoritas Jasa Keuangan.
- Otoritas Jasa Keuangan Republik Indonesia. (2020). *Statistik Perbankan Syariah*. <https://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/statistik-perbankan-syariah/Pages/Statistik-Perbankan-Syariah---Desember-2018.aspx>
- Peraturan Pemerintah (PP) tentang Tanggung Jawab Sosial Dan Lingkungan Perseroan Terbatas, (2012).
- Prasojo. (2015). Pengaruh Penerapan Good Corporate Governance terhadap Kinerja Keuangan Bank Syariah. *Jurnal Dinamika Akuntansi Dan Bisnis*, 2(1), 59–69. <https://doi.org/10.26740/jekobi.v4n1.p33-44>
- Puspitandari, J., & Septiani, A. (2017). Pengaruh Sustainability Report Disclosure Terhadap Kinerja Perbankan. *Diponegoro Journal of Accounting*, 6(3), 159–170. <https://ejournal3.undip.ac.id/index.php/accounting/article/view/18231>
- Rahman, S. M. M., & Barua, S. (2016). The Design And Adoption Of Green Banking Framework For Environment Protection : Lessons From Bangladesh. *Australian Journal of Sustainable Business and Society*, 2(1), 1–19.
- Refinitiv. (2020). Environmental, Social, And Governance (ESG) Data - Refinitiv ESG company scores. <https://www.refinitiv.com/en/sustainable-finance/esg-scores#methodology>
- Singh, J., & Sirdeshmukh, D. (2000). Agency and Trust Mechanisms in Consumer Satisfaction and Loyalty Judgments. *Journal of the Academy of Marketing Science*, 28(1), 150–167. <https://doi.org/10.1177/0092070300281014>
- Son, S., & Kim, J. (2022). Environment, Social, and Governance Performance and Financial Performance With National Pension Fund Investment: Evidence From Korea. *Frontiers in Psychology*, 13. <https://doi.org/10.3389/fpsyg.2022.893535>
- Sun, P., Lu, X., Xu, C., Sun, W., & Pan, B. (2020). Understanding of COVID-19 based on current evidence. *Journal of Medical Virology*, 92(6), 548–551. <https://doi.org/10.1002/jmv.25722>
- Suparmoko, M. (2005). *Ekonomi Publik untuk Keuangan dan Pembangunan Daerah* (1st ed.). Andi Offset.

- Tarigan, J., & Samuel, H. (2015). Pengungkapan Sustainability Report dan Kinerja Keuangan. *Jurnal Akuntansi Dan Keuangan*, 16(2). <https://doi.org/10.9744/jak.16.2.88-101>
- Triyono, B. (2018). Analisis Pengaruh Environmental, Social And Governance Score Terhadap Stock Return Studi Pada Perusahaan Terdaftar Di Bursa Efek Indonesia Periode 2010-2016. Skripsi S1 - Universitas Gajah Mada.
- Turnbull, P. W., Leek, S., & Ying, G. (2000). Customer Confusion: The Mobile Phone Market. *Journal of Marketing Management*, 16(1-3), 143-163. <https://doi.org/10.1362/026725700785100523>
- Ur Rehman, Z., Zahid, M., Rahman, H. U., Asif, M., Alharthi, M., Irfan, M., & Glowacz, A. (2020). Do Corporate Social Responsibility Disclosures Improve Financial Performance? A Perspective of the Islamic Banking Industry in Pakistan. *Sustainability*, 12(8), 3302. <https://doi.org/10.3390/su12083302>
- Velte, P. (2017). Does ESG performance have an impact on financial performance? Evidence from Germany. *Journal of Global Responsibility*, 8(2), 169-178. <https://doi.org/10.1108/JGR-11-2016-0029>
- Wahasumiah, R. (2015). Pengungkapan Tanggung Jawab Sosial Secara Syariah Terhadap Kinerja Keuangan dan Kinerja Lingkungan. *Proceeding Sriwijaya Economic and Business Conference*, 5, 765-776.
- Wijayanti, R. (2016). Pengaruh Pengungkapan Sustainability Report Terhadap Kinerja Keuangan Perusahaan. *Seminar Nasional Dan The 3rd Call For Syariah Paper (SANCALL)*, 3, 39-51. <http://hdl.handle.net/11617/7350>