The Fourth International Conference on Government Education Management and Tourism
(ICoGEMT-4)
Bandung, Indonesia, January 25, 2025

THE INFLUENCE OF CREDIT RISK, INTEREST RATE RISK, LIQUIDITY, OPERATIONAL RISK AND ENVIRONMENTAL PERFORMANCE ON CORPORATE SOCIAL RESPONSIBILITY

[1] **Dwi Happy Alda**,[2]**Amanda Agnes Silviani**,[3]**Arabiah**

[1,2,3]Accounting, Faculty of Economics and Business, Universitas Riau, Pekanbaru, Indonesia

Author's email:
[1]dwihappya@gmail.com; [2]amandagnes.s1@gmail.com; [3]arabiah0213@student.unri.ac.id

Corresponding author: dwihappya@gmail.com

Abstract. *Nowadays, Corporate Social Responsibility (CSR) disclosure is mandatory for public companies and one of the strategies used by companies to improve reputation with stakeholders, which is expected to have a positive impact on financial performance. This study aims to determine the effect of credit risk, interest rate risk, liquidity, operational risk and environmental performance on Corporate Social Responsibility (CSR) disclosure. The population in this study includes all financial companies listed on the Indonesia Stock Exchange in 2018-2022. The sample was selected based on the purposive sampling method, so that the companies sampled were 13 banks with a total of 65 data observations. This study uses Non-Performing Loans (NPL) as a variable measure of credit risk. The variable of interest rate risk is measured by the Internal Rate Of Return (IRR), operational risk variables are measured by Operating Expenditure to Operating Income (BOPO) and environmental performance is measured using ESG scores specifically on environmental criteria. The results of this study show that credit risk has no effect on CSR disclosure. However, other variables namely interest rate risk, operational risk and environmental performance have a relationship that can affect CSR disclosure.*

Keywords: *Corporate Social Responsibility (CSR), Credit Risk, Environmental Performance, Interest Rate Risk, Liquidity, Operational Risk.*

1. INTRODUCTION

Companies in today's era are expected to not only focus on increasing profits, but also on increasing awareness and responsibility towards the environment and society. Having a clear vision, mission, and goals is an important foundation for a company, with the main goal generally being to maximize profits (Amalia & Purwanto, 2023) . However, (Al-Hawary & Al-Hamwan, 2017) underlines the importance of companies to proactively consider the social and environmental impacts of their operations. This is part of *Corporate Social Responsibility* (CSR). CSR is a company's effort to voluntarily integrate concern for social and environmental issues into its business strategy, as well as in its relationships with stakeholders (Totok, 2018) . This is aimed at achieving sustainable success, ensuring that the company not only prioritizes profit, but also pays attention to community welfare and environmental preservation.

CSR disclosure is related to how companies communicate corporate social responsibility activities to stakeholders based on the principles of transparency, accountability, and diverse stakeholder involvement, with the aim of providing a comprehensive view of the company's commitment to ethical, social, and environmental issues (Hadi, 2014) . This is in line with stakeholder theory *which* explains that companies that successfully involve stakeholders *will* drive finances and consider social and environmental impacts. Companies that can report CSR well will get positive feedback for the company. The practice of CSR disclosure has been widely carried out by all types of companies, including financial sector companies.

Banking is a financial sector that plays a crucial role in the Indonesian economic ecosystem, not only as an institution that distributes funds, but also as an entity that interacts directly with various groups in society. Therefore, banks are not only asked to carry out their main functions in the banking sector, but are also expected to demonstrate their social responsibility. This concern is manifested through the implementation of CSR programs, which demonstrate the bank's commitment to sustainable development and the welfare of the communities they serve. This CSR program is a real expression of the bank's role in supporting social and environmental interests outside of traditional banking operations (Pratiwi et al., 2020) .

Banking companies are one type of financial services institution that has an important role in disclosing Corporate Social Responsibility (CSR). The form of CSR disclosure obligations is regulated in the Financial Services Authority Regulation Number 51 / Pojk.03 / 2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies in article 8 which explains that Financial Services Institutions are required to implement Social and Environmental Responsibility (TJSL or in English called Corporate Social Responsibility (CSR)), are required to allocate part of the CSR funds to support sustainable finance implementation activities, then report the use of CSR funds to stakeholders.

However, so far banks are considered to provide many benefits to the community by maximizing profits in order to provide maximum contributions to the community. However, over time, the community has become aware of the social impacts caused by banks in carrying out their operations to achieve maximum profit (Silviani et al., 2024) . This is in line with the phenomenon of misuse of Corporate Social Responsibility (CSR) funds carried out by Bank Jawa Barat (BJB) related to reports from the public who feel disadvantaged by the procurement of Bank BJB billboards/advertisements which are suspected of being managed by insiders by borrowing the flag of another party, meaning that the opportunity for outsiders to enter to compete in billboards/advertisements has been tightly closed. With this case, there is an external problem that affects the bank's operations, resulting in operational losses for the bank indirectly in the form of lost opportunities to make a profit.

The next case is Bank Negara Indonesia (BNI) branch in Mojokerto city which is carrying out a CSR fund project in the form of the rehabilitation of the Gajah Mada Bridge, there are allegations of corruption that have cost the state Rp252 million from the contract value of Rp607 million. With the act of corruption of CSR funds that reduce funds in the bank, it affects liquidity risk. This means that it can be said that the risk that arises due to a company lacking liquid assets, such as cash or cash equivalents can increase liquidity risk (Budianto, E, 2023) .

Problems that occur in financial companies related to CSR tend to affect their financial health. In fact, investors and the company itself assume that by implementing a CSR program, they will get greater financial benefits than the costs incurred to improve financial performance (Freeman, 2018) .

This study expands on previous research (Mahmoud. et al., 2023) and follows the research conducted by (Dewi & Budiasih, 2022) but differs in several ways. First, this study is the first to be conducted in Indonesia using 4 risk disclosures, namely credit risk, interest rate risk, liquidity and operational risk because this study was previously conducted in Jordan. Second, this study adds environmental performance variables. Third, the object of this study is banking companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. Based on the background of the problems that have been described, this motivates researchers to test the effect of credit risk, interest rate risk, liquidity, operational risk and environmental performance on corporate social responsibility disclosure in financial companies listed on the Indonesia Stock Exchange in 2018 - 2022.

2. LITERATURE REVIEW

2.1 Credit risk on Corporate Social Responsibility Disclosure

According to (Hardanto, S, 2006) credit risk is the risk of loss related to the chance of failing to fulfill obligations when due. In other words, credit risk is the risk because the borrower does not pay his debt. The risk due to the failure of the debtor or other party to fulfill obligations to the bank. To assess credit risk, the credit risk ratio is used, namely the ratio to measure the risk to credit distributed by comparing bad credit with credit distributed.

Credit risk can have a deep relationship with CSR implementation in the context of legitimacy theory and stakeholder theory. From the perspective of legitimacy theory, companies facing high credit risk feel compelled to increase their CSR as a strategy to improve or maintain their legitimacy in the eyes of the public. This is based on the idea that companies need to demonstrate their commitment to social and environmental welfare in order to gain social support and acceptance, which can be especially important when they are trying to overcome credit or financial problems.

Based on previous research that conducted research on credit risk on corporate social responsibility (CSR), (Amalia & Purwanto, 2023) stated that credit risk has a significant effect on corporate social responsibility (CSR), while research conducted by (Pratiwi et al., 2020) stated that credit risk does not have a significant effect on corporate social responsibility. Based on theoretical studies and previous research, the following hypothesis is formulated:
H1: It is suspected that there is an influence of credit risk (X1) on *corporate social responsibility disclosure* (Y)

2.2 Interest rate risk on Corporate Social Responsibility

Interest rate risk is an additional risk faced by banks. It is the risk that a bank's financial performance may be affected by changes in national and international interest rates. Banks are exposed to interest rate risk because the interest rates applicable to assets (loans) and liabilities (deposits) are often different. Therefore, when interest rates rise, the value of a bank's assets may fall, while the value of its liabilities may rise. Banks must manage interest rate risk by paying attention to interest rate trends, adjusting their lending and investment strategies, and balancing their exposure to interest rate fluctuations.

In high interest rate conditions, companies may have to navigate stakeholder expectations (Anggusti, 2018) carefully, deciding where and how to cut expenses without damaging their reputation and relationships. This is where effective and transparent communication with stakeholders becomes important, as companies need to explain how their financial decisions, including temporary reductions in CSR areas, are necessary steps for long-term financial stability and sustainability (Chariri, 2016) .

Based on previous research that conducted research on interest rate risk on corporate social responsibility (CSR) is (Mahmoud. et al., 2023) stated that interest rate risk has a significant effect on corporate social responsibility (CSR), while research conducted by (Amalia & Purwanto, 2023) stated that interest rate risk does not have a significant effect on corporate social responsibility. Based on theoretical studies and previous research, the following hypothesis is formulated:
H2: It is suspected that there is an influence of interest rate risk (X2) on *corporate social responsibility disclosure* (Y)

2.3 Liquidity towards Corporate Social Responsibility

Liquidity is a benchmark for a bank in returning its short-term obligations with its current funding sources. Short-term liabilities are in the form of: savings deposits, deposit deposits and immediate liabilities, while current funds or liquid assets are in the form of cash, placements in other banks in the form of demand deposits and savings in commercial banks reduced by BPR savings in our bank.

In the stakeholder principle, it is necessary to maintain good relations with customers who are of concern to stakeholders. To foster good relations with customers, the bank must try to meet the needs of customers, especially their requests for credit or other business transactions. Managing the level of liquidity is very important in managing bank funds. The level of liquidity of a bank reflects the extent to which a bank can manage its funds in the best possible way. From a legitimacy theory perspective, companies that continue to invest in CSR despite facing liquidity pressures can strengthen their legitimacy by demonstrating a commitment to social values and corporate responsibility, even in difficult times.

Based on previous research that conducted liquidity research on corporate social responsibility (CSR), (Mahmoud. et al., 2023) stated that interest rate risk has a significant effect on corporate social responsibility (CSR), while research conducted by (Julialevi & Ramadhanti, 2021) stated that liquidity does not have a significant effect on corporate social responsibility. Based on theoretical studies and previous research, the following hypothesis is formulated:
H3: It is suspected that there is an influence of liquidity (X3) on *corporate social responsibility disclosure* (Y)

2.4 Operational Risks to Corporate Social Responsibility

Operational risk is the risk of loss or inadequacy and failure from internal processes, people, and systems that fail or from internal events. This risk is more closely related to human error *,* inadequacy and/or failure of internal processes, system failure, or external problems that affect the bank's operations. There is no significant difference between Islamic banks and conventional banks in terms of operational risk. In the context of legitimacy theory, these failures can erode the company's legitimacy in the eyes of the public, making existing or new CSR efforts more difficult to accept as genuine and effective. Companies need to not only address operational issues but also demonstrate that they remain committed to CSR values in the midst of a crisis. Therefore, operational risk not only affects a company's ability to implement CSR in practice but also impacts stakeholders' perceptions and trust in the company's commitment to social and ethical responsibility.

Based on previous research that conducted liquidity research on *corporate social responsibility* (CSR), (Mahmoud. et al., 2023) stated that operational risk has a significant effect on *corporate social responsibility* (CSR), while research conducted by (Julialevi & Ramadhanti, 2021) stated that operational risk does not have a significant effect on corporate social responsibility. Based on theoretical studies and previous research, the following hypothesis is formulated:
H4: It is suspected that there is an influence of operational risk (X4) on corporate social responsibility disclosure (Y)

2.5 Environmental Performance towards Corporate Social Responsibility

A company's environmental performance plays a major role in determining their CSR strategy and effectiveness. Environmental performance encompasses how a company manages the impact of its operations on nature, such as resource use, emissions, waste, and biodiversity conservation. This is not only important for regulatory compliance but also as a key element in building a company's reputation as a socially and ethically responsible entity.

When a company has good environmental performance, it often opens the door to new opportunities in broader CSR. A company with a strong track record in reducing emissions and improving energy efficiency, for example, can be seen as a leader in sustainability. This success allows the company to not only meet the basic expectations of stakeholders but also to take bolder and more innovative initiatives in the field of sustainability (Anggusti, 2018) . Based on previous research that conducted research on Environmental Performance on Corporate Social Responsibility (CSR) (Dewi & Budiasih, 2022) stated that Environmental Performance has a significant effect on Corporate Social Responsibility (CSR). Based on theoretical studies and previous research, the following hypothesis is formulated:
H5: It is suspected that there is an influence of environmental performance (X5) on corporate social responsibility disclosure (Y).

3. RESEARCH METHODS

This research is a quantitative research using multiple regression analysis. This study involved a sample consisting of 13 banks listed on the Indonesia Stock Exchange (IDX) for a five-year period from 2018 to 2022, which resulted in a total of 65 data observations analyzed. The data collection process was carried out by accessing the official website www.idx.co.id and sample selection was carried out through a purposive sampling technique, where samples were selected based on specific criteria that were considered relevant for research purposes. For data processing, this study relies on SPSS (*Statistical Package for the Social Sciences*) software version 26 from IBM.

Corporate Social Responsibility disclosure is measured using the index of the GRI G4 (*Global Reporting Initiative*) indicator which reaches 150 indicators consisting of 58 general standards and 91 specific standards (9 economic indicators, 34 environmental indicators and 48 socio-social indicators). Companies that disclose CSR are marked with 1 and for companies that do not disclose CSR 0. Information on CSR based on GRI consists of 2 disclosure focuses, with the formula:

$$\text{CSRj} = \frac{\Sigma Xij}{Nij}$$

Description: CSRj = Corporate social responsibility disclosure index of the company Σ Xij = Total CSR disclosure of the company Nij = Total items for the company of 149 indicators

The ratio that can be used as an indicator in this case is *Non Performing Loan* (NPL), which is the comparison between problematic credit and total credit. The credit risk ratio in this study uses the formula:

$$\text{NPL} = \frac{\text{Substandard Credit + Doubtful + Bad Credit x 100 \%}}{\text{Total Credit}}$$

Interest Rate Risk as the risk of negative effects on the financial results and capital of the bank caused by changes in interest rates. By using the formula:

$$\text{IRR} = \frac{\textit{Rate Sensitive Assets}\text{ x 100\%}}{\textit{Rate Sensitive Liabilities}}$$

Liquidity as a comparison between the amount of cash and other assets that can be equated with cash on the one hand with the amount of current liabilities on the other hand. By using the formula:

$$\text{Cash Ratio} = \frac{\text{Cash and Cash Equivalents x 100\%}}{\text{Current Liabilities}}$$

Operational risk can cause direct or indirect financial losses, as well as potential losses in the form of lost opportunities to gain profits. By using the formula:

$$\text{BOPO} = \frac{\text{Operational Cost x 100\%}}{\text{Operating Income}}$$

Environmental performance is measured by the percentage ratio of the number of items issued by the company through the environmental *disclosure score* on the Bloomberg terminal with values ranging from 0 to 100.

4. RESULTS AND DISCUSSION

4.1 Descriptive Statistics

Descriptive statistics aims to present a summary or description of the data obtained through values such as minimum value, maximum value, average (mean), and maximum and minimum standard deviation for each variable (Sekaran & Bougie, 2017) . This analysis allows researchers to understand the distribution and variation of data, providing initial insight into the characteristics of each variable.

Table 1Descriptive Statistics

Variables	N	Minimum	Maximum	Mean	Std . deviation
NPL	65	1.19	6.93	3,1742	1,16585

IRR	65	0.93	3.21	1,1955	0.32004
Liquidity s	65	12.80	72.30	34,1291	14.23925
BOPO	65	40.45	119.36	76,5398	18,17783
KL	65	2.00	79.00	33,2615	24,16627
CSR	65	0.30	0.64	0.4204	0.07861

Information
NPL = *Non Performing Loan*
IRR = *Internal Rate Of Return*
BOPO = Operational Expenditure to Operational Income
CSR = *Corporate Social Responsibility*
The definition and measurement of variables are presented in Chapter III on operational definitions of variables.

CSR disclosure is measured through the *Global Reporting Initiative* (GRI) indicator, ranging from 0.30% to 0.64% with an average of 0.4204% and a standard deviation of 0.07861. This suggests that, although there is variation in CSR disclosure among financial institutions, the variation is not too wide. A moderate average with a relatively low standard deviation indicates that financial institutions tend to have similar levels of CSR engagement, perhaps as a result of external pressure to meet stakeholder expectations or certain industry standards in CSR disclosure.

4.2 Classical Assumption Test Results

Normality Test Results

The purpose of normality testing is to determine whether the distribution of data in the regression model used in a study is normal.

Table 2Results of Data Normality Testing – Kolmogorov Smirnov

	Unstandardized Residual	
N		65
Normal Parameters [a,b]	*Mean*	0.0000000
	Std. Deviation	0.05233139
Most Extreme Differences	*Absolute*	0.101
	Positive	0.101
	Negative	-0.050
Test Statistics		0.101
Asymp. Sig. (2-tailed)		,098 [c]

Kolmogorov-Smirnov test listed in Table 2, the significance value for the unstandardized residual or *Asymp.Sig.* (2- *tailed*) value was found to be 0.098, which is higher than the threshold of 0.05. The findings of this test indicate that the residuals have been normally distributed, because the significance value exceeds 0.05. Therefore, the results of this study are considered valid in line with the fulfillment of the requirements of the normality test for the data analyzed.

Multicollinearity Test Results

Multicollinearity testing is carried out with the aim of assessing whether there is a relationship that is too close between independent variables that can cause multicollinearity problems. Based on the results of the multicollinearity test in Table 3, it can be concluded that the regression model does not have a multicollinearity problem. This can be seen from the VIF NPL value of 1.572, IRR 1.138, liquidity 1.090, BOPO 1.855 and environmental performance 1.344 < 10, while the *tolerance value* of NPL is 0.636, IRR 0.879, liquidity 0.917, BOPO 0.539 and environmental performance 0.744> 0.1. It can be concluded that the regression model is free from multicollinearity.

Table 3Multicollinearity Test Results

Variables	Tolerance	VIF
NPL	0.636	1,572
IRR	0.879	1,138
Liquidity	0.917	1,090
BOPO	0.539	1,855
Environmental Performance	0.744	1,344

Heteroscedasticity Test Results

To detect the presence or absence of heteroscedasticity in this study, by looking at the graphical plot between the predicted value of the dependent variable, namely ZPRED, and its residual SRESID. From Figure 1, the points have spread randomly and do not form a pattern. It can be concluded that there are no symptoms of heteroscedasticity in the regression model.

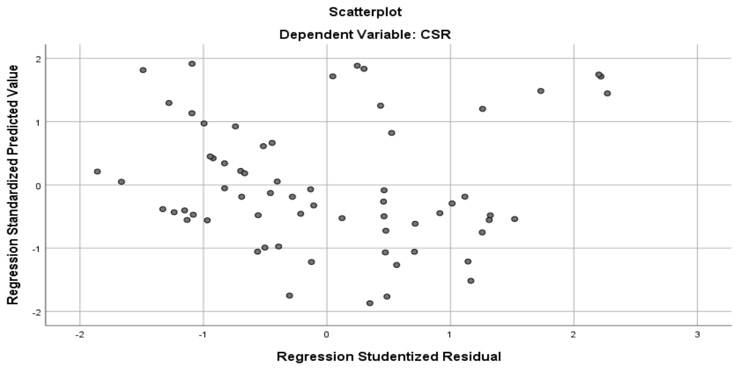

Figure 1. Heteroscedasticity Test Analysis

Autocorrelation Test

Based on Table 5, the Darbin Watson value is 1.713. Thus, the Durbin Watson value is in the interval between -2 and 2, so it can be ascertained that the multiple linear regression model does not have autocorrelation symptoms.

Table 4Autocorrelation Test

Model	Std. Error of the Estimate	Durbin-Watson
1	0.05450	1,713

4.3 Hypothesis Test Results

Multiple Regression Analysis Results

Multiple linear regression analysis is used to obtain the regression coefficients that will determine whether the hypothesis made will be accepted or rejected.

Table 5Multiple Linear Regression Analysis

Variables	Coefficient	t	Sig.	Decision
(Constant)	0.316	6,212	0.000***	
NPL	0.006	0.874	0.385	Not Significant
IRR	0.051	2,266	0.027**	Significant
Liquidity	0.001	2,226	0.030**	Significant
BOPO	-0.001	-2,056	0.044**	Significant
K.L	0.002	6,003	0.000***	Significant

From Table 6, the results of data processing using SPSS, the final regression equation model is obtained as follows:

$Y = a + \beta\ 1\ X1 + \beta\ 2\ X2 + \beta\ 3\ X3 + \beta\ 4\ X4 + \beta\ 5\ X5 + e$

Y = 0.316 + 0.006 X1 + 0.051 X2+ 0.001 X3 + (-0.001)

Partial Test Results (T-Test)

It is known that the t table value at a significance level of 5% = 0.05 can be known as follows: The t table value with the number of samples (n) = 65, the number of independent variables (k) = 5, the significance level of 5% or 0.05. Then the t table is ±2,000, so that based on the t table it can be produced that credit risk has no effect on CSR disclosure. However, other variables, namely interest rate risk, operational risk and environmental performance have a relationship that can affect CSR disclosure.

Table 7. Results of the Statistical T Test

Variables	t Count	t Table	Decision
NPL	0.874	±2,000	Rejected
IRR	2,266	±2,000	Accepted
Liquidity	2,226	±2,000	Accepted
BOPO	-2,056	±2,000	Accepted
K.L	6,003	±2,000	Accepted

Results of the Determination Coefficient Test (^{R2})

Table 8 indicates that the Adjusted R Square value is 0.519. This means that 51.9% of CSR disclosure can be explained by the variables of credit risk, interest risk, liquidity, operational risk and environmental performance. Meanwhile, the remaining 48.1% is explained by other variables not included in this analysis.

Table 8. Results of the Determination Coefficient Test (R2)

Model	R Square	Adjusted R Square
1	0.557	0.519

.

4.4 Discussion of Results

Based on the results of the statistical test in the table above, the calculated t value is 0.874 <t table 2.0003. In this case, because the calculated t value is lower than the t table value, the results indicate that credit risk has no effect on CSR. Furthermore, the level of significance (*p-value*) obtained from the analysis is 0.385, which is far above the threshold of 0.05. This confirms the conclusion that there is insufficient evidence to support a significant effect of credit risk on CSR disclosure. This shows that CSR is still carried out by banks as a form of responsibility, but does not ignore key management performance points such as NPL. The varying NPL values indicate that banks continue to strive to provide CSR as much as possible even though NPL is in an increasing or decreasing condition. The results of this study are not in line with the research conducted by (Amalia & Purwanto, 2023) that credit risk has a significant effect on CSR, but in line with the research conducted by (Pratiwi et al., 2020) that credit risk does not have a significant effect on CSR.

Based on the results of the statistical test in the table above, the calculated t value is 2.266> t table 2.0003. In this case, because the calculated t value is greater than the t table value, the results show that interest rate risk has an effect on CSR. Furthermore, the level of significance (*p-value*) obtained from the analysis is 0.027, which is still below the threshold of 0.05. This proves that there is a significant effect of interest rate risk on CSR disclosure. Interest rate risk affects IRR because any change in interest rates can change borrowing costs and investment returns (Darma, 2016) . Companies with effective interest rate risk management strategies can protect their IRR from market fluctuations, maintain stability in investment returns and, as a result, have more certainty in their budget for CSR. The results of this study indicate conformity with previous research conducted by (Mahmoud. et al., 2023) that interest rate risk has a significant effect on *corporate social responsibility* (CSR).

Based on the results of the statistical test in the table above, the calculated t value is 2.226> t table 2.0003. In this case, because the calculated t value is greater than the t table value, the results show that liquidity has an effect on CSR. Furthermore, the level of significance (*p-value*) obtained from the analysis is 0.030, which is still below the threshold of 0.05. This proves that there is a significant effect of liquidity on CSR disclosure. Strong liquidity creates financial capabilities that may strengthen relationships with *stakeholders* through investment in CSR (Putra et al., 2018) . This is because CSR is often considered an investment in a company's social capital, which in turn can attract and retain customers, increase employee satisfaction, and strengthen the company's reputation in the eyes of investors and shareholders. The results of this study indicate conformity with previous research conducted by (Mahmoud. et al., 2023) that liquidity has a significant effect on *corporate social responsibility* (CSR).

Based on the results of the statistical test in the table above, the value of -t count (-2.056) < -t table (-2.0003) is obtained. In this case, because the negative t count value is smaller than the negative t table value, the results show that operational risk has an effect on CSR. Furthermore, the level of significance (*p-value*) obtained from the analysis is 0.044, which is still below the threshold of 0.05. This proves that there is a significant effect of operational risk on CSR disclosure.

The results of the statistical analysis at a negative beta value of -0.001 indicate that there is a negative relationship between BOPO and CSR. The negative coefficient value for BOPO indicates that, statistically, the higher a company's operating costs relative to its revenue, the lower its level of CSR activities. In other words, companies that have a higher BOPO ratio, which indicates lower operational efficiency, tend to invest less in CSR activities (Swendriani & Krisna Dewi, 2019) . The results of this study indicate conformity with previous research conducted by (Mahmoud. et al., 2023) that operational risk has a significant impact on *corporate social responsibility* (CSR).

Based on the results of the statistical test in the table above, the calculated t value is 6.003> t table 2.0003. In this case, because the calculated t value is greater than the t table value, the results show that environmental performance has an influence on CSR. Furthermore, the level of significance (*p-value*) obtained from the analysis is 0.000, which is still below the threshold of 0.05. This proves that there is a significant influence of environmental performance on CSR disclosure. This indicates that companies that have good environmental practices tend to have a greater commitment to corporate social responsibility. This strong influence shows that companies that pay attention to their environmental impact, for example through waste reduction initiatives, energy efficiency, or resource sustainability, are also active in integrating CSR principles into their business strategies. This means that environmental performance is not only limited to internal operations but is also projected outward as part of the company's identity (Hasbiyadi et al., 2023) . The results of this study show conformity with previous studies (Dewi & Budiasih, 2022; Kustina, 2020; Sukhani & Hanif, 2023) environmental performance has a significant influence on *corporate social responsibility* (CSR).

CONCLUSION

Based on the results of the research that has been conducted through the stages of data collection, data processing and data analysis from the results of the evaluation of the research model and hypothesis testing conducted, it is concluded that credit risk does not affect CSR disclosure. However, other variables, namely interest rate risk, operational risk and environmental performance have a relationship that can affect CSR disclosure. The Effect of Credit Risk on CSR shows that there is no significant relationship between credit risk and CSR in banking. This means that changes in NPL do not significantly affect the level of CSR disclosure. Although NPL is a critical indicator of a bank's financial health and is important for stakeholders, banking in this study seems to run CSR programs consistently without being affected by changes in credit risk.

REFERENCES

Al-Hawary, Sis, & Al-Hamwan, Am (2017). Environmental Analysis and its Impact on the Competitive Capabilities of the Commercial Banks Operating in Jordan. *International Journal of Academic Research in Accounting, Finance and Management Sciences* , *7* (1). https://doi.org/10.6007/IJARAFMS/v7-i1/2701

Amalia, AZH, & Purwanto, A. (2023). The Effect of Bank Health Level on Corporate Social Responsibility with the CAMELS Method (Empirical Study on Banking Issuers in 2018-2021). *Diponegoro Journal of Accounting* , *12* (1), 1–11. http://ejournal-s1.undip.ac.id/index.php/accounting

Anggusti, M. (2018). *Company Management & Workforce Welfare* . Bhuana Popular Science.

Budianto, E, E. (2023). *The Number of Suspects in the Corruption of the Gajah Mada Bridge Rehabilitation Increases to 4 People.* Detik Jatim. https://www.detik.com/jatim/hukum-dan-kriminal/d-6538361/tersangka-korupsi-rehabilitasi-jembatan-gajah-mada-bertambah-jadi-4-orang

Chariri, A. (2016). *The Influence of Ownership Structure on Corporate Social Responsibility Disclosure (Empirical Study on Manufacturing Secondary Sectors Companies Listed on the IDX in 2009)* . *October 2011* .

Darma, W. Putu. (2016). *Analysis of the Influence of Interest Rate Levels (rate interest) based on cash flow on investment* . 1–58.

Dewi, NPDP, & Budiasih, IGAN (2022). THE EFFECT OF ENVIRONMENTAL PERFORMANCE ON CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE. *E-Journal of Economics and Business, Udayana University* , 1192. https://doi.org/10.24843/EEB.2022.v11.i10.p03

Freeman, R. E. (2018). *A Stakeholder Approach to Strategic Management Darden Graduate School of Business Administration University of Virginia Working Paper No . 01-02 A Stakeholder Approach to Strategic Management* . *January 2001* . https://doi.org/10.2139/ssrn.263511

Hadi, N. (2014). *Corporate Social Responsibility* . Graha Ilmu.

Hardanto, S, S. (2006). *Risk Management for Commercial Banks* . Elex Media.

Hasbiyadi, Putra, A., Rijal, S., & Firmansyah, MF (2023). The Influence of Environmental Performance and Profitability on Corporate Social Responsibility Disclosure (CSRD). *Economics and Digital Business Review* .

Julialevi, KO, & Ramadhanti, W. (2021). The Influence of Corporate Social Responsibility Disclosure on the Financial Performance of Indonesian Banking (Comparative Study of State-Owned and Private Banking). *Indonesian Journal of Education and Technology* , *1* (2), 91–95. https://doi.org/10.52436/1.jpti.19

Kustina, T. (2020). THE EFFECT OF ENVIRONMENTAL PERFORMANCE, INDUSTRY SENSITIVITY, AND COMPANY SIZE ON CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE IN MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE. *KRISNA: Accounting Research Collection* , *12* (1), 113–125. https://doi.org/10.22225/kr.12.1.1865.113-125

Mahmoud., M., Ismail1, S., Dahmash, F., Ghaidan, E., & Ahmad, S. (2023). The Impact of Risk Disclosure on the Corporate Social Responsibility of Jordanian Banks. *Department of Accounting, Faculty of Economics and Administrative Sciences, The Hashemite University. PO Box 330127, Zarqa 13133, Jordan* .

Pratiwi, A., Nurulrahmatia, N., & Muniarty, P. (2020). The Influence of Corporate Social Responsibility (CSR) on Profitability in Banking Companies Listed on the IDX. *Owner* , *4* (1), 95. https://doi.org/10.33395/owner.v4i1.201

Putra, HK, Kamilah, & Indrawati, N. (2018). The Effect of Company Size, Leverage, Profitability, Liquidity, and Media Exposure on Corporate Social Responsibility Disclosure in Property and Real Estate Companies Listed on the Indonesia Stock Exchange in 2014 - 2018. *Journal of Accounting* , *9* (1), 61–72.

Sekaran, U., & Bougie, R. (2017). *Business Research Methods, 6th Edition* . Salemba Empat.

Silviani, AA, Wiguna, M., & Indrawati, N. (2024). *The Effect of Muslim CEO, Women on Board and Profitability on Corporate Social Responsibility Disclosure* . *2024* , 97–105.

Sukhani, N., & Hanif, H. (2023). The Role of Environmental Performance in the Effect of

Managerial Ownership, Independent Board of Commissioners, and Social Costs On Corporate Social Responsibility Disclosure. *Journal of The Community Development in Asia* , *6* (2), 55–69. https://doi.org/10.32535/jcda.v6i2.2325
Swendriani, PN, & Krisna Dewi, LG (2019). The Effect of BOPO Ratio, Intellectual Capital, and Corporate Social Responsibility Disclosure on Banking Company Profitability. *E-Journal of Accounting* , *28* (2), 1405. https://doi.org/10.24843/EJA.2019.v28.i02.p23
Totok, M. (2018). *CSR Corporate Social Responsibility* . Alfabeta.