

ENHANCING SUSTAINABILITY PERFORMANCE THROUGH ENVIRONMENTAL AWARENESS AND THE MEDIATING ROLE OF GREEN BEHAVIOR: A CASE STUDY OF PT BANK XYZ

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ABSTRACT

Background: The phenomenon of climate change has prompted businesses across various sectors to rapidly transition towards sustainable practices, addressing environmental, social, and economic challenges. In this context, the banking sector plays a pivotal role by allocating financial resources to support the realisation of sustainable objectives. Moreover, the integration of the triple bottom line (3P) principle into banking operations, encompassing the evaluation of employees' environmental awareness and pro-environmental behaviours, underscores the sector's commitment to sustainability. This commitment holds the potential to enhance the bank's sustainability performance.

Purpose: The present study aims to analyse the influence of environmental awareness (EA) on the sustainability performance (SP) of PT Bank XYZ, both directly and indirectly, through the mediating role of green behaviour (GB).

Design/methodology/approach: This study uses a quantitative approach, using a randomly selected sample of 600 respondents from the total population of PT Bank XYZ employees. The sample size is determined according to the latest theory of the 30-trait rule, which ensures its adequacy for analysis. Data were analysed using descriptive analysis and SEM-PLS using SmartPLS 4.0 software.

Findings/Results: The results of this study indicate four primary findings. First, EA exerts a significant positive effect on SP. Second, EA contributes significantly positively to GB. Third, GB has a positive and significant impact on SP. Finally, GB acts as a mediator in the relationship between EA and SP, exerting a significantly positive effect.

Conclusion: The findings of this study demonstrate that EA exerts a significant positive impact on SP, both directly and indirectly, through the partial mediation of GB. These findings suggest that an enhancement of employees' environmental awareness fosters greener workplace behaviours, consequently enhancing the sustainability performance of PT Bank XYZ.

Originality/value (State of the art): PT Bank XYZ has established a net zero emissions (NZE) target for its operations by 2030 and NZE for its loan and investment portfolios by 2050. By aligning with these targets, the bank becomes a pertinent subject for this study. The application of the 30-times trait rule, a recently developed sampling theory in SEM-PLS, is expected to enhance the precision of findings derived from the analysis. This enhanced accuracy will facilitate a more nuanced understanding of the relationship between variables and their contribution to the sustainability performance of PT Bank XYZ.

Keywords: climate change, environmental awareness, green behaviour, SEM-PLS, sustainability performance

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INTRODUCTION

Climate change constitutes a formidable challenge for the global community, necessitating concerted efforts to mitigate its impact across a wide array of business sectors. The absence of such mitigation initiatives can lead to substantial economic challenges, particularly for developing nations (R et al. 2024). As asserted by Bilal & Känzig (2024), a one-degree Celsius rise in global temperature could potentially result in a 12% decline in global GDP.

Climate change presents substantial risks to business operations across diverse sectors (Islam, 2022). As part of their mitigation efforts, the banking sector plays a strategic role in the allocation of financial resources to support the realisation of sustainability goals (Aracil et al. 2021). In this context, banks hold a significant position in advancing Sustainable Development Goal 13 (Muchiri et al. 2025). Consequently, continuous evaluation of banking operations is essential to ensure that institutional practices remain consistently aligned with sustainability principles.

In recent years, a growing number of countries worldwide have adopted various regulatory measures intended to promote greater environmental responsibility among corporations (Irshad et al. 2023). Indonesia represents a relevant and justified focal context for this study, as its 2022 G20 Presidency in Bali strengthened the collective commitment of G20 member states to pursue a Net Zero Emission (NZE) target by 2060, thereby providing a strategic and timely setting for examining sustainability-related regulatory developments (Anis et al. 2023). Within the Indonesian context, banking companies are obligated to integrate sustainability principles into their operational practices and to disclose these principles in sustainability reports in accordance with the requirements stipulated in (Peraturan Otoritas Jasa Keuangan Nomor 51/POJK.03/2017 Tentang Penerapan Keuangan Berkelanjutan Bagi Lembaga Jasa Keuangan, Emiten, Dan Perusahaan Publik, 2017). This regulatory framework mandates that banking companies undertake continuous evaluation and monitoring of sustainability implementation in their operations.

Sustainability in company operations can be evaluated through various approaches, including the triple bottom line framework. Elkington (1999) triple bottom

line theory underscores the necessity for corporations to prioritise sustainability beyond mere economic considerations, advocating for the incorporation of social and environmental dimensions as integral components of sustainability performance indicators. Implementing the triple bottom line has been shown to improve sustainability, which can strengthen a company's reputation among investors (Alsayegh et al. 2022; Chatterjee et al. 2023)

In the context of evaluating employee sustainability at the operational level, PT Bank XYZ faces challenges in evaluating the sustainability of its employees (WWF, 2024). A reputable report by Katadata (2024) underscores the need for PT Bank XYZ to enhance its sustainability performance, as evidenced by its current ranking of 12th out of 46 banks in Indonesia on the Katadata ESG Index. The company has set a target of net zero emissions in operations by 2030. There are clear gaps that must be addressed to improve PT Bank XYZ's sustainability performance.

There is currently no universally accepted standard for evaluating the sustainability performance of companies (Chen et al. 2024). One approach is to adopt the framework of the Financial Services Authority (OJK) and the Global Reporting Initiative (GRI), yet this method is contingent upon the availability of secondary data (Farihah et al. 2024). Another alternative is to compare ESG scores obtained from sustainability reports, ESG rating agencies, government reports, and other sources. However, this method has limitations, including incomplete data and restricted access to pertinent information (Fometescu et al. 2024).

Examined sustainable development from the perspective of employees, finding that engagement is crucial for corporate sustainability. Employee participation contributes to operational effectiveness and flexibility in achieving corporate sustainability goals (Lee & Ha-Brookshire, 2018). Khan & Quaddus (2015) model shows how companies measure and integrate activities based on the three dimensions of sustainability: environmental, social, and economic. This model considers employee perspectives as indicators of sustainability performance. The study applies the model to assess the sustainability performance of PT Bank XYZ, using simple random sampling to enhance accuracy and generalizability.

In order to achieve ambitious net-zero emission targets and excellence in sustainability, companies must proactively evaluate and encourage employees' green awareness and behaviour to mitigate environmental impacts (Ruepert et al. 2016). This approach aligns with the development of the triple bottom line theory by Longoni (2014), which emphasises that employee commitment, in the context of this study, such as aspects of environmental awareness and green behaviour, contributes to improving the company's sustainability performance. Climate change, regulatory pressures, and sustainability performance challenges drive PT Bank XYZ to identify key contributing factors. This initiative optimises sustainability efforts and serves as a reference for the banking sector. This study adopts the research model proposed by Neruja and Arulrajah (2021), with distinctions in its application to the Indonesian banking context. It also employs probability sampling through simple random sampling to ensure equal selection opportunities and support the generalizability of the findings.

METHODS

This research was conducted at PT Bank XYZ in South Jakarta, with data collection taking place in November 2024. PT Bank XYZ is an appropriate subject for this study due to its demonstrated institutional commitment to sustainability, as evidenced by national recognition in ESG integrity and its achievements in prominent SDGs award programs that acknowledge contributions to sustainable development. This research utilises both primary and secondary data. Primary data was collected through a survey with a Microsoft Form-based

questionnaire completed by employees of PT Bank XYZ to procure information related to demographic characteristics, such as gender, work position, tenure, and work unit, as well as perceptions of the research indicators. Meanwhile, secondary data was obtained through a literature study that included books, journals, scientific articles, websites, and relevant reports that support this study. The indicators utilised in this study, as delineated in Table 1, have been adapted from prior research that has been evaluated for validity. The Environmental Awareness (EA) indicator draws upon Yucedag et al.'s (2018) study, Green Behaviour aligns with Kaiser et al.'s (2007), Malsha et al.'s (2020), and Mamun & Mohammad's (2023) research, and Sustainability Performance has been adapted from Khan & Quaddus (2015) study.

This research used probability sampling with simple random sampling. This method ensures equal chances for all members of the population to be respondents, allowing generalisation of results. It was applied to 600 employees from a total population of 6,636. The data were analysed using Structural Equation Modelling - Partial Least Squares (SEM-PLS), an advanced analytical approach that facilitates enhanced predictive capabilities and addresses challenges posed by complex models. This approach is a compelling alternative research methodology across diverse disciplines (Sabol et al. 2023). In a recent study, Wagner & Grimm (2023) recommended the utilisation of a 30-trait rule as the minimum sample requirement for SEM-PLS. This study included 18 indicators and surveyed 600 respondents selected through simple random sampling from the employee population, with invitations distributed via corporate email.

Table 1. Research variables and questionnaire indicator

Variables	Operational Definitions	Indicators	Code	Sources
Environmental awareness (EA)	A condition in which PT Bank XYZ employees demonstrate awareness, knowledge, and consideration of their surrounding environment in relation to sustainability.	Environmental awareness and engagement	EA.1	(Yucedag et al. 2018)
		Workplace environmental advocacy	EA.2	
		Employee motivation through sustainability participation	EA.3	
		Recognition for environmental consciousness	EA.4	
		Knowledge sharing on sustainability	EA.5	
		Commitment to a sustainable workplace	EA.6	

Table 1. Research variables and questionnaire indicator (continue)

Variables	Operational Definitions	Indicators	Code	Sources
Green behavior (GB)	Actions undertaken by PT Bank XYZ employees aimed at supporting and contributing to environmental sustainability.	Low-carbon commuting practices	GB.1	(Kaiser et al. 2007)
		Reduction of single-use packaging consumption	GB.2	(Kaiser et al. 2007)
		Waste segregation at the workplace	GB.3	(Kaiser et al. 2007)
		Paper conservation through double-sided printing	GB.4	(Mamun & Mohammad, 2023)
		Energy efficiency in office settings	GB.5	(Mamun & Mohammad, 2023)
		Participation in corporate sustainability initiatives	GB.6	(Malsha et al. 2020)
Sustainability performance (SP)	Efforts to achieve social, economic, and environmental objectives within PT Bank XYZ's operations.	Expansion of sustainable banking products and services	SP.1	(Khan & Quaddus, 2015)
		Balanced focus on financial returns and sustainability	SP.2	
		Employee welfare enhancement initiatives	SP.3	
		Financial inclusion and education for communities	SP.4	
		Sustainability and ESG training programs for employees	SP.5	
		Workplace cleanliness and sanitation maintenance	SP.6	

The initial phase of data analysis entails the utilisation of descriptive analysis to generate respondents' profiles, thereby identifying the characteristics of the employee demographic. Subsequent to this, multivariate inference analysis with SEM-PLS is employed to examine the impact of environmental awareness (EA) on the sustainability performance (SP) of PT Bank XYZ. This analysis delves into the direct and indirect influences of EA, utilising a green behaviour (GB) mediator to explore the potential mediating effects on the relationship between EA and SP. In accordance with the findings of preceding scientific studies, this study posits the hypothesis that EA exerts a substantial positive effect on SP, whether directly or indirectly, via GB mediation:

Environmental awareness drives pro-environmental behaviour by helping employees internalise sustainability goals and support organisational performance. It also strengthens environmental commitment and improves sustainability outcomes (Neruja & Arulrajah, 2021), forming the basis for the following hypotheses:

- H11: EA has a positive and significant effect on SP
- H12: EA has a positive and significant effect on GB
- H13: GB has a positive and significant effect on SP
- H14: EA has a positive and significant effect on SP, directly and indirectly, through GB

The present research framework (Figure 1) is predicated on the premise that PT Bank XYZ is suboptimal and non-leading with respect to its sustainability evaluation of employees, thereby underscoring the urgency of further analysis of the factors that influence the sustainability performance.

RESULTS

Company Overview

PT Bank XYZ is a prominent national private bank in Indonesia that has demonstrated a strong commitment to sustainability principles. The bank has established ambitious targets to achieve net zero emission (NZE), i.e., operational NZE by 2030 and NZE for its financing and investment portfolio by 2050. This initiative is part of the company's strategy to strengthen its role in supporting the transition to a green and sustainable economy.

This commitment is further exemplified by the provision of sustainable financing products, including sustainable loans, green loans, and social loans. Moreover, the company has initiated programs with the objective of improving financial literacy, environment-based health and wellness, social activities, and environmental awareness campaigns.

To ensure the implementation of the strategy is consistent and purposeful, PT Bank XYZ has established a sustainability policy and a sustainability committee to oversee and develop the implementation of related programs. These initiatives collectively underscore the company's commitment to cultivating environmentally and socially responsible banking practices, thereby positioning it as a prominent institution in the realm of sustainable banking studies and practices in Indonesia.

Respondent Characteristics

The majority of respondents in this study identified as male, constituting 51.00% of the total 600 participants (Table 2). This aligns with the gender distribution at Bank XYZ, where there are 3,695 male employees compared to 2,941 female employees. By job title, the majority of respondents were staff employees (59.33%), reflecting the proportion of the bank's employee population where staff outnumber managerial positions.

In terms of work experience, the largest group is employees with 11-20 years of service, accounting for 40,83% of the total respondents, suggesting career stability at Bank XYZ. The majority of respondents are based in DKI Jakarta (40.50%), which is also the location of Bank XYZ's head office, with the number of employees in the region reaching 3,203. Despite the random selection of the sample, this distribution mirrors the proportion of the overall employee population.

SEM-PLS Analysis

Outer Model

As demonstrated in Figure 2, validity and reliability tests were conducted at the outer model testing stage. The analysis results indicate that two indicators on GB, namely GB.1 (0.534) and GB.2 (0.676), do not satisfy the convergent validity criteria established by Hair et al. Specifically, the outer loading value must exceed 0.7. These indicators were eliminated, and the remaining indicators were retested using the PLS algorithm, as illustrated in Figure 3. Following the elimination process, a total of 16 indicators satisfied the criteria and could proceed to the next stage of testing.

Discriminant validity is defined as the degree to which indicators within a specific construct can be distinguished from other constructs. The assessment of discriminant validity involves the calculation of the AVE value, with a minimum requirement set at 0.5. Additionally, the Fornell-Larcker matrix is examined to ascertain that the AVE root value exceeds the correlation between constructs. Finally, the indicator cross-loading value is evaluated to ensure it is greater for the primary construct compared to other constructs (Ghozali & Kusumadewi, 2023; Hair et al. 2017; Sihombing et al. 2024)

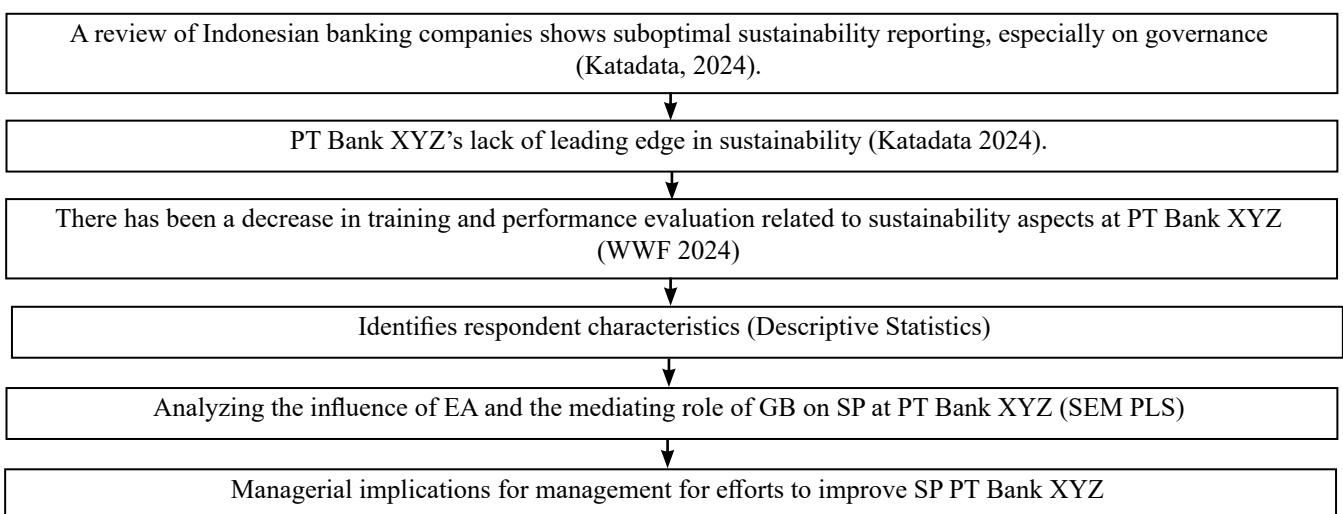


Figure 1. Research framework

As illustrated in Table 3, all variables exhibit AVE values greater than 0.5, thereby substantiating convergent validity. Forthcoming Fornell-Larcker outcomes (Table 4) demonstrate that EA (0,794), GB (0,757), and SP (0,853) possess root AVE values that surpass the correlation between constructs, thereby validating the discriminant validity. Furthermore, the cross-loading results (Table 5) indicate that each indicator has a higher loading on its primary construct than on other constructs, thereby confirming discriminant validity in the research model.

Reliability testing is a method used to assess the consistency and accuracy of an instrument in measuring

constructs. This testing utilises Cronbach's Alpha and Composite Reliability (CR), with a minimum requirement of both being greater than 0,70 (Ghozali & Kusumadewi, 2023; Hair et al. 2017; Sihombing et al. 2024). The results presented in Table 6 demonstrate that all variables meet the established reliability criteria. Specifically, the Cronbach's Alpha value was recorded at 0,883 for EA, 0,753 for GB, and 0,925 for SP. Furthermore, the CR value also exceeds the minimum limit, with EA at 0,911, GB at 0,843, and SP at 0,941. These findings collectively indicate that the research instruments possess sufficient consistency and accuracy in measuring each construct.

Table 2. Respondent characteristics

Characteristics	Qty	Percentages (%)
Sex		
Male	306	51
Female	294	49
Work Experience		
11-20 years	245	40.83
6-10 years	192	32.00
1-5 years	139	23.17
21-30 years	18	3.00
31-40 years	3	0.50
Unknown	2	0.33
51-55 years	1	0.17
Job Title		
Staff	356	59.33
Officer/Supervisor	155	25.83
Senior Officer	87	14.50
Board of Management	2	0.33
Working Unit		
Jakarta	243	40.50
Central Java	77	12.83
East Java	75	12.50
West Java	44	7.33
South Sulawesi	34	5.67
Other	127	21.17

Table 3. Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
EA	0.631
GB	0.574
SP	0.728

Note: Environmental awareness (EA); Green behavior (GB); Sustainability performance (SP)

Table 4. Fornell-Larcker

Variables	EA	GB	SP	SP
EA	0.794	-	-	-
GB	0.756	0.757	0.757	-
SP	0.7	0.711	0.711	0.853

Note: Environmental awareness (EA); Green behavior (GB); Sustainability performance (SP)

Table 5. Cross-loading

Indicators	EA	GB	SP
EA.1	0.744	0.569	0.667
EA.2	0.784	0.603	0.55
EA.3	0.822	0.644	0.568
EA.4	0.809	0.565	0.507
EA.5	0.802	0.587	0.501
EA.6	0.803	0.63	0.523
GB.3	0.506	0.707	0.507
GB.4	0.496	0.756	0.453
GB.5	0.564	0.758	0.572
GB.6	0.695	0.806	0.603
SP.1	0.638	0.653	0.851
SP.2	0.613	0.629	0.854
SP.3	0.524	0.513	0.824
SP.4	0.65	0.639	0.912
SP.5	0.577	0.578	0.848
SP.6	0.564	0.61	0.827

Table 6. Cronbach's Alpha (CA) and Composite Reliability (CR)

Variables	Cronbach's Alpha (CA)	Composite Reliability (CR)
EA	0.883	0.911
GB	0.753	0.843
SP	0.925	0.941

Note: Environmental awareness (EA); Green behavior (GB); Sustainability performance (SP)

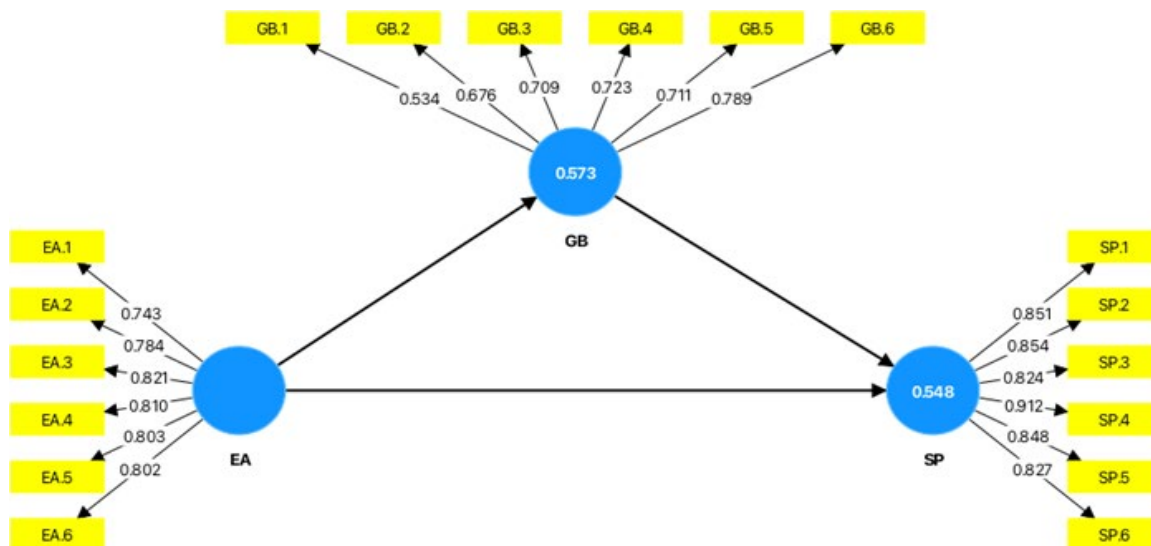


Figure 2. Early research model

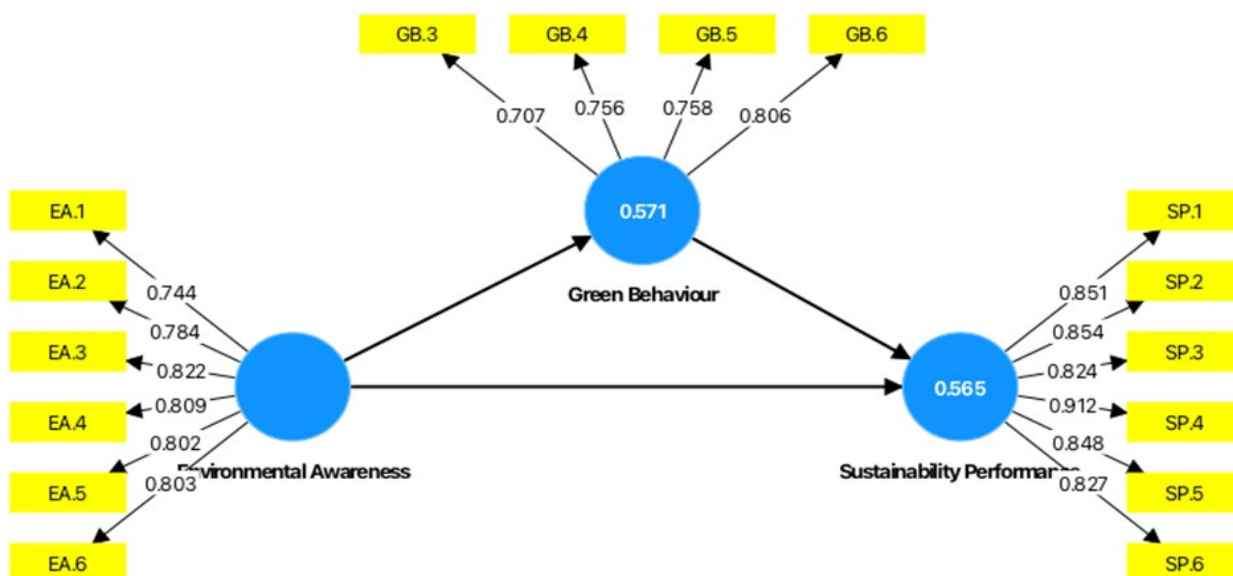


Figure 3. Final research model

Inner Model

The objective of inner model testing is to evaluate the strength of the relationship between variables, the quality of prediction, and the suitability of the research model. The aspects analysed include the coefficient of determination (R-square), effect size (f-square), predictive test (Stone-Geisser Q-square Test), and the level of model fit (Goodness of Fit).

The findings of the analysis demonstrate that the adjusted R-square value (Table 7) for GB is 0,571, signifying that EA accounts for 57,1% of the variation

in GB, with the remaining 43,5% being attributed to factors external to the model. Concurrently, the adjusted R-square for SP, measuring 0,565, signifies that the amalgamation of EA and GB accounts for 56,5% of the variation in SP, with the residual 43,5% being attributed to variables not incorporated within the model. The results of the effect size (f-square) analysis (Table 8) further substantiate this finding, demonstrating that EA exerts a substantial influence on GB (1,337). This observation signifies a robust relationship between the two variables. However, the impact of EA on SP is comparatively negligible (0,141), while GB demonstrates a moderate effect (0,178) on SP.

Furthermore, the Stone-Geisser Q-square Test is calculated to assess the predictive ability of the model. The model is said to have predictive relevance if the Q-square value is greater than 0 (Sihombing et al. 2024).

$$Q^2 = 1 - (1 - R^2a)(1 - R^2b) \dots (1 - R^2n)$$

$$Q^2 = 1 - (1 - 0.572)(1 - 0.567) = 1 - 0.185324 = 0.815$$

The calculation results show that the Q-square value is 0,815, which means that the model has a strong predictive ability in explaining the variables studied. This value suggests that the model can not only explain the relationship between variables but also make accurate predictions. Additionally, the Goodness of Fit (GoF) evaluation is conducted to assess the extent to which the model aligns with the research data. According to Sihombing et al. (2024), a GoF value above 0,38 indicates a satisfactory fit.

$$GoF = \sqrt{AVE \times R^2}$$

$$GoF = \sqrt{(0.6443 \times 0.5695)} = 0.606$$

The GoF value, as calculated, yielded a result of 0.606, which significantly exceeds the minimum threshold. This finding suggests that the research model exhibits a robust fit in describing the relationship between variables and can be relied upon to support data-based decision making.

Hypothesis Testing

In this study, hypothesis testing was executed through the implementation of the bootstrapping method, which was employed to assess both direct and indirect effects. The outcomes of the direct effect testing are delineated in Table 9, while the indirect effect is elucidated in Table 10.

The Influence of Environmental Awareness on Sustainability Performance

The present study found that EA exerts a positive and significant direct influence on SP at PT Bank XYZ, as indicated by a positive coefficient of 0.378, a T-statistic value of 7.408, which is greater than the tabulated T value of 1.645, and a P value of 0.000, which is less than the alpha level of 0,05. These findings suggest that a one-point increase in EA would lead to a 0.378-point rise in SP under the assumption that other variables remain constant. The results indicate a direct and significant relationship between EA and SP among employees. Therefore, hypothesis H11, which posits that EA exerts a positive and significant effect on SP, is supported by the evidence. The findings of this study are consistent with the previous research, which demonstrates that the level of employee awareness of the environment is positively associated with the company's sustainability performance (Dar et al. 2021; Roscoe et al. 2019). In line with recent research findings, environmental knowledge has been demonstrated to significantly enhance sustainable performance (Asbeetah et al. 2025).

Table 7. Coefficient of determination analysis

Variables	R-square	R-square adjusted
Green behavior (GB)	0.572	0.571
Sustainability performance (SP)	0.567	0.565

Table 8. Effect size

Variables	EA	GB	SP
Environmental awareness (EA)	-	1.337	0.141
Green behavior (GB)	-	-	0.178
Sustainability performance (SP)	-	-	-

Table 9. Result of direct effect among variables

Variables	Original sample (O)	T statistics (O/STDEV)	P values	Conclusion
H11 : EA → SP	0.378	7.408	0	Positive and Significant (Supported)
H12 : EA → GB	0.756	30.109	0	Positive and Significant (Supported)
H13 : GB → SP	0.425	8.358	0	Positive and Significant (Supported)

Note: Environmental awareness (EA); Green behavior (GB); Sustainability performance (SP)

Table 10. Result of indirect effect among variables

Variables	Original sample (O)	T statistics (O/STDEV)	P values	Conclusion
H14 : EA → GB → SP	0.321	7.969	0.000	Positive and Significant (Supported)

Note: Environmental awareness (EA); Green behavior (GB); Sustainability performance (SP)

The Influence of Environmental Awareness on Green Behaviour

The findings of this study demonstrate a clear and substantial positive influence of EA on GB at PT Bank XYZ, as evidenced by a coefficient of 0.756, a T-statistic of 30.109, and a P-value of 0.000, indicating statistical significance at the 0.05 level. This indicates that for every one-point increase in EA, there is a corresponding increase in GB of 0.756, under the assumption that other variables remain constant. Consequently, this study supports the validation of hypothesis H12. The findings of this study are consistent with the research of Safari et al. (2018) and Fawehinmi et al. (2020), which confirmed that environmental awareness has a significant effect on environmentally friendly behaviour, especially through training that increases employee awareness. However, these findings contrast with those reported by Ahmed et al. (2020), who identified an insignificant relationship between the two variables. This discrepancy may be attributed to differences in the industry sector, with the banking and hospitality services sectors being distinct from those examined in the current study.

The Influence of Green Behaviour on Sustainability Performance

The results of this study demonstrate that GB exerts a significant positive direct effect on SP at PT Bank XYZ, as indicated by a coefficient of 0.425, a t-statistic value of 8.358, which is greater than the t-table of 1.645, and a p-value of 0,000, which is less than the alpha level of 0,05. This indicates that for every one-point increase in GB, there is a 0.425-point increase in SP, under the assumption that other variables remain constant.

Hypothesis H13, which posits that GB exerts a positive and significant effect on SP, is thus substantiated. This suggests that as GB levels among employees rise, their contributions to the attainment of SP within the organisation also increase. The study's findings align with those of Zhang et al. (2022), which emphasise the significant positive impact of sustainable banking activities on bank environmental performance.

The Mediating role of Green Behaviour in the relationship between Environmental Awareness and Sustainability Performance

The findings of the indirect effect analysis in Table 10 demonstrate that GB functions as a mediator, thereby establishing a connection between EA and SP, with a coefficient of 0.321. The T-statistic value obtained is 7.969, and the P value is 0,000, which is smaller than alpha 0,05. Consequently, hypothesis H14, which proposes that GB mediates the relationship between EA and SP, is substantiated. This finding indicates that enhancing EA exerts a direct influence on SP, concurrently impacting the SP of PT Bank XYZ via alterations in GB. Neruja & Arulrajah's (2021) study also demonstrated that employees' pro-environmental behaviour functions as a mediator in the relationship between environmental awareness and sustainability performance.

The banking sector bears a dual responsibility in advancing sustainability performance. Internally, banks are required to implement sustainable practices within their operational activities. Externally, with significantly greater impact, they are expected to integrate environmental, social, and governance (ESG) risks into their lending and investment decisions (Tumewang et al. 2025). By rigorously screening and

financing sustainable projects, banks play a critical role in accelerating the transition toward a low-carbon and net-zero economy.

Managerial Implications

The present study demonstrated that EA exerts a positive and significant effect on SP, both in a direct manner and through GB as a mediating variable. It is recommended that PT Bank XYZ optimise the three variables (EA, GB, and SP) by concentrating on enhancing the indicators with the highest outer loading values. These indicators most accurately represent the variables that promote the enhancement of sustainability performance.

The enhancement of EA can be achieved through a concentration on indicator EA.3, specifically Employee motivation through sustainability participation, which possesses the highest outer loading value of 0.822. To fortify employee motivation to engage in sustainability initiatives within the workplace, the sustainability and HR units of PT Bank XYZ can collaborate in the development of a sustainability reward system. The provision of green rewards and the reinforcement of motivation have been demonstrated to stimulate employee participation in sustainability endeavours (Razali & Vasudevan, 2023; Sharma et al. 2024)

The enhancement of GB can be accomplished through the reinforcement of indicator GB.6, particularly the engagement of employees in corporate sustainability initiatives. To improve this indicator, administer a follow-up survey to ascertain employees' interests and the extent of their participation. This survey will assist the sustainability unit in identifying the factors that motivate employees to engage in sustainability initiatives and in evaluating the aspects of PT Bank XYZ's sustainability program that require enhancement. Companies should encourage environmentally conscious behaviours by getting employees involved in related activities. When these activities align with employees' personal values, the effectiveness of the sustainability program can be enhanced (Shi et al. 2024)

SP advancement can be achieved through EA and GB enhancement, as well as by optimising SP.4 indicators, namely, financial inclusion and education for communities. PT Bank XYZ's Corporate Social Responsibility (CSR) Division must sustain its endeavours in community empowerment through

education and financial inclusion while extending the program's impact in a quantifiable manner with suitable indicators. PT Bank XYZ measures the impact to identify unimpacted areas, increasing social impact and reputation value, as well as brand awareness. These initiatives contribute to improving company value and reputation, which can significantly increase the value and importance of the company (Tam, 2021).

The government plays a crucial role in ensuring that every bank aligns with national sustainability commitments by establishing regulatory frameworks, enforcing compliance, and integrating environmental criteria into supervision. Attention at the individual level is also essential, as sustainability depends on how employees internalise these policies and translate them into daily actions that support the Sustainable Development Goals.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The majority of respondents in this study identified as male (51.00%) and held staff positions (50.17%). The majority of respondents have a tenure between 11 and 20 years (40.83%) and reside in DKI Jakarta (40.50%). This demographic composition reflects employees with a relatively high level of work experience based in the centre of national economic activity, which may influence their perspective on sustainability in the banking sector.

The results of the empirical analysis in this study support the proposed hypothesis, where Environmental Awareness (EA) is shown to have a positive and significant influence on Sustainability Performance (SP), both directly and indirectly, through the mediating role of Green Behaviour (GB), which is consistent with the findings of Neruja & Arulrajah (2021). This finding suggests that enhancing environmental awareness and promoting green behaviour among employees can be a strategic factor in bolstering the company's sustainability performance. Consequently, PT Bank XYZ should consider developing programs that are oriented towards increasing environmental awareness and green behaviour as part of a long-term strategy to strengthen sustainability performance. The implementation of policies that support environmental education, the provision of incentives for

environmentally friendly behaviour, and the integration of sustainability principles in the organisational culture are essential steps in effectively achieving the company's sustainability goals.

Recommendations

In consideration of the study's limitations, which concentrate on operational aspects and internal factors of the company, particularly employees, this study proposes the undertaking of additional research to achieve a more comprehensive understanding. Initially, an exploration of the perspectives of top management, including the Board of Directors (BOD) and Commissioners, is necessary to obtain a more comprehensive picture of the influence of strategic policies on sustainability performance. Secondly, integrating external factors, such as regulations and customer demands, into future research endeavours can facilitate a more comprehensive understanding of the external dynamics influencing corporate sustainability achievements. By considering both internal and external factors collectively, future studies are expected to provide more holistic insights into the development of sustainability strategies within the bank.

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