



Research Paper

The Influence of *Green Accounting* On *Financial Performance* in Energy & Industrial Sector Companies Listed On the Bei for The 2013-2022 Period

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ABSTRACT

This research was conducted with the aim of determining the influence of green accounting on the financial performance of manufacturing companies in the energy and industrial sectors listed on the IDX in the 2013-2022 period. The existence of positive and negative impacts that companies have on the surrounding environment is the reason why it is important for a company to implement green accounting.

The sample selection in this research used a purposive sampling method with predetermined criteria. A total of 5 companies have fulfilled the requirements for this research. The data source used in this research is secondary data with a documentation data collection method, namely in the form of annual reports and sustainability reports obtained through the official IDX website, namely www.idx.co.id and each sample company's website. The research method used is descriptive analysis using the linear regression method and using Eviews version 12 software. The results of this research show that green accounting has a positive and significant effect on the financial performance of companies in the energy and industrial sectors in the 2013-2022 period.

Keywords: Green Accounting, Financial Performance.

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I. INTRODUCTION

Nowadays, as the earth ages, many environmental problems occur which are caused by various things, one of which is human greed. There have been many examples of environmental damage caused by humans. The use of natural resources is carried out greedily, without being balanced with environmental preservation, to the point of forgetting the impact and sustainability of these activities. It is one of the initial causes of environmental damage. Apart from that, many larger impacts occur due to the production activities of a company which are of course on a larger scale.

problems that arise as a result of a company's activities often have an impact on the natural environment, sometimes these impacts are negative, such as noise, various environmental pollution, the presence of production waste, or problems caused by the use of raw materials that are not environmentally friendly, and There are still many other problems, ultimately impacting the surrounding natural resources and disrupting community welfare. If this is not immediately corrected, large-scale impacts such as global warming, radiation, and the emergence of various diseases due to living conditions polluted by factory waste will actually occur. Apart from that, the greedy use of natural resources and the environment is getting worse and worrying. This has become one of the factors in the global and national ecological crisis in the last few decades.

The impact resulting from the environmental crisis has given rise to various environmental disasters which are very detrimental and threaten the sustainability of human life, the environment and the surrounding natural resources. For example, the damage that occurs causes an ecological crisis, such as environmental damage and the natural resource crisis, which is getting worse and more widespread. Apart from that, greedy behavior can also give rise to social crises, such as an increase in the poor, marginalized and suffering from negative impacts from the economic activities of greedy companies.(Lako, 2018) . Meanwhile, according to Law Number 23 of 1997 concerning Environmental Management: "Environmental pollution is the entry or inclusion of living creatures, substances, energy and/or other components into the environment by human

activities so that their quality decreases to a certain level which causes The environment cannot function according to its intended purpose, while waste is the remainder of a business or activity.

According to Andreas Lako (2018) , regarding environmental issues " that the world, including Indonesia, is experiencing a serious social and environmental crisis and endangering the sustainability of the earth and human life". This crisis is mostly caused by the economic and business development practices of the State, corporations, households and individuals which are highly oriented towards economic growth and profit in ways that are not friendly to society and the environment. Accounting is accused of being the cause of the crisis and bad behavior because the accounting process focuses more on objects, events, financial transactions only and does not focus on objects and the environment.

Problems caused by greed and excessive exploitation of business life gave rise to the idea of the *Green Accounting concept* , where an accountant plays an important role in environmental problems, because accountants play a role in providing information in financial management. *Green Accounting* is an accounting science whose task is to identify, measure, evaluate, present and disclose environmental costs related to environmental management. The use of the *green accounting* concept in companies encourages the ability to minimize the environmental problems faced. The aim of *green accounting* is actually to reduce environmental impact costs or *social costs* so that companies no longer need to incur these costs if they have been anticipated at the start of production. There are several types of activities that reflect *green accounting practices* in companies, namely: (1) The use of environmentally friendly raw materials, (2) The existence of waste management that does not cause pollution or damage the surrounding environment,(3) Corporate social responsibility (CSR) as evidence of the company's concern for the environment. By having these environmentally friendly products, companies will indirectly avoid liability from the public and officials for environmental damage, this can of course bring financial benefits to the company in the future (Lestari, et al. 2023) . *Green Accounting* variables can be measured using environmental costs contained in annual reports and sustainability reports .

Stakeholder theory explains that in carrying out its activities, companies also have obligations towards various stakeholders and are not just looking for profits, so that they can support the company's survival (Ghozali, 2020 : 136) . Apart from that, society also demands that companies and the government synergize in seeking commitment to the environment and social, companies that do not show commitment or even cause damage to the environment and social will receive a bad stigma in the eyes of society or stakeholders , so that this will have a negative impact on the company's operational activities.

Contradictory, previous research motivates the current research to analyze the effect of implementing green accounting on financial performance. In addition, companies do not generalize indirect costs, including environmental costs, as overhead costs, making them hidden and difficult for managers to monitor and control these costs. Environmental costs usually take the form of waste management, waste disposal, installation fees for third parties, licensing fees, etc. The emerging debate about resource efficiency, especially waste reduction and management, is not only of concern to scientists and environmental activists, but also company management and it is hoped that the product production process will be carried out according to procedures starting from taking raw materials to disposing of the product after consumption. (used) so as not to damage the environment .

The assessment of a company is seen from the resulting performance, especially the financial performance of a company, namely by assessing the level of profit generated. The use of profit as a parameter in measuring financial performance is because profit is important and very necessary for a company to survive. On the basis of wanting to show maximum profit results, some companies ignore the impact of the company's activities that trigger negative impacts on the environment and surrounding communities. This is also in line with Suartana (2010) who states that companies are not faced with a *single bottom line* but a *triple bottom line* , which means that the business objectives carried out by the company are not only to obtain profits , but also to improve the welfare of society (*people*) and preserving the environment (*planet*).An accounting process that integrates recognition, value measurement, recording, summarizing and reporting financial, social and environmental information in an integrated manner in one accounting reporting package that is useful for users in assessing and making economic and non-economic decisions. So accounting reports not only present financial information, but also social information and environmental information in an integrated manner.

This research wants to re-examine the influence of *Green Accounting* on the financial performance of energy and industrial companies listed on the BEI (Indonesian Stock Exchange) in 2013-2022, looking at the *annual reports* and *sustainability reports* published on the Indonesian Stock Exchange and the respective company websites. - respectively, based on the description above, the author aims to determine the effect of *green accounting* on the *financial performance* of energy and industrial companies listed on the IDX in 2013-2022.

II. LITERATURE REVIEW

1. Legitimacy Theory

Legitimacy theory was first coined by Lindbolm, who stated that legitimacy is a condition where the value system of an entity is the same as the value system of the social system of society where an entity is part of society. Legitimacy theory simply states that business activities are limited by a social contract which states that the company agrees to demonstrate various corporate social activities so that the company will ultimately guarantee the company's survival (Reverte, 2009) .

This theory is one theory that can provide motivation for companies to submit sustainability reports. The benefit of this theory is that it can assess a company's organizational behavior and also limit it through norms in its concern for the environment. This can be used as a benchmark for developing company strategy, especially regarding positioning itself in an increasingly advanced society (Martha, Angelina and Enggar, 2021) . A legitimate company is believed by *stakeholders* that the company has good and responsible performance which is reported through the company's annual report to the community. This shows company transparency which is expected to increase company value and profits and also maintain company legitimacy (Ratusasi, 2021) .

Legitimacy theory states that organizations continuously try to ensure that they carry out activities in accordance with the constraints and norms of the society in which they exist. The benefit of this theory is that it can assess a company's organizational behavior and also limit it through norms in its concern for the environment. According to Gunawan (2018), the basic premise of legitimacy theory is that a company can continue its existence if society realizes that the organization operates for a value system that is in harmony with the value system of the surrounding community. Legitimacy theory advocates that companies ensure that their activities and performance are acceptable to society.

2. Stakeholder Theory

The main thing about *Stakeholder Theory* is that stakeholders have the right to obtain more information about company performance. Because the more complete the information they get, the more it will influence investors' decision making whether to play a role in the company or not at all. The relationship between *stakeholders* and companies is also a moral endeavor because apart from the relationship between *stakeholders* and companies helping businesses to survive and develop, the relationship also involves statements about values, choices and possible dangers and benefits for groups and individuals. According to Lako (2018), the more *powerful the stakeholder* , the greater the company's efforts to adapt.

This relationship between stakeholders and the company ultimately encourages company management to focus more on establishing, maintaining and harmonizing their relationships with stakeholders in order to create value and also prevent moral negligence (Ghozali, 2020: 135-136) . Social disclosure is considered as part of the dialogue between the company and its *stakeholders* . This theoretical perspective explains that society and the environment are the core *stakeholders* of a company that must be considered to get support, so the company is expected to make a positive contribution by carrying out social activities and making transparent disclosures in an annual report that will be published.

3. Green Accounting

According to Lako, (2018)*Green Accounting* is a process of recognizing, measuring value, recording, summarizing, reporting and disclosing information relating to financial, social, environmental and financial transactions, events and/or objects in an integrated manner that is useful for management and related parties in making economic decisions and non-economic.

The main function of *green accounting* is to reveal environmental costs to *stakeholders* . Reporting environmental costs allows *stakeholders* to be motivated to identify ways to reduce environmental costs *or* avoid these costs with the aim of improving environmental quality. Environmental accounting provides reports and provides information to internal and external parties. For internal parties (management), environmental accounting provides and produces environmental information to assist management in making/making decisions regarding pricing, *overhead control* and capital budgeting, while for external parties environmental accounting provides and discloses environmental information related to their interests. public and financial community (Martha, Angelina and Enggar, 2021) . So it can be concluded that *green accounting* is environmental assessment and disclosure related to financial information in the context of financial accounting and reporting. *Green accounting* , which in this research is represented by three dimensions which are used as measuring tools, namely environmental performance, environmental costs and environmental disclosure, follows the explanation (Wangi & Lestari, 2020) :

- The implementation of corporate environmental performance is facilitated by the company's performance rating assessment program in environmental management (PROPER). PROPER is a form of government policy to improve the company's environmental management performance in accordance with what has been stipulated in statutory regulations.

- Furthermore, environmental costs are costs incurred by companies aimed at environmental activities as a result of the environmental damage caused.
- Apart from environmental performance and environmental costs, *green accounting* is also measured by environmental disclosures. Environmental disclosure is defined as the disclosure of information relating to social and environmental issues in a company's annual report. In this study, environmental disclosure is assessed based on the *Global Report Initiative (GRI)*

The regulations regarding *green accounting* are Law no. 23 of 1997 concerning Environmental Management. This law regulates the obligations of every person who undertakes or has activities to safeguard, manage and provide correct and accurate information regarding the environment (Hamidi, 2019) . The implementation of *green accounting* by companies is a form of corporate responsibility towards *stakeholders* , because what stakeholders want is not only to focus on financial value but also to focus on environmental value, namely whether the company cares about the environmental impact of the company's operational activities.

4. *Financial Performance*

Financial Performance is the result of the work of various internal parts of a company. Which can be seen on condition finance company on something period certain related aspect collection and distribution funds are assessed based on adequacy indicators capital, liquidity, and profitability company. Ratio profitability which used in study this is *Return On Assets (ROA)*, namely the comparison of profits obtained with investments or assets (Sarmigi, Putra, Bustami & Parasmala, 2022) . Wrong ones superiority ROA is its nature which comprehensive and relevant to the context of environmental costs and environmental performance that require investment in quite large waste processing assets. ROA is a profitability ratio that shows the profit a company obtains in relation to its overall resources or assets owned company.

Hamidi, (2019) states that financial performance determines various measures as gauges of success of a company in producing profit, so that performance can be described by the company's level of profitability. The level of profitability is one measure of financial performance because profitability describes something quite important, namely attractiveness of business which owned by companies, especially at a time when competition between companies is increasingly fierce.

The reason why *financial performance* is very important to assess is because it can motivate employees to achieve organizational goals and comply with established standards of behavior, resulting in results desired steps and gains. *Financial Performance* is measured through data originating from company financial reports. Financial reports are carried out to describe the situation of past finances and used for future financial estimates (Martha, Angelina and Enggar, 2021) .

III. METHOD

Research design

This research design uses causal associative research, (Sugiyono, 2019:65) states that causal associative research is the formulation of a research problem that asks about the relationship between two or more variables. A causal relationship is a relationship that is cause and effect. In this research there are independent variables (which influence) and dependent variables (influenced). Causal associativity in this research is used to determine the extent of the causal relationship of the influence of *green accounting* on *financial performance* . Where *Green accounting* is the X variable, while *financial performance* is the Y variable.

Population & Sample

a. Population

Population according to Sugiyono, (2022) is a generalization area consisting of: objects/subjects that have certain quantities and characteristics determined by researchers to be studied and then conclusions drawn. The population used in this research are manufacturing companies, especially those operating in the energy and industrial sectors which have been listed on the Indonesian Stock Exchange (BEI) during the 2013-2022 period, publishing annual reports and sustainability reports during the 2013-2022 period.

b. Sample

According to Sugiyono, (2018) the sample is part of the number and characteristics of the population, the sample taken from the population must be truly representative or represent the population being studied. Meanwhile, according to Arikunto, (2019) the sample is a portion or representative of the population to be studied. It can be concluded that the sample is a representative portion or representative of the population to be studied. The data collection technique is using the *Purposive Sampling technique* . *Purposive sampling* is a sampling method in which the researcher selects a sample based on research knowledge about the sample to be

selected. So that the results achieved by the researcher get 5 companies that can fulfill the conditions and qualifications that have been determined.

Method of collecting data

Descriptive statistics

According to Ghozali, (2018) descriptive statistics provide an overview or description of data seen from the average value (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness (skewness of distribution) which are presented in a table. numeric values resulting from data processing using the Eviews 12 program.

Classic assumption test

The classical assumption test is a test to determine whether a regression equation using the *Ordinary Least Square method* is suitable for use in analysis, so the data processed must meet the four classical assumptions, namely the normality test, heteroscedasticity test and autocorrelation test.

1. Normality test

The normality test is used to determine whether variables are normally distributed or not. Variables that are normally distributed mean that the samples taken are representative or not so that research conclusions drawn from a number of samples can be justified. Normality testing can be used with various tests including descriptive statistical exploration tests, non-parametric tests for one sample KS and the Jarque-Bera test.

2. Heteroscedasticity Test

There are many approaches that can be used to test heteroscedasticity, namely (1) using a graphic method, this graphic method is usually used even though it causes bias, this is because subjectivity is very high so that observations between one another can cause differences in perception and (2) using statistical tests so that it is hoped that can eliminate elements of bias due to subjectiveness. Statistics that are often used to test heteroscedasticity are Spearman correlation, glacier test, Park test, and White test (R, G, Soedarmanto. 2013). Detecting whether or not heteroscedasticity uses a statistical approach requires a hypothesis as a reference. The hypothesis to be tested is stated as follows:

Ho = There is no systematic relationship between the explanatory variable and the absolute value of the residual.

Ha = There is a systematic relationship between the explaining variable and the absolute value of the residual.

- When sig. > 0.05 or t count < t table then heteroscedasticity does not occur.
- When sig. < 0.05 or t count > t table then heteroscedasticity occurs

3. Autocorrelation Test

Whether or not there is autocorrelation in this study can be detected using the Durbin-Watson test (d). The measure used to state whether there is autocorrelation is that if the Durbin-Watson statistical value approaches the number 2, it can be stated that the observation data does not have autocorrelation, in the opposite case it is stated that there is autocorrelation (Rietveld and Sunaryanto, 1994).

The hypothesis of the autocorrelation test is as follows:

Ho = There is no autocorrelation between two observations.

Ha = There is autocorrelation between the observation data.

Table 1.2 Autocorrelation terms

HypothesisZero	Decision	If
NoThere isautocorrelationpositive	Reject	0 < d < dl
NoThere isautocorrelationpositive	NoDecision	etc ≤ d ≤ du
NoThere iscorrelationnegative	Reject	1 - etc < d < 1
NoThere iscorrelationnegative	NoDecision	1 - du ≤ d ≤ 1 - dl
NoThere isautocorrelation,positive or negative	NoRejected	du < d < 1 - du

Linear Analysis

Regression analysis is one of the methods in statistics, and is still widely used today. The main aim of this regression analysis is to see the cause and effect relationship that occurs between one variable and another. The causal variable of regression is also known as variable X, explanatory variable, explanatory variable, or independent variable. Meanwhile, the affected variable is known as variable Y, influenced variable, dependent variable, or dependent variable (Delyani, 2021) . This method is used to prove the hypothesis whether there is an influence of an independent variable on a dependent variable and is generally expressed in the following equation:

$$Y = a + \beta_1X_1 + \beta_2X_2 + \epsilon$$

Information :

$Y = ROA$ (*Financial performance*) $a = \text{Constant}$

β_{1-2} = Regression Coefficient $X = \text{Green Accounting}$

ϵ = Interference Error (Error)

IV. RESULTS AND DISCUSSION

Research result

Descriptive Statistical Test

Table 1.3 Descriptive Statistical Test Results

	ROA	GA
Mean	0.132708	0.606667
Median	0.078145	0.666667
Maximum	0.942554	1.000000
Minimum	-0.041817	0.000000
Std. Dev.	0.168659	0.249171
Skewness	3.233123	0.003790
Kurtosis	14.95948	2.379741
Jarque-Bera	385.0862	0.801623
Probability	0.000000	0.669776
Sum	6.635421	30.33333
Sum Sq. Dev.	1.393845	3.042222
Observations	50	50

Source: Eviews 12 output

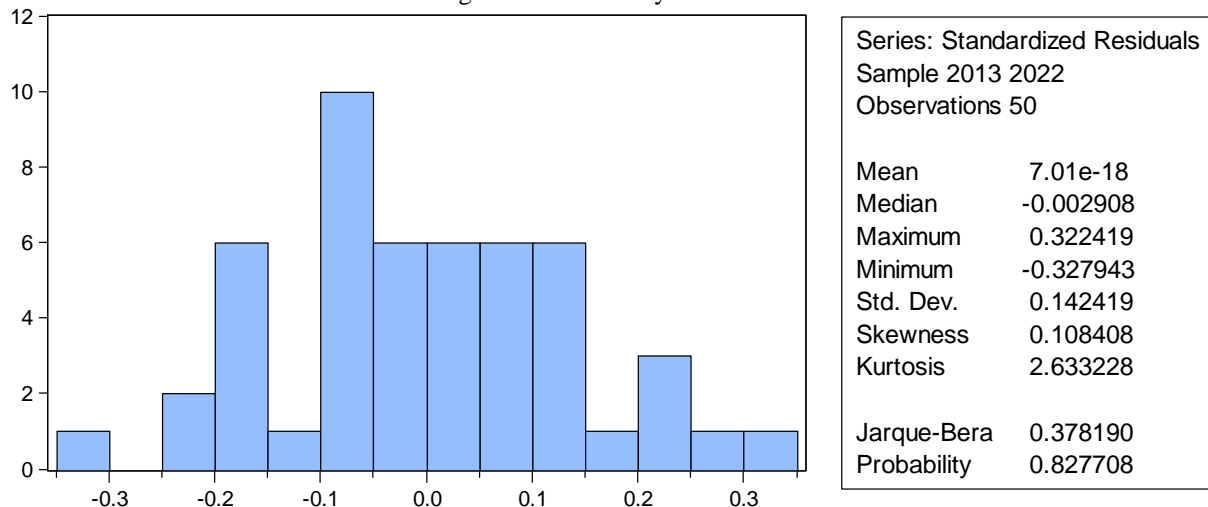
Based on data from table 1.3, descriptive analysis results, it can be concluded that:

1. *Green Accounting* has a minimum value of 0.00 and a maximum value of 1.00. This shows that the amount of *green accounting* in the research companies ranges from 0 to 1, with an average value (mean) of 0.60 with a standard deviation of 0.24. With this, the average value (mean) is greater than the standard deviation, namely $0.60 > 0.24$, which means that the distribution of the company's financial performance is homogeneous.
2. *Financial Performance* has a minimum value of -0.04 and a maximum value of 0.94. This shows that the magnitude of financial performance in research companies ranges from -0.04 to 0.94, with an average value (mean) smaller than the standard deviation, namely $0.13 < 0.17$.

Classic assumption test

- **Normality test**

Diagram 1.1 Normality Test Results



Based on data from diagram 1.1, the results of the normality test with a benchmark using ROA, it can be seen that the Jarque-Bera statistical value is 0.378190 with $df=K-1$ ($2-1=1$) chi square analysis 3.84146 (0.05) and the

result The resulting probability value is 0.827708. So that $0.378190 < 3.84146$, it can be said that the residual data involved is normally distributed from statistical tests. Data normality is a basic requirement that must be met in parametric analysis.

- **Heteroscedasticity Test**

Table 1.4 Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.080162	0.039545	2.027114	0.0487
GA	-0.010733	0.061722	-0.173893	0.8627

Based on the data in table 1.4, the results of the heteroscedasticity test show that the Green accounting probability value shows a figure of more than 0.05, so the results do not have a heteroscedasticity problem.

- **Autocorrelation Test**

Table 1.5 Autocorrelation Test Results

Weighted Statistics			
R-squared	0.758550	Mean dependent var	0.348917
Adjusted R-squared	0.731113	S.D. dependent var	0.271922
S.E. of regression	0.150294	Sum squared resid	0.993880
F-statistic	27.64649	Durbin-Watson stat	1.319590
Prob(F-statistic)	0.000000		

Based on the data in table 1.5, the results of the autocorrelation test show that the Durbin-Watson (DW) value is 1.319590, thus obtaining a 1-dU value of -0.57. So the conclusion is $1.5700 (dU) > 1.319590 > -0.57(1-dU)$, so the DW value from the regression model formed has no negative correlation.

HYPOTHESIS TEST

- **Linear Analysis**

Table 1.6 Linear Regression Analysis Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.088399	0.014846	5.954275	0.0000
GA	0.073038	0.023369	3.125445	0.0031

Effects Specification			
Cross-section fixed (dummy variables)			
Weighted Statistics			
R-squared	0.758550	Mean dependent var	0.348917
Adjusted R-squared	0.731113	S.D. dependent var	0.271922
S.E. of regression	0.150294	Sum squared resid	0.993880
F-statistic	27.64649	Durbin-Watson stat	1.319590
Prob(F-statistic)	0.000000		

Based on the data in table 1.6, the results of the linear regression analysis test are obtained:

1. multiple correlation coefficient:

Namely $R\text{-squared} = 0.758550$, then $\sqrt{0.758550} = 0.870947$. So it can be concluded that the relationship between variable (X) and variable (Y) is unidirectional.

2. Linear Regression Equation Test, namely:

$ROA = 0.088399(C); + 0.073038(GA)$

- So the constant value (C) is 0.088399, meaning that the GA variable is considered constant in the positive direction.

- So the GA coefficient value is 0.073038, namely the EP variable has increased by one unit assuming the regression coefficient of the other variables is zero.

Partial Regression Test (t-test)

Table 1.7 Partial Regression Test Results (t-test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.088399	0.014846	5.954275	0.0000
GA	0.073038	0.023369	3.125445	0.0031

Based on data table 1.7 result test, so in get market data as big as 46 with market table as big as 1.67866. So that can get data as follows :

GA t-calculated value = 3.125445 > 1.67866 and prob 0.0031 < 0.05.

So it can be concluded that the *Green accounting variable* has a significant effect on *financial performance*.

• **Regression Coefficient Test Together/Simultaneously (f-Test)**

Table 1.8 Joint Regression Coefficient Test Results (F-Test)

Weighted Statistics			
R-squared	0.758550	Mean dependent var	0.348917
Adjusted R-squared	0.731113	S.D. dependent var	0.271922
S.E. of regression	0.150294	Sum squared resid	0.993880
F-statistic	27.64649	Durbin-Watson stat	1.319590
Prob(F-statistic)	0.000000		

Based on table 1.8, the results of the regression coefficient test together/simultaneously (f-test), F-count 27.64649 > 2.61 and prob 0.000000 < 0.05. So the conclusion is that the independent variable influences the dependent variable and this means the independent variable significantly influences the dependent variable.

Coefficient of Determination (R²)

Table 1.9 Coefficient of Determination Test Results (R²)

Unweighted Statistics			
R-squared	0.251686	Mean dependent var	0.132708
Sum squared resid	1.043034	Durbin-Watson stat	1.136519

Based on table 1.9, the results of the coefficient of determination test (R²) show that R-squared = 0.251686. The calculation test applied is KD = Adjusted R-Square So it has a contribution of 25.16% in the EP variable, while the remaining 74.84% is the contribution of other variables.

V. DISCUSSION

The Influence of Green Accounting on Financial Performance

The hypothesis in this research states that the GA t-value = 3.125445 > 1.67866 and prob 0.0031 < 0.05. Based on the results of the analysis presented, it can be seen that the significance value of the environmental performance variable is 0.0031 which is smaller than 0.05 (0.0031 > 0.05) which shows that the independent variable has an effect on the dependent variable. So it can be concluded that *Green Accounting* has a significant effect on *the Financial Performance* of energy and industrial sector manufacturing companies listed on the BEI in 2013-2022. Based on the results of the analysis presented, it can be said that the better *the green accounting disclosure*, the higher *the Return On Assets* in a company.

VI. CLOSING

Conclusion

The aim of this research is to analyze the influence of the independent variable, namely *green accounting*, on the dependent variable, namely *Financial Performance*, using the population of energy and industrial sector companies listed on the Indonesia Stock Exchange (BEI) in the 2013-2022 period. From this population, selection was carried out using the *purposive sampling method* and 5 sample companies were

obtained in this research, namely companies in the energy and industrial sectors. Sample management was carried out using multiple linear analysis test tools using Eviews 12.

Based on the research results, it shows that *Green Accounting* has a positive and significant effect on Financial Performance in energy and industrial sector companies in the 2013-2022 period. The results of this research are in line with Ramadhani (2019) that testing the hypothesis, namely *Green Accounting*, which is measured using the dummy method, has a positive effect on the company's financial performance. This is proven that there is a positive influence from the implementation or better disclosure of *green accounting* in a company, which is indicated by the number of environmental accounting disclosures which will spur an increase in the company's environmental performance which will have an impact on improving the company's financial performance. Apart from that, *stakeholder theory* explains that companies that can maintain good relationships with their *stakeholders* can increase company value and improve company performance. And also based on legitimacy theory, it is said that companies must prioritize the rights of the public, not just their investors.

VII. Suggestion

Based on the results of this research, there are several suggestions that the researcher can convey to future researchers, namely that it is recommended to further expand the company sector to be used as research material so that more comparisons can be made between sectors. As well as being able to better present the factors that influence the company's financial performance from this environmental perspective.

Future researchers can add other variables besides this research variable and use other financial ratio measuring instruments such as ROE, Tobin's Q, NPM or other variables that can influence a company's financial performance.

Limitations

The limitations in this research are:

1. The samples used in this research are manufacturing companies in the energy sector and industrial sector listed on the Indonesia Stock Exchange (BEI) in the 2013-2022 period. There are several companies that do not publish complete annual financial reports or sustainability reports, thereby reducing the sample size in this research.
2. The regression model in this study was only able to explain 25.16%. The company's financial performance is determined by the independent variable, namely *green accounting*, and the rest is explained by other variables outside this research such as company value, company size, dividend policy, *good corporate governance* and so on.
3. There are limited independent variables used in this research and only uses ROA as a measuring tool, while there are still many other independent variables that can influence the company's financial performance.

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