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Green Accounting Implementation, Environmental Performance and Financial Performance of Mining Company Listed in Indonesia

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Received: December 9th, 2025; Revised: June 25th, 2026; Accepted: June28th, 2026.

Available online: June 29th, 2026, Published regularly: June 2026.

Abstract

This study aims to examine the effect of Green Accounting (GA) implementation and environmental performance (EP) on Return on Assets (ROA) as the dependent variable in mining companies listed on the Indonesia Stock Exchange (IDX) during the period 2020–2024. This research uses a quantitative method with a purposive sampling approach, involving 11 companies and 53 valid observations. GA is measured as a dummy variable based on the disclosure of environmental costs, while EP is measured using the PROPER rating from the Ministry of Environment and Forestry (KLHK). Multiple linear regression analysis using EViews 12 shows that GA and EP have coefficients negative and statistically insignificant All classical assumption tests are satisfied, while the coefficient of determination (R^2) of 0.123279 indicates that GA and EP explain only 12.33% of the variation in ROA, and the F-test shows no significant simultaneous effect. The conclusion is that the implementation of GA and EP has not yet had a positive impact on the financial performance of mining companies. Therefore, it is recommended that companies improve the transparency of environmental costs and strengthen environmental strategies to support long-term financial performance.

Keywords: green accounting, environmental performance, return on asset

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Abstrak

Penelitian ini bertujuan untuk mengkaji dampak implementasi Green Accounting (GA) dan Environmental Performance (EP) dengan Return on Assets (ROA) sebagai variabel terikat untuk Perusahaan Pertambangan yang terdaftar di Bursa Efek Indonesia (BEI) tahun 2020 – 2024. Penelitian ini menggunakan metode quantitave dengan pendekatan purposive sampling, untuk 11 perusahaan dan 53 sampel penelitian. GA diproksikan dengan variabel Dummy berdasarkan pengungkapan biaya environmental, dan EP diproksikan dengan Proper rating dari Kementrian Lingkungan Hidup dan Kehutanan (KHLH). Hasil regresi analisis dengan menggunakan e-views12, memperlihatkan bahwa terdapat hubungan yang negative dan tidak signifikan untuk GA dan EP. Semua uji asumsi klasik sudah terpenuhi dengan tingkat koefisien determinasi (R^2) sebesar 0.123279, yang menjelaskan bahwa hanya 12.33% yang berhubungan dengan ROA, uji F menunjukkan tidak ada pengaruh simultan yang signifikan. Kesimpulannya, pelaksanaan GA dan EP belum memperlihatkan dampak positif terhadap kinerja Perusahaan tambang. Oleh karena itu, disarankan agar Perusahaan meningkatkan transparansi biaya lingkungan dan memperkuat strategi lingkungan untuk mendukung kinerja keuangan jangka Panjang.

***Kata Kunci**:* green accounting, environmental performance, return on asset

INTRODUCTION

Assesment of Company performance generally focuses on financial achievements, particularly the amount of profit generated. Reseach by Asniwati (2020) uses return on assets as an indicator of profitability. The studied have a relatively significant impact on financial performance. In the study written by Cahyani (2023), financial performance reflects how effectively a company carries out its operational activities and the result that have been achieved through these activities.

Based on data from the World Bank, the mining sector in Indonesia contributes significantly to the national Gross Domestic Product (GDP). It is noted that the mining and quarrying sub-sector contributed around IDR 2,198 trillion, equivalent to 10.5% of the total GDP. Apart from being a major contributor to GDP, this sector plays an important role in increasing state revenue, contributing foreign exchange, and creating jobs for the community (Ministry of Energy and Mineral Resources, 2024).

The profitability ratio is a metric used to assess a company's capacity to generate profits. The Return on Assets ratio serves to replace profitability in research. This ratio is net profit after tax diveided by total asset value. This ratio is a way to evaluate the percentage return on assets owned. The Return on Assets (ROA) ratio, according to Hanafi and Halim (2003), measures a business's capacity to generate net profit at a certain asset level.

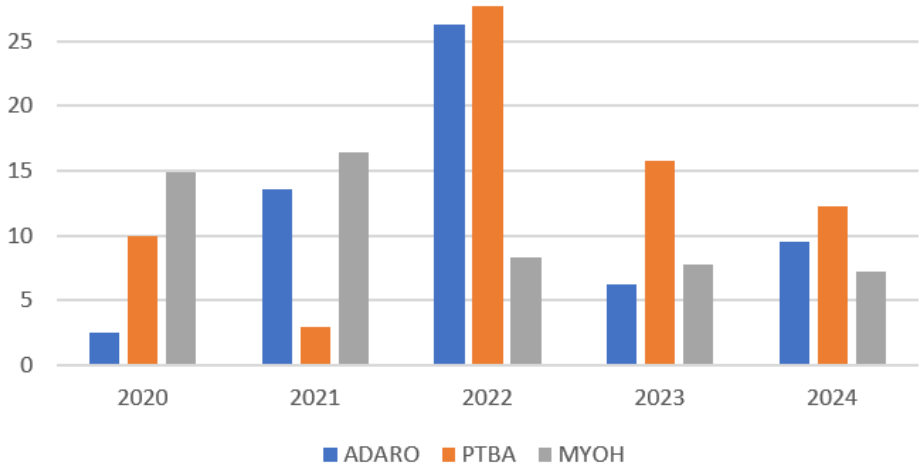

Figure 1. ROA ADARO, PTBA AND MYOH (2020-2024)

Source: Author

This research examines mining companies listed on the Indonesia Stock Exchange from 2020 to 2024.

Based on the Figure 1, ROA for several mining companies fluctuates. The highest ROA was in 2022, for ADARO and PTBA coinciding with the end of COVID-19, and it declined again in 2023 and 2024. MYOH's ROA increases and decreases are not too volatile.

Bebbington (1997) asserts that businesses must adopt environmentally friendly business strategies in addition to concentrating on profitability. One initiative to incorporate environmental issues into the business accounting system is the idea of "green accounting." One green accounting system, according to Epstein and Freedman (1994), is green accounting, which tracks and reports how a company's operations affect the environment. Costs associated with environmental management initiatives, such as investing in environmentally friendly technology, managing waste, and using renewable energy, are included in this measurement.

Mining activities have a high potential for environmental risks, such as land degradation, air pollution, and water contamination. Therefore, Indonesian mining companies are increasingly required to pay attention to sustainability aspects and implement responsible environmental management. Galjum (2022) explains that by the end of 2022, Indonesia had very concerning tropical forest damage due to mining industry activities. Mining activities contributed to about 58.2% of deforestation in 26 countries, including Indonesia. The total forest loss reached 1,902 km², especially in East Kalimantan, which is the center of coal mining.

There are several factors that can affect financial performance, one of which is green accounting. Green accounting is an approach used by companies to identify and record the environmental impact of their operational activities. This approach integrates conservation and environmental management principles into cost and benefit analysis, including in the reporting process (Sundarasen, Rajagopalan, & Alsmady, 2024). The second factor that can affect financial performance is environmental

performance. Environmental performance is a voluntary effort by companies to incorporate environmental concerns into their operational activities and their relationships with stakeholders, beyond the formal legal obligations that must be fulfilled (Apriliani & Rifa'i, 2022).

These actions aim to provide a more comprehensive assessment of operational performance, particularly in terms of its impact on the environment (Siagian, 2021). We are researching the relationship between green accounting and environmental performance with financial performance on mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2020-2024. This is because mining companies are the largest contributors to GDP and the cause of environmental pollution.

This research is a combination of existing research by Bella Syafrina Qolbiatin Faizah in 2020, entitled "The Application of Green Accounting on Financial Performance", by adding the independent variable environmental performance with mining companies as the research object

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Stakeholder Theory

Freeman (1984) asserts that stakeholder theory demonstrates how a company's capacity to balance the various interests of its stakeholders is crucial to its development and wealth creation. Stakeholders in a company have the right to know any information or developments that the company is undertaking, whether mandatory or optional, accompanied by financial and non-financial reports. Successful businesses that build positive relationships with all their stakeholders, manage the environmental impact they generate, and report that impact openly tend to see an improvement in their financial performance, which in turn can attract investors.

Legitimacy Theory

Dowling & Pfeffer in 1975, the legitimacy theory emphasizes the interaction between companies and their environment. According to this idea, the influence of society has a significant impact on the development of companies over time. The core of legitimacy theory states that an organization will be successful if stakeholders perceive that its goals are aligned with their own aspirations. This approach also offers guidance for companies to gain public trust and prove that their activities are socially acceptable. (Kinasih et al., 2021).

The way a company gains and maintains legitimacy is through social disclosure. Oktariyani & Rachmawati (2021) stated that companies often use their annual reports to give the impression of having environmental responsibility. They do this to be accepted by the public and gain support that can boost the company's reputation and value.

Clear and transparent disclosure of the social and environmental impacts caused by company

activities is also important to maintain public trust. Afifah & Immanuela (2021) stated that this disclosure can help restore, improve, and maintain the legitimacy that has been accepted by the public.

In terms of environmental performance, this theory emphasizes that companies that could potentially harm the environment need to disclose and manage environmental costs (such as waste management and ecosystem restoration) to avoid losing legitimacy. This legitimacy is gained through transparent reporting on environmental initiatives, showing the company's commitment to social and environmental responsibility. Companies that fail in this regard risk facing social sanctions, like consumer boycotts or strict government regulations, which can ultimately affect their business sustainability.

In the context of the mining sector, which has a high risk to the environment, companies are required to show good environmental performance to gain that legitimacy. Implementing positive environmental performance, for example by complying with environmental management standards like PROPER, serves as an indicator that the company is following practices in line with public expectations and government regulations. A higher PROPER rating acts as proof that the company has met the expected environmental standards.

Financial Performance

The financial performance of mining companies is an important indicator for assessing how well they manage their resources and achieve their business objectives. According to Lastanti & Salim (2019), financial performance is used to assess a company's ability to generate profits effectively and efficiently over a certain period of time while conducting business operations.

Companies that strive to comply with relevant standards as outlined in legitimacy theory and consider stakeholder input will see an improvement in their financial performance. The measurement in this study is Return On Assets (ROA), a profitability metric that is easy to calculate and understand and is used by all businesses.

Green Accounting

Green accounting is a method that incorporates environmental costs into the preparation of accounting reports for companies, organizations, or institutions. Environmental costs are expenses, both financial and non-financial, that companies must bear as a consequence of their activities that impact environmental quality. "Green accounting or environmental accounting is a term related to the inclusion of environmental costs in the accounting practices of companies or government agencies," according to Arfan Ikhsan's definition in his book Environmental Accounting and Its Applications (2008:13). Environmental management accounting is an accounting system that integrates environmental aspects into traditional accounting processes. The system focuses on identifying,

measuring, and reporting environmental costs arising from company operations. The main objective is to provide relevant information for management in planning, controlling, and decision-making related to environmental performance. Environmental costs are financial and non-financial consequences that arise from actions that damage the quality of the environment. In the context of mining entities, green accounting is highly relevant given the high intensity of natural resource exploitation and the potential for environmental pollution that it generates.

Environmental Performance

Environmental performance is an evaluative measure that assesses the extent to which a company implements conservation efforts and cares for ecosystems, both within and outside its operational area. In the context of companies, environmental performance is an important part of social responsibility, as it can increase stakeholder confidence in the integrity and commitment of companies in carrying out sustainable business activities.

Achieving good environmental performance not only strengthens the company's image but also supports the application of legitimacy theory, whereby companies are expected to comply with applicable norms and regulations and meet social expectations in terms of environmental protection and conservation. According to Angelina & Nursasi (2021), business entities that demonstrate superior environmental performance automatically build a positive social reputation that has the potential to add value to the company. This environmental performance assessment is carried out through the Company Performance Rating Assessment Program (PROPER) held by the Ministry of Environment (KLH).

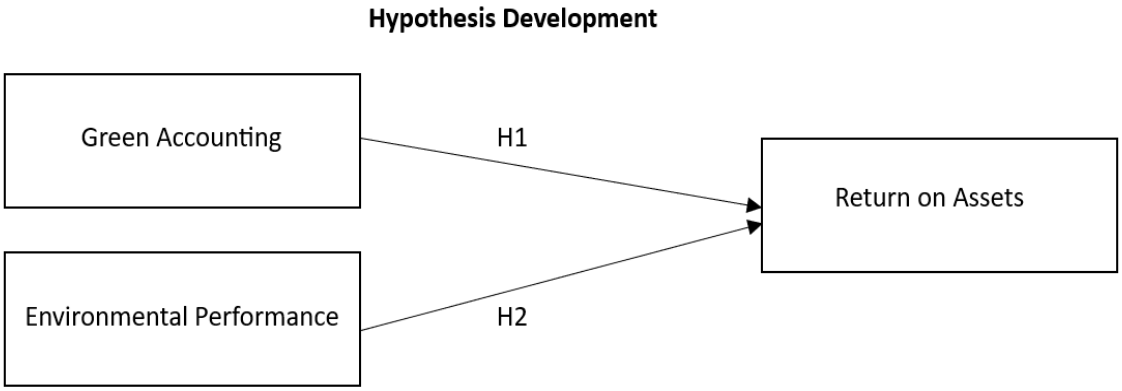

Figure 2 Conceptual Framework
Source: Author

Hypothesis Development

The Effect of Green Accounting on Financial Performance

The implementation of green accounting by companies demonstrates their commitment and concern for environmental preservation, which is reflected in the recording of environmental costs in financial reports as a form of responsibility for the impact of company activities on the environment. Literature Study: The Effect of Green Accounting on Financial Performance in Companies Listed on the Indonesia Stock Exchange (Ramadhan et al. in 2024). The empirical results reveal that both green accounting and carbon emission disclosure have no significant effect on firm value. The low explanatory power of these variables suggests that future studies should explore other determinants or different settings. Consequently, firms are encouraged to increase their environmental responsibility and strengthen environmental performance as a strategy to enhance corporate value. Several companies found that the implementation of green accounting can improve their financial performance, while other companies see different impacts. This may occur due to variations in data or company samples prior to the implementation of green accounting.

The results of a study by Endiana et al. (2020) entitled The Effect of Green Accounting on Corporate Sustainability and Financial Performance show that manufacturers in Indonesia, as a developing country, have successfully adopted green accounting by allocating environmental costs accurately and proportionally, thereby contributing to improved financial performance both directly and indirectly. Based on the research described above, it can be assumed that the implementation of green accounting has a significant effect on financial performance. This is in line with the study by Tunggal and Fachrurrozie (2021) in Nurfaida et al. (2023), which states that when companies manage the environment, they allocate costs through environmental disclosure or environmental costs, which can lead to a reduction in company profits.

Based on stakeholder theory, companies that successfully foster positive partnerships with stakeholders succeed in strengthening company value and improving performance. In addition, legitimacy theory states that companies must prioritize the public interest, not just the interests of their investors. Thus, based on this explanation, a hypothesis can be formulated.

H1: Green Accounting has a positive effect on financial performance.

The Application of Environmental Performance on Financial Performance

Whelan et al. (2021) from Rockefeller Asset Management and NYU Stern Center for Sustainable Business investigated more than 1000 papers published between 2015 and 2020 focusing on the relationship between ESG and financial performance. Their analysis revealed that 58% of papers found a positive relationship between ESG and financial performance, 8% found a negative relationship, 13% found no relationship, and 21% found mixed results. They concluded that, although

the majority of results were positive, they showed continuing disagreement on this issue.

According to the short-term hypothesis, a company's financial performance is positively influenced by environmental conditions. Legitimacy theory states that businesses need to win and maintain support from social factors such as the government, the general public, and other stakeholders. Regarding environmental aspects, businesses must talk about their environmental impact while considering their environmental performance. Scores ESG Environmental Scores measure how successfully businesses control their environmental impact, from resource utilization and carbon footprint management to new product innovation. (Melinda & Wardhani, 2020).

According to Zahroh & Hersugondo (2021), legitimacy theory provides insights into the relationship between a corporation's profitability and its social performance. Thus, standard-compliant environmental management can strengthen investor and public confidence, which ultimately drives improved financial performance.

(Majidah & Aryanty, 2022). Because these measures can strengthen stakeholder satisfaction, they have an impact on increasing the average share price of the company. In addition, social responsibility initiatives also improve employee welfare and loyalty, thereby reducing turnover rates and ultimately boosting company productivity.

H2: Environmental performance has a positive effect on financial performance.

RESEARCH METHOD

This research is quantitative and examines the effect of green accounting and environmental performance on financial performance measured by ROA (Return on Assets), and it uses EViews to run the regression equation. This study focuses on companies engaged in the mining sector and listed on the Indonesia Stock Exchange (IDX) during the period 2020 to 2024, with a population of 90 companies. The sample selection was conducted using purposive sampling, which involves selecting samples deliberately based on certain criteria that have been determined in advance. The data used in this study is secondary data obtained from the annual reports and sustainability reports of mining companies. There are several criteria for determining samples using purposive sampling techniques:

1. Mining companies listed on the IDX;
2. Mining companies that went public before 2020;
3. Mining companies for the 2020-2024 period that publish annual reports and sustainability reports;
4. Mining companies that have a PROPER rating during the 2020-2024 period.

Table 1. Sample Criteria

Mining companies listed on the Indonesia Stock Exchange	90
Mining companies that went public after 2020	(26)
Mining mining period 2020-2024 that did not publish annual reports and sustainability reports	(45)
Mining companies that do not have a PROPER rating consecutively for the period 2020-2024	(8)
Total Sample Companies	**11**
Number of Observations (11x5)	**55**
Outlier Data	**(2)**
Number of Observations Used	**53**

Source: Author

Research Equation

$$\boldsymbol{ROAi,t} = \boldsymbol{+\beta 1GAi,t + \beta 2KLi,t + \varepsilon i,t}$$

ROA = Financial Performance (ROA)
GA = Green Accounting Implementation (Dummy)
KL = Environmental Performance (Proper)
α= Constants
β = Regression Coefficient
ε = Error (residual)

Variables, Operationalization, and Measurement

Green Accounting (X1)

According to Aniela (2012), Green Accounting is a financial accounting system that not only records financial aspects but also covers company activities related to the environment. This system involves the process of identifying, measuring, evaluating, and disclosing costs arising from company activities related to the environment. In this study, the measurement of the Green Accounting variable was carried out using the following dummy method.

Table 2 Green Accounting Assessment Criteria Table

Value	Descriptions
1	If the company does not include any of those groups in its annual reporting.
0	If a company under study discloses at least one of the following groups—scope-related responsibility costs, environmental management costs, product recycling costs, community development costs, environmental recovery costs, or rehabilitation costs—in its annual report, or if the company reports provision-related costs in its financial position statement, which include dismantling, reclamation, restoration, and removal activities.

Source: (Ramadhani et al, 2022)

Table 3. PROPER Colour Rating Indicators Table

Indicator–Color	Description	Scale
Gold	Consistently demonstrates environmental excellence in production and service processes, and conducts business ethically and responsibly toward society.	5
Green	Carries out environmental management beyond what is required by regulations (beyond compliance) through the implementation of an environmental management system and the efficient use of natural resources, as well as fulfilling social responsibility properly.	4
Blue	Conducts environmental management efforts as required by the applicable laws and regulations.	3
Red	Performs environmental management efforts but they do not fully meet the requirements as stipulated in the prevailing laws and regulations.	2
Black	Intentionally commits acts or negligence that cause pollution or environmental damage, or violates applicable environmental laws and regulations and/or fails to comply with imposed administrative sanctions.	1

Source: Ministry of Environment and Forestry, 2022

Environmental Performance (X2)

According to Widhiastuti et al. (2017) in Rusmaningsih and Setiadi (2021), environmental performance refers to a company's achievements in managing its relationship with the surrounding environment. Management and control of environmental impacts are important in order to minimize potential negative effects on the environment. A company's environmental performance can be evaluated through the Company Performance Rating Program in Environmental Management (PROPER), organized by the Ministry of Environment and Forestry (KLHK). PROPER aims to encourage companies to improve their environmental management. In this program, companies are given a rating based on their environmental performance, with color categories reflecting their level of compliance and environmental management efforts. (Rahayudi & Apriwandi, 2023).

Financial Performance (Y)

A company's financial performance is a form of analysis conducted with the aim of determining how well the company carries out its financial activities based on ideal financial implementation benchmarks or standards (Nurfaidah et al, 2023). Financial performance is a measure used to assess a company's success in achieving its financial goals, particularly in generating profits.

One of the financial ratios often used to assess a company's financial performance is Return on Assets (ROA). According to Khamisah et al. (2020), Return on Assets (ROA) is a ratio used to assess how effectively a bank generates profits through the utilization of its total assets. Meanwhile, according to Alimah and Sihono (2024), the higher the ROA value, the better the company's

performance because it reflects an increase in revenue. ROA is chosen because it is a comprehensive indicator that is easy to understand and calculate.

The following is the ROA formula:

$$Return\ on\ Asset\ (ROA)\ =\ Net\ Profit\ /\ Total\ Asset$$

Result, Limitation and Discussion

The statistical tests in this study were conducted using EViews 12 software based on the collected data. The regression equation is used to explain the relationship between one or more independent variables and a dependent variable. Akomodi (2025) emphasizes that regression analysis is crucial in helping researchers understand variable relationships and make predictions based on empirical data.

It presents the analysis of the related results, theories, and hypotheses (if any) based on the writer's reasoning. Data analysis and discussion should be presented in brief but clear and it is not dominated by table presentation. The tables which are presented should not be rough output but in the processed and brief summary.

Regression Equation

$$ROA\ =\ 0.144660\ -\ 0.008788GA\ -\ 0.013636KL\ +\ e$$

Table 4 regression equation:

- Intercept: If all independent variables (GA and EP) remain constant, ROA will be 0.144660.
- GA: For every 1-unit increase in GA, ROA decreases by 0.008788, assuming other variables remain constant.
- EP: For every 1-unit increase in environmental performance (EP), ROA decreases by 0.013636, assuming other variables remain unchanged.

Normality Test

Based on the Jarque–Bera normality test using 53 observations, the test statistic is 3.338418 with a probability value of 0.188196. Since the p-value is greater than the 0.05 significance level, the null hypothesis stating that the residuals are normally distributed cannot be rejected. Thus, the residuals in this study are normally distributed, indicating that the normality assumption in classical assumption testing is fulfilled. This confirms that the regression model is valid for further analysis.

Table 4. Regression Equation

Variable	Coeffcient	Std. Error	t-Statistic	Prob
C	0.144660	0.084882	1.704243	0.0961
GA	-0.008788	0.032507	-0.270337	0.7883
KL	-0.013636	0.020335	-0.670600	0.5063

Source: Eviews12

Table 5. Normality test

Mean	3,24e18
Median	0,006242
Maximum	0,149212
Minimum	0,103818
Std. Dev	0,052906
Skewness	0,552112
Kurtosis	3,540763
Jarque Bera	3,338418
Probability	0,188396

Source: EViews12

Multicollinearity Test

The multicollinearity test using the correlation matrix shows that the correlation (r) between Green Accounting (GA) and Environmental Performance (EP) is –0.402554. Since the absolute value (0.402554) is well below the critical threshold of 0.80, it can be concluded that there is no significant multicollinearity between the two independent variables. This ensures that the effects of GA and EP on ROA are not distorted by excessive intercorrelation.

Heteroskedasticity Test

Based on the heteroskedasticity test, the probability value for GA is 0.4711 and for EP is 0.1913. Since both values are greater than 0.05, it can be concluded that there is no heteroskedasticity problem in the regression model. Thus, the assumption of homoskedasticity is fulfilled, indicating constant variance of residuals across observations and validating the model for further analysis.

Table 6. Multicollinearity Test

	GA	KL
GA	1,000000	-0,402554
KL	-0,402552	1,000000

Source: Processed by the Authors

Table 7. Heterokelasticity Test

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.023862	0.041953	-0.568786	0.5727
GA	0.011689	0.016067	0.727519	0.4711
KL	0.013358	0.010050	1.329127	0.1913

Source: EViews12

Table 8. Autocorrelation Test

Root MSE	0.052405
Mean dependent var	0.081132
S.D. dependent var	0.092021
Akaike info criterion	-2.569082
Schwarz criterion	-2.085803
Hannan-Quinn criter	-2.383236
Durbin-Watson stat	2.303530

Source: Eviews12

Heteroskedasticity Test

Based on the heteroskedasticity test, the probability value for GA is 0.4711 and for EP is 0.1913. Since both values are greater than 0.05, it can be concluded that there is no heteroskedasticity problem in the regression model. Thus, the assumption of homoskedasticity is fulfilled, indicating constant variance of residuals across observations and validating the model for further analysis.

Autocorrelation Test

The DW value of 2.303530, greater than dU (1.6359) and smaller than 4-d (2.3641), indicates no autocorrelation in the regression model. This means the residuals are independent, fulfilling the regression assumption of no autocorrelation.

Simultaneous Test (F)

Based on the F-test results, the probability value (F-statistic) is greater than 0.05, and the F-calculated value of 3.655972 is lower than the F-table value of 3.18. Thus, GA and EP jointly do not have a significant effect on ROA.

Table 9. Simultaneous Test

R-squared	0.123279
Adjusted R-squared	0.089559
S.E of regression	0.087021
Sum squared resid	0.393781
Log likelihood	57.78892
F-statistic	3.655972
Prob(F-statistic)	0.032688

Source Eviews 12

R-Squared Test

The coefficient of determination (R^2) measures how well the independent variables collectively explain variations in the dependent variable. R^2 values range from 0 to 1, with higher values indicating stronger explanatory power.

The calculation using EViews 12 yields an R^2 value of 0.123279 (12.9%). This indicates that the independent variables (GA and EP) have weak explanatory power over ROA among mining companies listed on the IDX. This means that only 12.9% of changes in ROA can be explained by GA and EP, while the remaining percentage is influenced by other factors not included in the model.

t-Partial Test

The t-test evaluates the individual effect of each independent variable (GA and EP) on the dependent variable, ROA, assuming other variables have no influence.

Based on the t-test with 50 degrees of freedom and a 5% significance level. No independent variable (GA or EP) has a significant partial effect on ROA. All p-values exceed 0.05, supporting the conclusion that neither variable significantly influences ROA individually.

Table 10. t – Partial Test

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	0.144660	0.084882	1.704243	0.0961
GA	-0.008788	0.032507	-0.270337	0.7883
KL	-0.013636	0.020335	-0.670600	0.5063

Source Eviews12

According to legitimacy and stakeholder theory, green accounting and environmental performance are expected to have a positive relationship with a company's financial performance (ROA).

However, the statistical results in this study do not support the research hypothesis. Financial performance (ROA) is not significantly affected by green accounting or environmental performance. Few academic references also examine the impact of these independent variables on financial outcomes, which may limit theoretical comparison.

Companies that implement green accounting incur environmental-related expenses. These costs may reduce short-term operating profit, as they are treated as expenses. However, green accounting is fundamentally a long-term investment that contributes positively to the surrounding environment. Through this, companies gain social legitimacy and strengthen their public image.

Environmental performance in the observed companies has not yet created direct financial value, or there may be other dominant factors influencing environmental performance. It is also possible that environmental initiatives are still perceived primarily as costs rather than strategic investments that offer short-term financial gains. This opens room for further discussion on how environmental strategies can be integrated with economic objectives.

CONCLUSION AND RECOMMENDATIONS

Based on the findings of this study, it can be concluded that there are certain factors that play a more dominant role in influencing a company's environmental performance. The limited availability of green accounting information and environmental performance data made it challenging for the author to assess the extent to which these variables influence financial performance.

The implementation of Green Accounting (GA) and Environmental Performance (EP) shows a negative coefficient toward Return on Assets (ROA) in mining companies listed on the Indonesia Stock Exchange during the 2020–2024 period. However, this negative effect is statistically insignificant, indicating that, individually, both variables do not have a significant impact on ROA.

Mining companies are advised to strengthen their environmental financing initiatives by enhancing transparency. This can be achieved through the disclosure of the nominal value of environmental costs and the inclusion of a brief description of environmental activities undertaken. Such measures are intended to build public trust and mitigate the negative stigma commonly associated with the mining industry.

Future research is recommended to emphasize customer perspectives, for instance through consumer surveys to assess the level of customer awareness regarding the environmental sustainability of mining-based products they consume. Customer perceptions have a significant influence on corporate profitability and may ultimately affect the company's Return on Assets.

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