The Effect Of Environmental Accounting And CSR Disclosures On The Financial Performance Of Manufacturing Companies Listed On The IDX In 2019-2023

Aisyah Maulidina Nasution[1*], Gusrianti [2], Sandra Dewi [3], Rahmi Isriani[4]

Fakultas Ekonomi dan Bisnis Islam, Universitas Islam Negeri Sjech M. Djamil Djambek Bukittinggi *[1, 2, 3, 4]
*[1]email: maulidinaa426@gmail.com
[2]email: gusrianti@uinbukittinggi.ac.id
[3]email: sandradewi@uinbukittinggi.ac.id
[4]email: rahmiisriani@uinbukittinggi.ac.id

Abstract: This study aims to investigate the effect of environmental accounting disclosure and corporate social responsibility (CSR) on the financial performance of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the period 2019–2023. A quantitative approach was employed as the methodological basis of the analysis. The findings reveal that, simultaneously, environmental accounting and CSR have a significant impact on corporate financial performance. However, when examined partially, the effects of each variable exhibit contrasting directions, with variable X1 showing a significant positive effect, while variable X2 demonstrates a negative effect. These results highlight the importance of integrating environmental and social issues into the corporate reporting framework as a strategic step toward sustainability, while also serving as a reference for regulators in

Abstrak: Kajian penelitian ini dimaksudkan untuk menginvestigasi pengaruh dari eksposisi akuntansi berbasis lingkungan serta tanggung jawab sosial perusahaan (CSR) terhadap performa keuangan korporasi manufaktur yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2019 hingga 2023. Pendekatan kuantitatif dijadikan basis metodologis dalam analisis ini. Temuan studi menunjukkan bahwa secara simultan, akuntansi lingkungan dan CSR memberikan dampak signifikan terhadap kinerja finansial perusahaan. Namun, secara parsial, pengaruh masing-masing variabel menunjukkan arah yang kontras, di mana variabel X1 berdampak positif signifikan, sementara variabel X2 justru menunjukkan pengaruh negatif. Hasil ini menggarisbawahi pentingnya integrasi isu lingkungan dan sosial dalam kerangka pelaporan korporat, sebagai langkah

131

strengthening policies on transparency and accountability in non-financial reporting.	strategis menuju keberlanjutan, sekaligus menjadi acuan bagi regulator dalam memperkuat kebijakan transparansi dan akuntabilitas pelaporan nonfinansial.
Keywords: Green Accounting; CSR; ROA; GRI Standards.	*Kata Kunci:* Akuntansi Lingkungan; CSR; ROA; GRI Standar.

A.   Introduction

Financial performance is crucial for any company, including manufacturing companies. Financial performance is a form of evaluation that aims to measure a company's ability to manage its financial activities efficiently and comply with accounting standards and applicable legal provisions. (Hutabarat, F, 2020) The 2019–2023 period reflects fluctuations in the financial performance of manufacturing companies in Indonesia. The Purchasing Managers' Index (PMI) is an economic indicator that measures the level of activity in a country's manufacturing and services sectors. In early 2020, the PMI experienced a sharp decline, reaching 27.50% due to the impact of the COVID-19 pandemic. Throughout 2021 and 2022, performance remained depressed, although there was a slight recovery. In early 2023, the PMI rose to 51.3%, from 50.9% in December 2022, indicating a return to expansion. The financial performance data of manufacturing companies from 2019 - 2023 can be seen in table 1 below:

Table 1. Financial Performance of Manufacturing Companies 2019-2023

No	Issuer Name	(ROA)					Average
		2019	2020	2021	2022	2023	
1	Unilever Indonesia Tbk.	36%	35%	30%	29%	29%	32%
2	Industri Jamu Dan Farmasi Sido Muncul Tbk.	23%	24%	31%	27%	24%	26%
3	Bukit Asam Tbk.	15%	9%	1%	28%	16%	14%
4	Merck Tbk.	9%	8%	13%	17%	19%	13%
5	Kalbe Indonesia Farma Tbk.	13%	12%	13%	13%	10%	12%
6	Impack Pratama Industri Tbk.	4%	4%	7%	9%	12%	7%
7	Indocement Tunggal Prakarsa	7%	7%	7%	7%	7%	7%

	Tbk.						
8	Aneka Tambang Tbk.	1%	4%	6%	11%	7%	6%
9	Japfa Comfeed Indonesia Tbk.	7%	4%	7%	5%	3%	5%
10	Astra Agro Lestari Tbk.	1%	3%	7%	6%	4%	4%
11	Elnusa Tbk.	5%	3%	0%	4%	5%	4%
12	Wijaya Karya Beton Tbk.	5%	1%	1%	2%	0%	2%

Source: Processed Financial Report Data, 2024

According to Table 1.1, Wijaya Karya Beton Tbk has an average Return on Assets (ROA) of 2%, Elnusa Tbk has an average ROA of 4%, and Astra Agro Lestari Tbk has an average ROA of 4%. All three companies have ROAs below the good category, namely 5%. According to Arvielda and Tio, financial performance in manufacturing companies is caused by sales growth, firm debt, liquidity, and company size. (Lie Sha, T., & Arvielda, 2021) Environmental accounting is a factor in financial performance. Corporate Social Responsibility (CSR) is also a factor in financial performance. Environmental accounting is a component of environmental accounting that provides reports for both internal and external stakeholders. (Fadillah, H., Widyowati, M. P., & Nasution, Y. N., 2023) Environmental disclosure in Indonesia remains voluntary. The government has regulated environmental provisions through Government Regulation No. 22 of 2021 concerning Environmental Management and Implementation. However, implementation of this regulation remains suboptimal due to the lack of standard guidelines specifically governing the implementation and reporting of companies' roles in preserving the environment. Sustainability reporting is closely linked to environmental issues, yet in Indonesia, disclosure of environmental information by companies remains voluntary and not yet mandatory.

The results of a previous study conducted by Pertiwi, Junaidi, and colleagues in 2021 implied that the transparency of environmental accounting information has no real relevance to a company's financial performance, as represented by the Return on Assets (ROA) ratio. (Hutabarat, F, 2020) However, this conclusion contradicts

the recent findings of Ariyani and Putri in 2024, who stated that environmental accounting disclosure actually shows a substantial correlation with the financial performance of business entities, as indicated by the ROA indicator.

In addition to environmental accounting, CSR is also a factor that influences financial performance. Companies are required to address the social and environmental impacts of their activities, including pollution, waste management, and health and safety issues. This is known as Corporate Social Responsibility (CSR). It demonstrates that businesses are accountable for the social, environmental, and ethical consequences of their operations, beyond monetary profit. (Ariyani, O. A., & Putri, E., 2024)

According to research conducted by Putri & Rosdiana in 2021, CSR disclosure does not affect financial performance as measured by ROA. Research by Kinasih, Mas'ud, et al. in 2022 also found that CSR disclosure has a significant negative effect on financial performance as measured by ROA. However, a 2020 study by Permatasari & Widianingsih found that CSR disclosure improves financial performance as measured by ROA, meaning CSR disclosure affects financial performance.

Stakeholder Theory

Stakeholder theory is a theory of business ethics and management that emphasizes moral values and ethical responsibilities in organizational management towards all stakeholders. Stakeholder theory refers to various policies and practices related to fulfilling responsibilities to stakeholders as part of the business world's commitment to supporting sustainable development. This includes paying attention to social and environmental aspects, complying with the law, and implementing ethical principles. In this context, sustainable activities and performance aimed at increasing a company's long-term value can be realized through fulfilling social responsibilities, preserving the environment, and enhancing the company's

reputation. Disclosure of Corporate Social Responsibility (CSR) is one manifestation of a company's social responsibility to all its stakeholders. Reliable financial reports supported by quality audits also demonstrate a company's responsibility to its stakeholders. (Fitriandi, P, 2020)

Legitimacy Theory

Legitimacy theory addresses the gap between a company's internal perception of its legitimacy and the external perception of society or stakeholders. In addition to economic goals, companies consider the social and environmental impacts of their operations within legitimacy theory. Legitimacy theory relies on the idea that businesses have a social contract with the communities in which they operate. This theory emphasizes that companies must ensure that all their activities within their social environment align with prevailing norms and values. Companies are expected to foster the perception that their actions and performance are acceptable to society. Annual reports are a common way to gain social legitimacy for environmental commitments. (Siladjaja, M., Nugrahanti, T. P., & Madgalena, P., 2023).

Financial Performance

Financial performance indicates how well a company manages its funds properly in accordance with accounting regulations and standards to improve the efficiency and productivity of its operations. This study evaluates financial performance by analyzing profitability ratios, as measured by Return on Assets (ROA). Profitability is a ratio used to assess a company's ability to generate profits and to measure the effectiveness of its management. Profitability ratios are a way to assess an entity's ability to generate profits from revenue and how efficiently the entity utilizes assets, equity, and sales based on specific financial metrics. Return on Assets (ROA) indicates how effectively a company utilizes all its assets to generate net profit (Fitriana, A., t.t.).

Environmental Accounting

Leni Suzan et al. (2011) Environmental accounting is a reporting system that includes the recording and disclosure of costs and impacts of company activities on the environment, to support transparency and sustainable decision-making. Environmental accounting plays a crucial role in providing information on environmental costs to stakeholders, which in turn can encourage the identification of strategies to reduce or avoid these costs, while contributing to improving environmental quality. According to (Lako, 2011), environmental accounting disclosures include 14 key indicators that companies should disclose. These indicators include: implementation of environmental governance; energy efficiency; emission reduction; management of hazardous and non-hazardous waste through the principles of reduce, reuse, and recycle; water conservation and pollution load reduction; biodiversity protection; community empowerment; positive and negative impacts of business activities; and control of water, air, and marine pollution, hazardous and non-hazardous waste, and land degradation. Environmental accounting serves as both a managerial instrument and an external medium for companies to communicate their ecological responsibilities. Corporations that demonstrate concern for environmental aspects tend to gain social acceptance from surrounding communities. (Almunawarah, M., Deswanto, V., Karlina, E., Firmialy, S. D., Nurfauziah, F. L., Ilyas, M., Herliansyah, Y., Safkaur, O., & Hasanuddin, A. F., Hertati, L., Ismawati, L., & Simanjuntak, A., 2022).

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) reflects a business entity's moral obligation to the surrounding social and ecological ecosystems, articulated through a series of strategic initiatives to support shared survival and improve the quality of life of the community. If they act in accordance with internally agreed principles and

consider the interests of the wider community, the company demonstrates social responsibility (CSR). Improving the quality of life of stakeholders, including the communities and social environments surrounding the company's operational locations, is the primary objective of CSR. The primary objective of implementing various forms of Corporate Social Responsibility (CSR) activities is to support sustainable development, which is based on the triple bottom line concept: profit (economic benefit), people (social welfare), and planet (environmental sustainability). CSR disclosures use the 2021 GRI (Global Reporting Initiative) Standards. The total number of indicators in the 2021 GRI Standards is 117. In GRI 2 which covers governance, there are 30 disclosure indicators, GRI 3 which examines material topics (materiality), consists of 3 disclosure indicators, GRI 200 which is related to economic topics (economics) has 17 disclosure indicators, GRI 300 which discusses environmental topics (environmental), there are 31 disclosure indicators, and GRI 400 which focuses on social topics (social) has 36 disclosure indicators. (Labetubun, M. A. H & dkk, 2022).

B.   Research Method

This research method employed a quantitative approach utilizing descriptive and associative techniques. The quantitative method is inferential, where research conclusions are derived through statistical hypothesis testing based on empirical data collected through a measurement process. This study utilized secondary data as the primary information reference. The study employed purposive sampling in selecting its sample. This method was based on certain predetermined criteria, which are explained in Table 3.

Tabel 2. Number of Research Samples

No	Sample Criteria	Total Sample
1	Companies listed on the IDX for 2019-2023	245
2	Companies not registered with ISSI during 2019-2023	(111)

3	Companies that did not create or publish a 2019-2023 sustainability report	(114)
4	Companies that do not use IDR currency	(8)
	Number of research samples	12
	Total Observations (n × research period) 12 × 5	60

Operational definitions of variables. This study is structured around quantitatively measurable indicators that align with the research objectives. This section also contains the methods used to measure each variable. The indicators used are as follows:

Financial performance :

$$ROA = \frac{Laba\ Bersih}{Total\ Aset} \times 100\%$$

Environmental Accounting :

$$IP = \frac{\sum X}{N}$$

Corporate Social Responsibility (CSR) :

$$CSRDi = \frac{\sum X}{N} \times 100\%$$

Keterangan :
IP : Corporate environmental accounting disclosure index
CSRDi : *Corporate social responsibility disclosure index*
   : Total items reported by the company
$\sum X$
N : Total indicators that companies must disclose

Data analysis techniques encompass data processing to generate relevant data. Statistical data processing was carried out using IBM SPSS software, 24th edition. This scientific exploration focused on manufacturing entities listed on the official Indonesia Stock Exchange (IDX) from 2019 to 2023, with data sources accessed through the IDX's authoritative online website, www.idx.co.id.

C. Results and Discussion

Results

Descriptive Statistics

Descriptive statistical analysis collects, displays, and interprets numerical data in the form of summaries or visualizations, thus facilitating the analysis process and drawing conclusions.

Tabel 3. Descriptive Statistics Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
AKUNTANSI LINGKUNGAN	60	0.64	0.93	0.8052	0.10375
CSR	60	0.18	0.99	0.5268	0.23867
KINERJA KEUANGAN (ROA)	60	0.00	0.36	0.1095	0.09638
Valid N (listwise)	60				

Based on the information presented in Table 3, the following conclusions can be drawn regarding the descriptive statistics results. Variable Y, used to evaluate financial performance results, shows that companies in the t sample have a minimum value of 0.00. recorded financial performance at the 0% level. The maximum value of 0.36 reflects that there are companies in the sample that achieved the highest level of financial performance, reaching 36%. With a mean value of 0.1095, this reflects that the average financial performance is 10.95%. The standard deviation of 0.09638 indicates a high level of variation between companies in terms of achieving financial performance. Variable X1 represents the level of environmental accounting disclosure, showing a minimum value of 0.64, indicating that there are companies that disclose only 64% of the total 14 items of environmental information that should be disclosed. The maximum value of 0.93 indicates that companies with the highest level of disclosure reach 93% of the total items. The average (mean) of environmental accounting disclosure was recorded at 0.8052, which indicates that in general the companies in the sample have disclosed approximately 80.52% of the total environmental accounting information.

However, the standard deviation of 0.09375 indicates little variation among companies in disclosing environmental information. Variable X2 calculates the level of Corporate Social Responsibility (CSR) disclosure based on 117 information items. With a minimum value of 0.18, this variable indicates that the company only disclosed 18 percent of all CSR items that should be disclosed, and a maximum value of 0.99 indicates that the company has disclosed up to 99 percent of all CSR information. The average (mean) value of this variable is 0.5268, which indicates that the company.

Classical Assumption Test

Normality Test

The data normality test in this study was implemented using the one-sample Kolmogorov-Smirnov approach, which aims to identify the tendency of the residual distribution to follow a normal, Poisson, uniform, or exponential pattern. Within this analytical framework, validating the normality of the residual distribution is a primary requirement for further statistical interpretation. A data set can be categorized as having a normal distribution if the probability value (p-value) obtained exceeds the significance threshold of 0.05.

Tabel 4. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		60
Normal Parameters[a,b]	Mean	0.0000000
	Std. Deviation	0.06381696
Most Extreme Differences	Absolute	0.060
	Positive	0.060
	Negative	-0.049
Test Statistic		0.060
Asymp. Sig. (2-tailed)		0.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

The test results indicate that the data distribution in this study follows a normal distribution pattern, indicated by a significance level of 0.200, which exceeds the critical limit of 0.05, a benchmark for statistical feasibility.

Multicollinearity Test

Multicollinearity occurs when the independent variables are strongly related to each other in a regression model, as evidenced by the high correlation between them. The model is considered free of multicollinearity if the variance inflation factor is within reasonable limits and the tolerance level is sufficiently high.

Tabel 5. Multicollinearity Test Results

Coefficients[a]

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
AKUNTANSI LINGKUNGAN	0.901	1.110
CSR	0.901	1.110

a. Dependent Variable: KINERJA KEUANGAN (ROA)

The first variable, representing environmental accounting, has a tolerance level of 0.901 and a Variance Inflation Factor of 1.110, both within the safe range, indicating the absence of multicollinearity. Similarly, the second variable, representing corporate social responsibility (CSR), exhibits comparable tolerance and VIF values, namely 0.901 and 1.110, respectively, reinforcing the conclusion that the regression structure is not affected by a linear relationship between the independent variables.

Autocorrelation Test

Autocorrelation refers to the relationship between consecutive observation values in space or time. In this study, residual patterns were tested using a non-parametric run test. The absence of autocorrelation is indicated when the significance level exceeds the 0.05 threshold.

Tabel 6. Autocorrelation Test Results

Runs Test

	Unstandardized Residual
Test Value[a]	-0.00155
Cases < Test Value	30
Cases >= Test Value	30
Total Cases	60
Number of Runs	26
Z	-1.302
Asymp. Sig. (2-tailed)	0.193

a. Median

The significance value is 0.193. This indicates that autocorrelation is absent in the regression model, as the test results show a significance value above the 0.05 threshold.

Heteroscedasticity Test

Heteroscedasticity occurs when the residual variance in a regression model changes between two observations. In this study, the White Test, a statistical method used in linear regression, was used to identify inhomogeneity of residual variance and to determine whether there are signs of heteroscedasticity in the scenario. The test results indicate that the regression model does not contain symptoms of heteroscedasticity if the calculated Chi-Square value ($N \times R^2$) is less than the Chi-Square value in the table.

Tabel 7. Heteroxidation Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.404[a]	0.163	0.086	0.00541

a. Predictors: (Constant), X1X2, X1_KUADRAT, X2_KUADRAT, CSR, AKUNTANSI LINGKUNGAN

Based on the calculation results, the regression model does not indicate heteroscedasticity, as the observed Chi-Square value of 9.78 is still below the table threshold of 11.070.

Multiple Linear Regression Analysis

A statistical approach called simple linear regression is applied to examine the extent to which one independent element can influence one dependent component. This technique aims to measure the intensity of the influence caused by fluctuations in the predictor variable on the response variable. Broadly speaking, the basic structure of the econometric model of simple linear regression can be expressed as follows:

$$Y = a + \beta X_1 + \beta X_2 + e$$

Keterangan:
    Y : *Return on Asset*(ROA)
    a : Konstanta
    β : Koefisien
    X_1 : Akuntansi Lingkungan
    X_2 : *Corporate Social Responbility* (CSR)
    e : error term

Tabel 8. Results of Multiple Linear Regression Analysis

Coefficients^a

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	-0.414	0.066		-6.264	0.000
AKUNTANSI LINGKUNGAN	0.731	0.086	0.787	8.520	0.000
CSR	-0.123	0.037	-0.305	-3.299	0.002

a. Dependent Variable: KINERJA KEUANGAN (ROA)

The results of the multiple linear regression analysis shown in Table 4.6 indicate that the constant value is -0.414, indicating that when environmental accounting and CSR are absent, ROA will be -0.414. The coefficient for X1

Environmental Accounting is 0.731, indicating that, assuming other variables remain constant, each development of one unit of environmental accounting will increase ROA by 0.731%. The coefficient for X2 CSR is -0.123, indicating that each development of one unit of CSR will decrease ROA by 0.123%.

Hypothesis Testing

Partial Test (t)

Partial testing using the t-test is used to estimate the contribution of each independent variable separately to the dependent variable within the regression model framework.

Tabel 9. Partial Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.414	0.066		-6.264	0.000
	AKUNTANSI LINGKUNGAN	0.731	0.086	0.787	8.520	0.000
	CSR	-0.123	0.037	-0.305	-3.299	0.002

a. Dependent Variable: KINERJA KEUANGAN (ROA)

Analytical findings indicate that the first hypothesis has empirical support, indicating that environmental accounting reporting has a positive and significant correlation with financial performance, as represented by Return on Assets (ROA). This is reflected in the very low significance level of 0.000, accompanied by a regression coefficient of 8.520, reflecting that increased intensity of environmental disclosure is aligned with improved financial performance. Conversely, the second hypothesis is not supported, indicating that CSR exposure has no positive impact on financial performance, and even tends to have a negative effect on ROA. Therefore,

in the context of this study, CSR reporting has not been proven to substantially boost corporate economic performance.

Simultaneous Test (F)

The F test is a statistical method for comparing the variances of two or more groups to determine whether they are equal.

Tabel 10. Simultaneous Test Results

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.308	2	0.154	36.508	0.000b
	Residual	0.240	57	0.004		
	Total	0.548	59			

a. Dependent Variable: KINERJA KEUANGAN (ROA)
b. Predictors: (Constant), CSR, AKUNTANSI LINGKUNGAN

Findings from simultaneous testing using the F-statistic approach indicate that the construction of environmental accounting variables along with corporate social responsibility (CSR) practices has a significant impact on a company's financial performance, as estimated using the Return on Assets (ROA) parameter. This is reflected in the probability level, which is below the 0.05 threshold, indicating that the regression formulation used is appropriate and adequate to explain the relationship between the independent and dependent elements in this research.

Coefficient of Determination (R2) Analysis

The coefficient of determination (R^2) describes the extent to which the independent variables are able to explain the variation in the dependent variable in the regression model.

Tabel 11. Results of the Determination Coefficient Analysis

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.749a	0.562	0.546	0.06493	1.510

a. Predictors: (Constant), CSR, AKUNTANSI LINGKUNGAN
b. Dependent Variable: KINERJA KEUANGAN (ROA)

The Adjusted R Square value of 0.546 indicates that corporate social responsibility and environmental accounting reporting variables contribute approximately 54.6% to changes in a company's financial performance (measured by ROA). The remaining 45.4% is assumed to be due to the influence of other elements outside the framework of the model proposed in this study.

Discussion

1. **The Effect of Environmental Accounting Disclosure on the Financial Performance of Manufacturing Companies Listed on the IDX in 2019-2023.**

    Based on partial testing of the first hypothesis, it was found that environmental accounting practices positively contribute to a company's financial performance, as represented by Return on Assets (ROA). This evidence is obtained from a very small significance level of 0.000, and a regression coefficient of 8.520, indicating that the more intensive an entity is in disclosing and managing environmental aspects through accounting reporting, the more optimal the financial results achieved. This result aligns with findings reported in previous research by Ariyani & Putri (2024), Febriansyah & Fahreza (2020), and Asniar, Nagu, & Madein (2024), which showed a positive correlation between environmental accounting and financial performance. This finding further strengthens the notion that environmental accounting disclosure does not merely function as an informational instrument, but rather as an integral part of corporate strategy in driving the growth of company financial value.

2. **The Effect of CSR Disclosure on the Financial Performance of Manufacturing Companies Listed on the IDX in 2019-2023**

    Referring to the testing of the second hypothesis, it was assumed that Corporate Social Responsibility (CSR) practices have a positive effect on financial performance, as represented by Return on Assets (ROA). However, the partial analysis revealed a significance value of 0.002, lower than the conventional

threshold, and a negative regression coefficient of -3.299, suggesting an antagonistic relationship between CSR and corporate financial performance. Therefore, the initial assumption of a positive relationship between CSR disclosure and ROA was not supported by empirical evidence in this study. This finding aligns with the results of a study by Kinasih, Mas'ud, Abduh, and Pramukti (2022), which also noted a counterproductive effect of CSR on financial performance. On the other hand, these results contradict previous research by Permatasari and Widianingsih (2020), Alfawaz and Fatha (2022), and Akbar and Juliarto (2023), which found that CSR has a positive contribution to a company's financial performance.

3. The Effect of Environmental Accounting Disclosure and CSR on the Financial Performance of Manufacturing Companies Listed on the IDX in 2019-2023

Referring to the third hypothesis (H3) in this research, it is assumed that environmental accounting practices and the implementation of corporate social responsibility synergistically have a constructive influence on financial performance, as represented by Return on Assets (ROA). The findings from the simultaneous test show a significance level of zero point zero zero zero, which is well below the conventional threshold, indicating a positive and substantial influence of both variables on the financial performance of business entities. Thus, corporate entities that are consistent in environmental reporting and actively engage in CSR activities tend to exhibit superior financial performance. These results align with a previous study by Situmeang et al. (2024), which found that disclosure of information on environmental and social dimensions can strengthen financial indicators such as ROA. This reinforces the view that environmental and social accountability is not merely an image-building tool, but rather an integral part of a company's competitive strategy and sustainable profitability. Furthermore, comprehensive reporting transparency on environmental and CSR issues also has the potential to reduce

exposure to reputational risk and regulatory pressures that can harm a company's financial stability.

D. Conclusion

Financial capability, as reflected in Return on Assets (ROA), is significantly impacted by the intensity of environmental accounting practices. These results indicate that the more comprehensively a business entity articulates its environmental reporting, the greater its impact on optimizing financial performance. Conversely, disclosure of information related to corporate social responsibility (CSR) actually reflects a counterproductive effect on financial performance, as measured by ROA. This phenomenon reflects that although CSR activities have strategic value in the context of social and long-term sustainability, their implementation has not yet demonstrated a tangible contribution to improving financial indicators within a short time horizon. This is likely due to the high cost burden of CSR programs, which is not commensurate with the direct, quantifiable economic benefits. Simultaneously, the integration of environmental accounting practices and CSR implementation demonstrates a collective effect on financial performance, as represented by ROA. These findings emphasize that corporate success in achieving financial results depends not only on structural efficiency but also on the extent to which the company is able to articulate a concrete commitment to ecological and social issues in its business strategy.

E. Bibliography

Almunawarah, M., Deswanto, V., Karlina, E., Firmialy, S. D., Nurfauziah, F. L., Ilyas, M., Herliansyah, Y., Safkaur, O., & Hasanuddin, A. F., Hertati, L., Ismawati, L., & Simanjuntak, A. (2022). GREEN ACCOUNTING: Accounting and the Environment. CV. Media Sains Indonesia.

Ariyani, O. A., & Putri, E. (2024). The Effect of Environmental Accounting Disclosure and Good Corporate Governance Mechanisms on Company Financial Performance: An Empirical Study of Mining and Consumer Non-

Cyclical Companies Listed on the Indonesian Stock Exchange for the 2018-2022 Period. Journal of Islamic Economics and Business Studies.

Fadillah, H., Widyowati, M. P., & Nasution, Y. N. (2023). Environmental accounting disclosure: practical concepts in conveying environmental impacts. Peneleeh Publisher. Fiscal policy agency. (2023).

Fitriana, A. (n.d.). Textbook of Financial Statement Analysis (Vol. 2024). CV. Malik Rizki Amanah.

Fitriandi, P. (2020). Anthology of STATE FINANCE 2020: Contribution of Thinkers to Indonesia. State Finance Polytechnic STAN.

Hutabarat, F. (2020). Analysis of corporate financial performance. Desanta Muliavisitama.

Labetubun, M. A. H & et al. (2022). Corporate CSR: "Theory and Practice for Responsible Management." CV. Widina Media Utama.

Lie Sha, T., & Arvielda. (2021). Factors Influencing Financial Performance in Manufacturing Companies. Journal of Economics.

Siladjaja, M., Nugrahanti, T. P., & Madgalena, P. (2023). Positive Accounting Theory: A Review of Rational Decision Model-Based Perceptions of Quality Accounting Information, CV. Mega Press Nusantara.