

The Influence Of Corporate Social Responsibility, Green Accounting, Environmental Performance, Green Innovation, and Carbon Emissions Disclosure On Financial Performance

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Abstract

Objective & Object:

This study aimed to examine the effect of Corporate Social Responsibility, Green Accounting, Environmental Performance, Green Innovation, and Carbon Emissions Disclosure on financial performance. The research focused on food and beverage companies listed on the Indonesia Stock Exchange during 2019–2023.

Methods:

A quantitative design was employed using descriptive-verification methods. Panel data regression analysis with EViews software was applied to 55 purposively selected firms that published annual and sustainability reports.

Results & Conclusions:

Corporate Social Responsibility, Environmental Performance, Green Innovation, and Carbon Emissions Disclosure had a significant positive effect on financial performance, while Green Accounting showed no significant influence. The findings indicated that transparency and sustainability practices strengthened financial outcomes.

Limitations:

The study covered only one industrial sub-sector and one financial indicator, limiting generalization.

Implications:

Companies should integrate environmental and social initiatives into governance to enhance reputation and ensure sustainable financial performance.

Keywords: Financial performance, CSR, Green Accounting, Environmental performance, Green innovation, Carbon emissions.

Abstrak

Tujuan dan Objek:

Penelitian ini bertujuan untuk menguji pengaruh Corporate Social Responsibility, Green Accounting, Environmental Performance, Green Innovation, dan Carbon Emissions Disclosure terhadap kinerja keuangan. Objek penelitian difokuskan pada

perusahaan sub-sektor makanan dan minuman yang terdaftar di Bursa Efek Indonesia selama periode 2019–2023.

Metode:

Pendekatan kuantitatif digunakan dengan metode deskriptif-verifikatif. Analisis regresi data panel menggunakan perangkat lunak EViews dilakukan pada 55 perusahaan yang dipilih secara purposif berdasarkan laporan tahunan dan laporan keberlanjutan.

Hasil dan Kesimpulan:

Corporate Social Responsibility, Environmental Performance, Green Innovation, dan Carbon Emissions Disclosure berpengaruh positif signifikan terhadap kinerja keuangan, sedangkan Green Accounting tidak berpengaruh signifikan.

Keterbatasan:

Penelitian terbatas pada satu sub-sektor industri dan satu indikator kinerja keuangan, sehingga generalisasi masih terbatas.

Implikasi:

Perusahaan perlu mengintegrasikan inisiatif sosial dan lingkungan dalam tata kelola untuk memperkuat reputasi dan mewujudkan kinerja keuangan berkelanjutan.

Kata Kunci : Kinerja keuangan, Corporate Social Responsibility, Environmental Performance, Green Innovation, dan Carbon Emissions Disclosure.

1. Introduction

In the era of globalization and modernization, companies are required to remain competitive in order to maintain their business operations. Every company inherently operates with specific goals and objectives, one of which is to maximize profit. Financial performance serves as an analytical tool to assess the extent to which a company adheres to sound financial management practices (Hutabarat, 2021). It acts as a benchmark for evaluating a company's overall health by utilizing financial statements to inform stakeholders (Akbar & Fahmi, 2020). Financial performance can thus be used as a medium for assessing achievements in financial management (Sugiri Dina, 2020).

Financial performance significantly influences decisions made by stakeholders, such as shareholders, who evaluate performance by comparing their position at the end of a period with that at the beginning. It is typically measured using financial statements, which provide an overview of a company's financial condition and operational outcomes (Budiman, 2020). As a critical factor in achieving corporate objectives, effective financial management involves making informed financial decisions that can have a substantial impact on a company's performance. Maximizing financial performance also contributes to increasing firm value, which in turn can attract investors. Higher investor interest leads to greater capital inflows and shareholder benefits through enhanced investment returns (A. Lestari & Effriyanti, 2024).

Corporate social responsibility (CSR) is a form of corporate concern in the form of actions as a corporate obligation to stakeholders, society, and also the environment in where the company is located. Every company not only has responsibility in financial aspects, but if they wants to get a good reputation, the company must have

responsibility towards the society and the surrounding environment (Sakynah et al., 2023).

Green accounting is an initial approach used to address various environmental problems faced by companies. The main objective of green accounting is to present information that covers financial (economic), social, and environmental aspects in an integrated manner in one accounting report. This information aims to provide a comprehensive basis for stakeholders in assessing the condition of the company and supporting decision-making in the fields of investment, economics, and management (Nilla & Slamet, 2023).

Environmental performance is a reflection of the success or failure of a company in achieving its goal of creating a healthy and sustainable environment. Environmental management efforts are not only influenced by company activities, but can also have an impact on the company itself. Good environmental performance can be a differentiating factor in business competition, as well as increase the company's attractiveness in the eyes of investors because it reflects positive company values (Siregar et al., 2022).

Green innovation can be defined as energy reduction, material reduction, and pollution prevention throughout the production process with sustainable product characteristics or positive environmental impacts to increase company profits (Li et al., 2020). In practice, green innovation develops environmentally friendly and efficient products or processes.

Carbon emissions are the release of gases containing carbon into the atmosphere (Wibowo et al., 2022). The release of carbon emissions occurs due to the operational activities of a company or due to forest fires in certain areas. Disclosure of carbon emissions is one indication that a company still cares about the environment (Andrian & Sudibyo, 2019).

Previous studies have shown varying results regarding the influence of independent variables on financial performance. Lahjie et al. (2022) found that corporate social responsibility (CSR) has a positive and significant effect on financial performance, while Dewi & Muslim (2022) reported that CSR has no significant effect. Furthermore, research by Efria et al. (2023) indicated that green accounting does not have a positive effect on financial performance, which is consistent with the findings of Cahyani & Puspitasari (2023), who also found no significant effect. Contradictory results were also observed in studies on environmental performance. Prena (2021) revealed a significant influence of environmental performance on financial performance, whereas Rodiah (2024) found no significant effect. R. Dewi & Rahmianingsih (2020) reported that green innovation positively affects financial performance, but Intari & Khusnah (2023) found it to be insignificant. Lastly, Andrian & Sudibyo (2019) stated that carbon emissions disclosure (CED) influences financial performance, while Rusli (2019) concluded that CED has no significant effect.

Several studies have demonstrated that CSR practices and environmental management positively affect profitability however, other findings reveal insignificant or even negative impacts. Moreover, there remains a lack of comprehensive research that simultaneously examines the five key sustainability variables corporate social

responsibility, green accounting, environmental performance, green innovation, and carbon emissions disclosure within a single, cohesive analytical framework. This is particularly limited in the context of the food and beverage industry, a sector that plays a pivotal role in both the supply chain and societal consumption.

The combination of corporate social responsibility (CSR), green accounting, environmental performance, green innovation, and carbon emission disclosure within a single research model is highly significant, as these variables complement one another in providing a comprehensive understanding of corporate sustainability strategies and their impact on financial performance. CSR emphasizes social responsibility and corporate reputation in the eyes of stakeholders, green Accounting offers a structured framework for reporting environmental costs and benefits, environmental performance reflects the effectiveness of firms in maintaining environmental sustainability, green Innovation demonstrates efforts to enhance efficiency and competitiveness through eco-friendly technologies, while carbon emission disclosure highlights transparency regarding the environmental impacts arising from corporate operations.

The integration of these five variables demonstrates that sustainable financial performance is not solely determined by profitability but is also influenced by social legitimacy, operational efficiency, regulatory compliance, and eco-friendly innovation. This is particularly crucial in the food and beverage sector, where environmental, health, and sustainability issues are major concerns for both consumers and investors. Therefore, this study provides added value by presenting a comprehensive approach that can assist companies in formulating sustainability strategies that balance social, environmental, and economic interests.

There are several important aspects of this study. First, it focuses on companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) during the period 2019–2023, which reflects a relatively recent timeframe and captures the dynamics of corporate sustainability in the post-pandemic era. Second, this research integrates five key variables corporate social responsibility (CSR), green accounting, environmental performance, green innovation, and carbon emission disclosure into a single analytical model. The simultaneous examination of these variables is rarely conducted, thereby providing a more comprehensive framework for analyzing the relationship between corporate sustainability practices and financial performance.

The urgency of this research stems from the need for a deeper understanding of how firms in this sector respond to sustainability challenges and how these responses influence their financial performance. The added value of this study lies in its empirical approach, which employs cost-based indicators in measuring CSR, offering a more concrete and quantifiable perspective. By exploring this issue comprehensively, the research is expected to contribute meaningfully to the sustainability accounting literature while also providing practical insights for corporate actors and stakeholders in formulating sustainability strategies that drive improved financial performance.

Based on the above description, it can be concluded that financial performance is one of the key indicators in assessing how effective and successful a company in managing their operational activities. Based on the identified phenomena and research gaps, the researcher is interested in examining various factors that may influence financial performance, particularly those related to Corporate Social Responsibility (CSR), green accounting, environmental performance, green innovation, and carbon emissions disclosure on the financial performance of food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the period 2019–2023.

2. Literature Review

Stakeholder Theory

According to Freeman (2010) stakeholder theory is a theory that explains how organizations can achieve their goals by considering the interests of all parties involved, both directly and indirectly, in organizational activities and can influence or be influenced by those activities. Stakeholder theory has a significant impact on a company's performance because it emphasizes the importance of paying attention to the interests and expectations of various stakeholders in the company's operations.

From the perspective of stakeholder theory, companies hold a responsibility to meet the expectations of their stakeholders, including in the area of environmental management. Green accounting serves as a strategic instrument that enables companies to integrate environmental cost information into financial reporting, thereby enhancing transparency and accountability. In the context of food and beverage sub-sector companies, the disclosure of environmental activities and related costs through green accounting not only fosters stakeholder trust but also has the potential to strengthen corporate reputation, operational efficiency, and access to funding sources. Thus, green accounting functions not merely as a tool for environmental reporting but also as a strategic approach to achieving sustainable financial performance through stakeholder support and legitimacy (A. Lestari & Harjati, 2020).

Legitimacy Theory

According to legitimacy theory proposed by Dowling and Pfeffer (1975), organizations must operate within the bounds of social norms and values accepted by society in order to gain and maintain legitimacy. Companies are therefore encouraged to implement programs that address societal needs such as Corporate Social Responsibility (CSR) initiatives as a means of securing social legitimacy.

From the perspective of legitimacy theory, a company's positive image plays a strategic role in attracting investor interest. A strong reputation reflects the firm's adherence to prevailing societal norms and values, which in turn fosters greater consumer loyalty. High consumer loyalty contributes to increased sales volume, thereby positively influencing the company's profitability. Enhanced profitability serves as a critical indicator for investors in assessing the potential return on their investments, and may also lead to a rise in the company's stock price in the capital market. Consequently, effective CSR implementation not only functions as a form of social

accountability, but also emerges as a key determinant of long-term corporate sustainability and competitiveness (Effendy et al., 2024).

Corporate Social Responsibility

Corporate Social Responsibility (CSR) reflects a company's commitment to its stakeholders, society, and the surrounding environment. The consistent and accountable implementation of CSR can enhance the company's reputation in the eyes of the public and investors. A positive reputation may increase investor interest in allocating capital, which in turn contributes to higher corporate earnings. This profit increase directly improves financial performance, indicating that CSR functions not only as a social instrument but also as a corporate strategy aimed at promoting financial growth and long-term performance sustainability (Rudianti et al., 2020). Based on this rationale, the following hypothesis is proposed.

H1: Corporate Social Responsibility has a positive effect on financial performance

Green Accounting

Green accounting refers to the concept of environmental accounting that aims to incorporate both environmental benefits and associated costs into the company's economic decision-making processes (Ramadhani et al., 2022). When a company integrates environmental considerations into its strategic planning to support sustainable performance and build a favorable reputation among stakeholders and investors, it inevitably incurs environmental-related expenses. Rather than avoiding such costs, the firm acknowledges them as part of its operational responsibility. Therefore, the more comprehensively a company applies green accounting reflected through extensive disclosure of environmental accounting practices the greater its contribution to enhancing environmental performance, which in turn positively affects its financial outcomes (PRuhayat & Kurniawan, 2024). Based on this description, the researcher proposes the following hypothesis:

H2: Green Accounting has a positive effect on financial performance

Environmental Performance

Environmental performance is a company's priority in preserving the environment and overcoming the problem of negative environmental impacts resulting from environmental operations. According to Hamdani et al. (2022) explained that the implementation of this environmental performance will contribute to increasing profits by reducing company expenses as an effort to reduce negative impacts on the environment. The reduction in expenses will increase profits which of course will improve the company's financial performance. Based on this description, the researcher proposes the following hypothesis:

H3: Environmental Performance has a positive effect on financial performance

Green Innovation

Green innovation can be a significant driver for improving a company's financial performance, especially if the company is able to manage initial costs, take advantage of market opportunities, and build a good reputation. This strategy provides benefits not only in the form of profitability but also improves financial performance (Karawang & Mulyadi, 2024). Based on this description, the researcher proposes the following hypothesis:

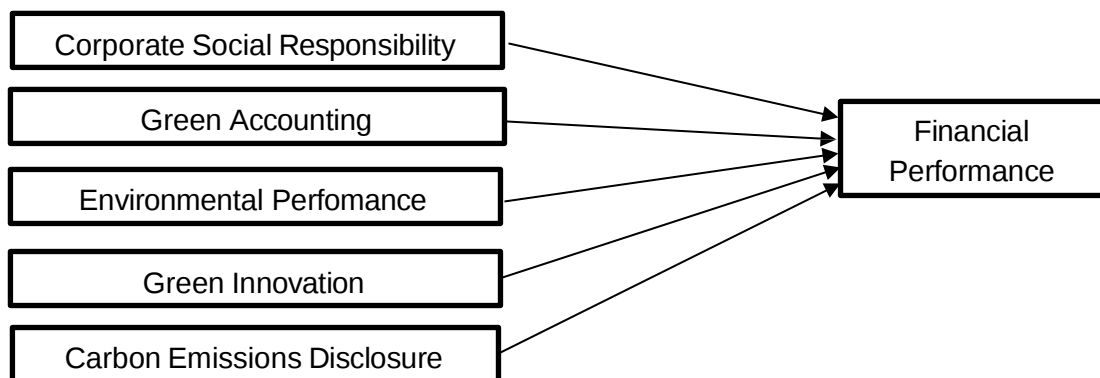
H4: Green Innovation has a positive effect on financial performance

Carbon Emissions Disclosure

Carbon emission disclosure represents a key component of environmental reporting. It involves the process of measuring, recognizing, and presenting data related to a company's carbon emissions. Such disclosures typically provide both historical data and future projections of carbon performance, addressed to internal and external stakeholders, along with other climate-related information (Ladista et al., 2023). Beyond fulfilling a company's environmental accountability, carbon emission disclosures function as a strategic communication tool that not only reinforces sustainability practices but also plays a role in enhancing financial performance (Ladista et al., 2023). Based on this description, the researcher proposes the following hypothesis:

H5: Carbon Amissions Disclosure has a positive effect on financial performance

Figure 1. Research Model



3. Research Method

This study employed a quantitative approach with a descriptive-verificative method to both describe the conditions of the variables and examine causal relationships among them. The data used were secondary data obtained from annual reports and sustainability reports of food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2019–2023. The sampling technique applied was purposive sampling, with criteria including companies that were consistently listed and published complete reports for five consecutive years, resulting in a sample of 55 companies and a total of 275 firm-year observations. Data analysis

was conducted using multiple linear regression with panel data processed through EViews 9.0 software. Before the estimation was conducted, the model was first tested using classical assumption tests to ensure the validity and reliability of the regression parameters. These tests were employed to confirm that the regression model meets the criteria of a good model.

The descriptive-verificative design was deemed appropriate as it provides a comprehensive overview of the data characteristics while allowing for empirical testing of the influence of Corporate Social Responsibility, Green Accounting, Environmental Performance, Green Innovation, and Carbon Emissions Disclosure on financial performance.

4. Result and Discussion

4.1. Descriptive Statistical Analysis

The following is a table of descriptive statistical results from all variables used in this study, both independent and dependent variables. Descriptive statistics aim to provide an overview of the characteristics of the data.

Table 1. Descriptive Statistics

	Mean	Maximum	Minimum	Std.Dev
KK	5.182255	917.7150	-990.8580	296.1938
CSR	0.326327	0.460000	0.000000	0.040804
GA	0.374109	0.130000	0.130000	0.094341
EP	3.192727	4.000000	2.000000	0.515403
GI	0.702727	1.000000	0.250000	0.277735
CED	0.581084	1.000000	0.143000	0.254550

Source: Processed Data (2025)

Based on the results of the descriptive statistical analysis, it can be observed that the CSR variable, with an average value of 0.326327, indicates that food and beverage sub-sector companies have relatively implemented CSR well. This finding is consistent with the sustainability reporting requirements stipulated in OJK Regulation No. 51/POJK.03/2017 on the implementation of sustainable finance, which obliges financial service institutions, issuers, and public companies to prepare sustainability reports. Substantively, strengthening CSR practices can enhance corporate legitimacy in the eyes of the public while also meeting regulatory expectations, which in turn contributes to improving both corporate reputation and financial performance.

The Green Accounting variable, with an average value of 0.374109, indicates that its implementation remains low. This finding is consistent with the situation in Indonesia, where green accounting practices have not yet been fully integrated into national accounting standards. Although the Financial Services Authority (OJK) has encouraged greater transparency in sustainability-related information, green accounting is still largely perceived as an additional burden. This underscores the need for stronger regulations or incentives, such as the adoption of environmental

accounting standards or integration within the KEHATI ESG Reporting framework, to encourage companies to view green accounting as a strategic instrument rather than merely an administrative obligation.

The Environmental Performance variable, with an average value of 3.192727, indicates a fairly good achievement, most of which is reflected in the PROPER initiated by the Ministry of Environment and Forestry (KLHK). PROPER serves as a national evaluation instrument that not only assesses compliance but also encourages environmental innovation. Companies with higher PROPER ratings gain social legitimacy, cost efficiency, and investor confidence, thereby making a significant contribution to financial performance.

The Green Innovation variable, with an average value of 0.702727, reflects that some companies have begun to develop environmentally friendly innovations, although not yet optimally. This is in line with global trends as well as national policies related to the clean energy transition and the Net Zero Emission 2060 target. Companies that are able to integrate green innovation into their production processes not only improve cost efficiency but also gain easier access to green financing instruments, such as green bonds or sustainable financing facilitated by the Financial Services Authority (OJK).

The Carbon Emissions Disclosure (CED) variable, with an average value of 0.581084, indicates a fairly good level of transparency, although not yet comprehensive. Carbon emission disclosure is a crucial component of sustainability reporting in accordance with OJK Regulation No. 51/2017 and serves as one of the key ESG assessment indicators at the international level. Transparency in carbon emissions reporting is not merely a matter of regulatory compliance but also has the potential to enhance corporate reputation, strengthen investor confidence, and open access to environmentally friendly financing instruments, such as carbon trading schemes and the carbon tax system that has begun to be implemented in Indonesia.

Overall, the regression results indicate that Corporate Social Responsibility (CSR), Environmental Performance, Green Innovation, and Carbon Emissions Disclosure contribute positively to the improvement of financial performance. In contrast, Green Accounting does not show a significant effect on financial performance. This finding is consistent with the conditions in the Indonesian mining sector, where high environmental costs—such as reclamation, rehabilitation, and waste management—are often perceived as short-term operational burdens rather than strategic investments. Consequently, the implementation of green accounting is still largely regarded as an administrative requirement to comply with regulations, rather than a managerial instrument that can enhance firm value. As a result, the potential long-term benefits, including cost efficiency, reduced legal risks, and improvements in reputation and social legitimacy, are not yet fully reflected in corporate financial reports.

4.2. Multicollinearity

The multicollinearity test was conducted to examine whether there is a high correlation among the independent variables in the regression model. Multicollinearity

occurs when two or more independent variables are highly correlated, which may distort the estimation of regression coefficients and reduce the reliability of the model. In this study, the detection of multicollinearity was based on the values of the Variance Inflation Factor (VIF) and Tolerance.

Table 2. Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	4.50E+13	119.3677	NA
CSR	2.37E+14	67.80734	1.040089
GA	4.31E+13	16.99341	1.012561
EP	1.46E+12	40.55512	1.026364
GI	5.02E+12	7.591892	1.022433
CED	6.03E+12	6.425918	1.031422

Source: Eviews Output

Based on the table of multicollinearity test, the result shows that each independent in this study has a centered VIF value <10 , so it can be concluded that there is no multicollinearity in the regression model.

4.3. Heteroscedasticity

The heteroscedasticity test was performed to determine whether the variance of the residuals in the regression model is constant across all levels of the independent variables. The presence of heteroscedasticity indicates that the variance of the residuals is not uniform, which may lead to inefficient and biased estimations of the regression coefficients.

Table 3. Heteroscedasticity

Heteroskedasticity Test: White	
Prob. Chi-Square(35)	0.5122

Source: Eviews Output

Based on the table of heteroscedasticity test results, it shows that the value of Prob. Chi-square $\text{Ons}^*R\text{-square} > 0.05$, so it can be concluded that there is no heteroscedasticity in the regression model.

4.4. Determination Coefficient (R^2) Test

The coefficient of determination (R^2) test was conducted to measure how well the independent variables collectively explain the variation in the dependent variable. A higher R^2 value indicates that the regression model provides a better fit to the data, meaning that a larger proportion of the dependent variable's variance can be explained by the independent variables included in the model.

Table 4. Test of Determination Coefficient (R^2)

R-squared	Adjusted R-squared	Mean dependent var	S.D. dependent var
0.608125	0.587617	5704.630	2236.525

Source: Eviews Output

Based on the results of the determination coefficient test above, the Adjusted R-square was obtained as much as 0.587617, this value means that 58.76% of the changes in the dependent variable, namely financial performance, can be explained by the independent variables, namely Corporate social responsibility, green accounting, environmental performance, green innovation, and carbon emission disclosure, 41.24% is influenced by this research variable.

4.5. Goodness of fit test (F test)**Table 5. Goodness of fit test (F test)**

F-statistic	Prob(F-statistic)	Durbin-Watson stat
9.704087	0.000000	1.846918

Source: Eviews Output

Based on the table of results of the model feasibility test above, it is known that the F-calculation value > F-table, with a probability value (F-statistic) < 0.05, which means that the model is suitable for use in estimating the population.

4.6. Hypothesis Test (t-Test)**Table 6. Hypothesis Test (t-Test)**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.432782	0.096228	4.497488	0.0000
CSR	0.326076	0.103218	3.159100	0.0017
GA	0.233216	0.156380	1.491342	0.1370
EP	0.317195	0.081467	3.893530	0.0001
GI	0.886324	0.393724	2.251130	0.0251
CED	0.530780	0.153538	3.456994	0.0006

Source: Eviews Output

4.7. Discussion**The influence of Corporate Social Responsibility on financial performance**

The hypothesis test of corporate social responsibility on financial performance produces a prob value of 0.0017 < 0.05, meaning that corporate social responsibility has a significant effect on financial performance and therefore supports the hypothesis. The results of the hypothesis testing in this study indicate that the Corporate Social Responsibility (CSR) variable, which is measured through three types of costs namely employee relations costs, community service costs, and environmental awareness costs has a positive and significant effect on financial performance. The three types of

costs are combined into one CSR composite value. The greater the allocation of funds spent by the company for these three aspects, the higher its contribution to improving financial performance. This shows that companies that have a high commitment to social responsibility tend to be able to achieve better financial performance than companies that pay less attention to it. In addition, the significance of the relationship between CSR and financial performance strengthens that the research findings can be generalized to companies with similar characteristics, especially in the food and beverage industry sector listed on the Indonesia Stock Exchange (IDX) during the 2019-2023 period.

From an Islamic perspective, the implementation of Corporate Social Responsibility (CSR) aligns with the principles of *akhlakul karimah*, emphasizing ethical conduct in business. CSR reflects Islamic teachings such as *amar ma'ruf nahi munkar* and the principle of *maslahah*, which promote social welfare and the prevention of harm. The Qur'anic command in QS. Al-Baqarah: 267 encourages believers to spend from their best earnings for the greater good. Thus, CSR is not merely an economic tool but also a moral responsibility that supports social and environmental sustainability. These values reinforce the relevance of CSR in Islamic ethics, demonstrating its role in achieving both financial performance and ethical accountability.

This finding is consistent with prior studies conducted by Lahjie et al. (2022) on companies in Indonesia, Musya & Hasnawati (2024) in the energy sector, as well as Effendy et al. (2024) and N. Lestari & Lelyta (2019) on manufacturing firms, all of which reported that Corporate Social Responsibility (CSR) has a positive and significant impact on financial performance.

The influence of green accounting on financial performance

The hypothesis test of green accounting on financial performance produces a probability value of $0.1370 > 0.05$, indicating that green accounting does not have a significant influence on financial performance, and therefore rejects the hypothesis. This insignificance indicates that the implementation of green accounting has not been able to provide a direct and meaningful contribution to improving the company's financial performance in the short term. This also shows that in the context of this population, recording and reporting environmental activities have not become a determining factor in driving profitability or financial efficiency. The results of this study cannot be generalized to the population of the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX).

Green Accounting is the process of recording, measuring, and reporting the costs and environmental impacts caused by the company's operational activities. Although this concept is important as a company's responsibility to the environment, green accounting is still often positioned as an additional burden, not as a strategic investment instrument. Companies may be aware of the importance of environmental accounting, but still face obstacles in internalizing this concept into the financial decision-making system (Cahyani & Puspitasari, 2023). Moreover, not all companies have strong

enough external pressure or encouragement from stakeholders, such as government regulations or consumer demands, to make green accounting as a key component of business strategy. As a result, potential long-term benefits such as improved reputation, stakeholder loyalty, or resource efficiency, are not reflected in financial reports that generally focus on short-term results such as net income, return of asset or stock value. In addition, conventional factors such as production efficiency, operational cost control, and product innovation tend to be more dominant in influencing financial performance in food and beverage companies.

From an Islamic perspective, green accounting aligns with the principles of *khalifah* (stewardship) and *mas'uliyah* (accountability), reflecting humanity's responsibility to save the environment as a trust from Allah SWT. The Quran, in Surah Al-A'raf verse 56, which warns humans not to cause destruction on Earth, that emphasizing the importance of environmental preservation in all economic activities. Although empirically it is indicate that green accounting does not have a direct impact on short-term financial performance, its implementation holds strategic and spiritual significance. It represents a commitment to the objectives of *maqasid al-shariah*, particularly in preserving the environment (*hifzh al-bi'ah*). Therefore, green accounting should be viewed not only as a financial strategy but also as an act of worship and a long-term obligation toward societal and ecological sustainability.

Consistent with previous research on the effect of green accounting on financial performance conducted by Cahyani & Puspitasari (2023) in the industrial sector, Dianty & Nurrahim (2020) in the mining sector, and Rodiah (2024) in the basic and chemical industry, the findings revealed that green accounting did not have a significant impact on financial performance. This suggests that the implementation of green accounting is often perceived as an operational expense, which may reduce the company's profitability.

The influence of environmental performance on financial performance

The hypothesis test of environmental performance on financial performance produces a probability value of $0.0001 < 0.05$, meaning hypothesis testing shows that partially the environmental performance variable has a significant effect on financial performance. The existence of this positive influence indicates that the higher the company's environmental performance, the better the financial performance that can be achieved by the company, especially in the food and beverage sub-sector listed on the Indonesia Stock Exchange in 2019-2023. This significant result indicates that the research findings can be generalized to the entire population in the sector.

Environmental performance good environmental performance tends to be able to minimize legal and social risks, reduce non-productive costs due to environmental damage or sanctions, and increase operational efficiency. In addition, high environmental performance contributes to improving the company's reputation, strengthening customer loyalty, and increasing strategic partnership opportunities, which ultimately have a positive impact on financial achievement. The social legitimacy obtained by the company through compliance with environmental principles becomes a very valuable intangible asset, especially in attracting investor interest and

maintaining business sustainability. By increasing environmental performance, companies demonstrate social responsibility and compliance with public expectations, which ultimately provides social legitimacy and strengthens the company's position in the market.

From an Islamic perspective, environmental responsibility is a moral and spiritual obligation of humans as stewards (*khalifah*) on Earth (QS. Al-Baqarah: 30; QS. Al-A'raf: 56). Strong environmental performance reflects the principle of *hifz al-bi'ah* (environmental preservation) within the framework of *maqashid al-shariah*. Thus, corporate sustainability practices are not only economically and socially valuable but also represent a form of worship and accountability, integrating both worldly and spiritual dimensions into modern business activities.

This result aligns with the findings of Prena (2021), Ramadhani et al. (2022), and Sri Oktaryani et al. (2018). on manufacturing companies, as well as Fidya et al. (2024) on mining companies, who found that environmental performance has a significant influence on financial performance.

The impact of green innovation on financial performance

The hypothesis test of green innovation on financial performance produces a probability value of $0.0251 < 0.05$, meaning hypothesis testing in this study, it is known that partially the green innovation variable has a significant positive effect on the company's financial performance. This positive effect indicates that the higher the level of green innovation implementation, the greater its contribution in driving increased financial performance. This finding specifically applies to food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange during the 2019–2023 period, and can be generalized to populations with similar characteristics in the sector.

Green innovation provides various strategic benefits for companies. Innovations that focus on energy efficiency, waste reduction, and the use of clean technology can reduce environmental costs and increase the efficiency of the production process. In addition, the implementation of green innovation can also increase consumer appeal, especially consumers who are increasingly aware of the sustainability and environmental impact of the products they consume. Companies that are able to meet these market preferences will gain a sustainable competitive advantage. On the other hand, the company's reputation as an environmentally conscious entity can strengthen brand image, build customer loyalty, and expand market opportunities, which ultimately contribute to increasing profitability and company value (R. Dewi & Rahmianingsih, 2020).

From an Islamic perspective, the implementation of green innovation aligns with the principles of *istislah* (promoting public welfare) and *hifz al-bi'ah* (environmental preservation) within the framework of *maqashid al-shariah* (objectives of Islamic law). Islam emphasizes the importance of maintaining environmental balance and sustainability, as stated in Surah Al-A'raf verse 56, which warns humans not to cause destruction on Earth. Therefore, innovations that promote resource efficiency and

environmental protection reflect a company's spiritual responsibility as part of its role as *khalifah fil ardh* (steward or vicegerent of Allah on Earth). Therefore, green innovation is not only a corporate strategy to enhance financial performance, but also a form of worship (*ibadah*) and moral obligation in realizing sustainable development that is both ethical and justice.

This finding is in line with the studies conducted by R. Dewi & Rahmianingsih (2020) and Putri & Khusnah (2022) on manufacturing companies, as well as Rahayu (2020) on firms listed in the LQ-45 index, which demonstrated that green innovation has a positive and significant effect on financial performance.

The impact of carbon emissions disclosure on financial performance

The test results for the carbon emissions disclosure variable on financial performance yield a probability value of 0.0006, which is less than the significance level of 0.05. This indicates that, partially, carbon emissions disclosure has a statistically significant and positive influence on financial performance. The positive relationship suggests that the more extensively a company discloses its carbon emissions, the more it contributes to enhancing financial outcomes. This finding is particularly applicable to companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange during the 2019–2023 period. Moreover, the statistical significance of the results implies that the conclusions can be reasonably generalized to the broader population of companies within the same industry segment.

Carbon emissions disclosure reflects the level of transparency and accountability of the company towards the environmental impact of its operational activities. Companies that consistently disclose their emissions data accurately and openly tend to be more trusted by investors, regulators, and consumers (Safutri et al., 2023). This trust drives the company's reputation and opens up better access to financing sources and market opportunities that increasingly prioritize sustainability aspects. In addition, this openness shows the company's readiness to face environmental regulatory risks in the future, thus providing added value for long-term financial sustainability and stability. Carbon emissions disclosure is one of the strategies for companies to gain and maintain public legitimacy and authority. The higher the level of carbon emissions disclosure carried out by the company, the stronger the public's positive perception of the company's integrity and social responsibility.

From an Islamic perspective, carbon emissions disclosure reflects the implementation of the principle of *khalifah fil ardh* (stewardship of the earth) and aligns with the objectives of *maqashid al-shariah*, particularly the preservation of the environment (*hifz al-bi'ah*). Corporate transparency in reporting environmental impacts is not only an ethical responsibility but also a spiritual mandate to save the sustainability of life. Thus, environmental disclosure practices are consistent with Islamic values that emphasize accountability, social justice, and ecological responsibility.

This finding is consistent with the research conducted by Andrian & Sudibyo (2019) on consumer goods companies, and Argya et al. (2024) on energy firms, which

stated that carbon emissions disclosure has a significant impact on financial performance.

5. Conclusion

Based on the results of this study, it shows that corporate social responsibility, environmental performance, green innovation and carbon emissions disclosure have a positive and significant impact on the financial performance of food and beverage companies listed on the Indonesia Stock Exchange (IDX) during the period 2019-2023. Meanwhile, green accounting does not show a significant impact.

These findings indicate that companies need to continue to improve their social and environmental initiatives and ensure transparency in emission reports to gain financial benefits. In addition, although green accounting does not have a significant impact on financial performance in this study, companies are encouraged to prepare for better integration of environmental costs in financial reports for long-term value creation.

Practically, companies can enhance their Return on Assets (ROA) by strengthening Corporate Social Responsibility (CSR) programs that deliver tangible benefits to society and by improving transparency in carbon emission disclosure. These initiatives not only enhance corporate reputation and investor trust but also drive asset efficiency and support the achievement of sustainable financial performance.

This study has limitations that need to be considered in interpreting the results and as a consideration for further research. (1) the object of the study is only limited to food and beverage sub-sector companies listed on the IDX during the 2019-2023 period, so the results of this study cannot be generalized to other sectors, (2) this study uses secondary data from annual reports and sustainability reports, which have limitations in terms of completeness and consistency of information disclosure.

For further research, it is suggested that the scope of the sampled company population be expanded, so that the results obtained can show a stronger level of significance. In addition, the addition of the observation time span also needs to be considered so that the research results are more representative and can be generalized more widely. Based on the results of the determination coefficient test in this study, financial performance is influenced by 58.76% while the remaining 42.24% is influenced by variables outside this study. For this reason, further researchers can add other variables that affect financial performance, such as capital structure, company size, profitability, good governance, and other external factors so that the research results are more comprehensive and can provide a broader picture of the factors that affect the company's financial performance.

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