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Redefining Accounting Education: Balancing Technological Innovation with Ethics and Sustainability

The Impact of Sustainability Reporting and Green Accounting Disclosure on Company Financial Performance (Case Study of PROPER Participating Companies 2019-2023)

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ABSTRACT
This study aims to analyze the influence of Sustainability Reporting and Green Accounting on corporate financial performance as measured by Return on Assets (ROA). The research data were obtained from the Ministry of Environment's PROPER report, annual reports, and sustainability reports of PROPER participating companies for 2019-2023. The analytical method used was multiple linear regression analysis with a significance level of 5%. The sample used in this study were mining and material companies participating in PROPER for 2019-2023, resulting in 40 research samples. The results showed that Sustainability Reporting had no significant effect on corporate financial performance, while Green Accounting did not significantly affect corporate financial performance. These findings indicate that sustainability and environmental accounting practices implemented by companies have not yet fully provided a tangible financial impact. Therefore, companies are advised to improve the quality of implementation and disclosure of sustainability practices in order to create economic value while strengthening corporate image in the future.

Keywords: *Sustainability Reporting*, *Green Accounting*, Financial Performance perusahaan.

INTRODUCTION

Indonesia's economy is one of the largest in Southeast Asia and plays a significant role in global economic growth, according to the Coordinating Ministry for Economic Affairs (2023). Indonesia hopes to become the fifth-largest economy in the world by 2045. With a large population and abundant natural resources, Indonesia has experienced stable economic growth in recent years. However, this economic growth also poses challenges, particularly related to sustainability. Companies are now being assessed not only for their financial performance but also for non-financial performance. This is due to demands from stakeholders who want to know more than just financial performance, but also about non-financial performance, such as sustainability reporting. Disclosing sustainability reports can increase investor and public trust and is expected to improve company profitability.

A company's financial performance can be evaluated through the Return on Assets (ROA) indicator. Various factors can potentially influence financial performance, including disclosure of Sustainability Reporting and Green Accounting. These two factors are often proxied through the Social Responsibility Disclosure Index (SRDI), a measure of a company's economic, social, and environmental responsibility towards the environment and society, and the Ministry of Environment's PROPER rating data. The relationship between these variables has been demonstrated

in various previous studies, demonstrating that the implementation of sustainable business practices can have a positive impact on a company's financial performance, as evidenced by previous research conducted by Nisriinaa *et al.* (2023)[1], Dea *et al.* (2023)[2], Viona *et al.* (2024)[3].

In a journal, "The Impact of Sustainability Reporting on Company Performance," KPMG reports that the number of companies publishing environmental, social, or sustainability reports in addition to annual financial reports has increased significantly. Nearly half of the world's 250 largest companies have published sustainability reports. [4].

According to the Global Reporting Initiative, Sustainability Reporting is a report published by a company or organization about the economic, environmental, and social impacts caused by its daily activities. Disclosures in Sustainability Reporting must comply with the principles established by Global Reporting.[5]. Sustainability reports not only provide a means of transparency for companies, but also reflect their commitment to social and environmental issues. Sustainability reporting represents a paradigm shift in corporate reporting, reflecting a broader understanding of a company's impact on society and the environment.

In addition to Sustainability Reporting disclosures, the implementation of Green Accounting can serve as an indicator of a company's ability to manage its environment. In this regard, the Ministry of Environment and Forestry conducts a program to evaluate company performance in environmental management, often referred to as PROPER. This activity is a form of government policy aimed at improving a company's environmental management performance in accordance with legal provisions. This activity has predetermined assessment criteria. The intended criteria are Gold = 5, Green = 4, Blue = 3, Red = 2, Black = 1.[3]. From Astari Dianty's research (2022), it can be seen that Green Accounting has an impact on the company's financial performance. [6].

Over the years, many companies have participated in PROPER activities. In 2024, there was a significant increase in participants. However, of the many companies participating in PROPER activities, the average achievement was only a ranking of three or equivalent to blue. This is shown in Figure 1.

Figure 1. PROPER 2024 ranking

(Source: proper.menlhk.go.id)

Figure 1 shows that of the many companies registered with PROPER, only a few received a gold rating, and the average company received a blue rating. This means that the companies have implemented environmental management efforts in their operations, but only to the extent of complying with applicable regulations. This data indicates that corporate environmental awareness remains very low.

By disclosing Sustainability Reporting and Green Accounting, companies focus not only on recording and reporting financial aspects but also consider the environmental impact of each operational activity. This effort aims to reduce or even avoid potential future losses that may arise

from environmental damage, such as the decline in the quality of natural resources, pollution, or government sanctions related to environmental violations. This way, companies can be more resilient in facing long-term challenges and maintaining business sustainability.

Furthermore, disclosing Sustainability Reporting and Green Accounting provides added value in the form of a competitive advantage, as companies committed to environmental preservation tend to gain greater trust from investors, consumers, and the wider community. Products produced also become more valuable because they reflect the company's social and environmental responsibility. Ultimately, this strategy not only helps companies maintain a positive reputation and image but also increases profitability, leading to improved overall financial performance.

Although it has been theoretically explained that Sustainability Reporting and Green Accounting disclosures impact financial performance, research findings do not always support this finding. For example, research conducted by Afid Firdaus (2025)[7] that Sustainability Reporting disclosure does not affect financial performance and Yenti Santika's research (2023)[8] that green accounting has a negative impact on financial performance.

Based on the phenomena and results of previous research that show the inconsistency of research in efforts to find solutions to related problems, this study aims to analyze the influence of Sustainability Reporting and Green Accounting disclosures on financial performance with a focus on mining and material sector companies participating in PROPER (Ministry of Environment) which includes 8 companies that published sustainability reports for the 2019-2023 period..

LITERATURE REVIEW

Legitimacy Theory

Legitimacy theory, first proposed by Dowling and Pfeffer in 1975, provides an overview of how companies can face challenges when their values are not aligned with those expected by society. Legitimacy is defined as a social contract that governs the relationship between a company and its surrounding society. Legitimacy theory describes how an organization's operational activities in the external environment can change continuously, primarily in response to the prevailing social expectations, norms, and values of the society in which the company operates. In this context, the company is considered an integral part of its social environment and actively pays attention to existing social norms.[9]

Based on legitimacy theory, companies are required to adapt to the ever-changing external environment, particularly regarding societal norms and expectations. This includes the company's ability to adjust business practices, operational policies, and communication with stakeholders to remain aligned with prevailing societal values and norms. Through disclosure of Sustainability Reporting and Green Accounting, companies are deemed to have demonstrated their concern for the environment, thereby gaining the public, stakeholders, and investors' legitimacy. This ultimately attracts investors to invest, resulting in improved financial performance.

Stakeholder Theory

The stakeholder theory developed by Edward Freeman in 1984 argues that an organization's social responsibility is related to its stakeholders. Only by carrying out its social responsibility can the organization gain profits. [10]. Stakeholder theory explains that companies should not only focus on their own interests but also have a responsibility to provide benefits to stakeholders. A company's sustainability and success depend heavily on its ability to balance the interests of various stakeholders. If this is achieved, the company will gain continued support and experience increases in market share, sales, and profits.

Financial Performance

Financial performance is a description of a company's financial status through its operations over a specific period of time. Financial statement analysis and financial ratio analysis can both be used to evaluate financial performance. Liquidity, activity, solvency, and profitability ratios are just some of the financial metrics used by financial companies to measure their success. [11]. Profitability ratios describe the relationship between sales and investments and the level of profit earned. This ratio reflects a company's ability to generate profits, which in turn can provide more funding for positive social activities that can be disclosed in a sustainability report.

$$\textit{Return On Asset}\ (\text{ROA}) = \frac{Net\ Profit}{Total\ Asset}$$

Sustainability Reporting

The concept of Sustainability Reporting encompasses three essential elements. First, "people," which highlights how companies contribute to improving the well-being of employees and the surrounding community. Second, "planet," which emphasizes a company's responsibility to conduct business in an environmentally friendly manner and reduce its negative impact on the environment. Third, "profit," which demonstrates that sustainability must also provide economic benefits so that companies can continue to grow without neglecting social and environmental aspects. [7]. Sustainability reporting is calculated based on the number of disclosures made by a company and is divided into 91 indicators based on GRI-G4. The GRI standards were chosen because they focus on disclosing a company's economic, social, and environmental performance, with the aim of improving the quality and utilization of sustainability reports. This measurement is carried out by comparing items on a checklist with items disclosed by the company. If an item is disclosed, it is given a value of 1; if the item is not disclosed, it is given a value of 0.[12].

$$\textit{Sustainability Reporting Disclosure Index}\ (\text{SRDI}) = \frac{\sum Xij}{nj}$$

Dimana :
SRDI = *Sustainability Reporting Disclosure Index* Based on GRI G4
∑Xij = Number of Disclosures With Dummy Variabel :
1 = Disclosed
0 = If Not Disclosed
Nj = Total Disclosure That Should Be

According to research by Yudi Partama Putra (2022), Sustainability Reporting disclosure has a positive effect on company performance, as measured by Return on Assets (ROA). This indicates that the higher the Sustainability Reporting disclosure, the better the company's performance, as reflected in the company's ROA value. Based on this, the following hypothesis is developed::

Hypothesis 1 (H1): Disclosure of Sustainability Reporting has a positive effect on the company's financial performance.

Green Accounting

Yenti Santika (2023) explains that the concept of environmental accounting can be applied by companies on both large and small scales. The implementation of environmental accounting must be carried out systematically and based on the company's needs. Success in implementing environmental accounting lies in management commitment and functional involvement. A company cannot be separated from environmental responsibility. This environmental performance is seen as a form of corporate social responsibility towards the environment and is assessed through the PROPER rating created by the Indonesian Ministry of Environment and Forestry. Companies with a good PROPER rating indicate that their environmental performance is running well. In this case, the company can maintain environmental balance and increase profitability in the long term, thus improving the company's financial performance. [8]. Astari Dianty's (2022) research shows that Green Accounting has an impact on the company's financial performance [6]. Based on this, the following hypothesis was developed:

Hypothesis 2 (H2): Green Accounting disclosure has a positive effect on the company's financial performance.

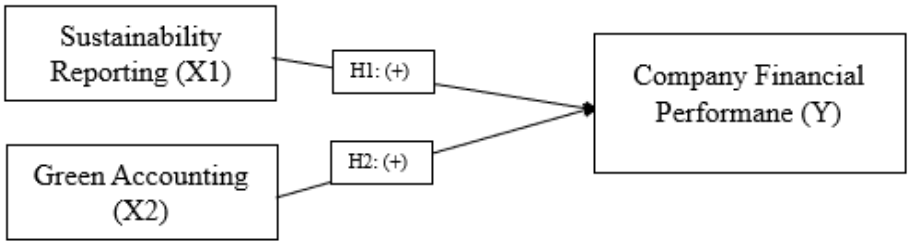


Figure 2 Conceptual Framework

RESEARCH METHOD

This study uses secondary data with a quantitative descriptive analysis method. According to Prof. Dr. Sugiyono (2013), quantitative methods are suitable for research on large populations, where the problem is clear, observable, measurable, and aimed at testing hypotheses. [13]. The analysis techniques used are descriptive statistical tests, classical assumption tests, multiple linear regression analysis, coefficient of determination analysis, and significance tests (f test and t test) using SPSS 23..

Prof. Dr. Sugiyono (2013) stated that population is a generalization area consisting of: objects/subjects that have certain qualities and characteristics that are determined by researchers to be studied and then conclusions drawn, and samples are part of the number and characteristics possessed by the population. [13]. The population used in this study were mining and materials sector companies participating in PROPER for the 2019-2023 period. The sampling criteria used in this study were:

Tabel 1. Kriteria Sampel Penelitian

No	Criteria	Total of Companies
1	Mining and materials sector companies that participated in PROPER for the 2019-2023 period	28
2	Companies that published Sustainability Reports for the 2019-2024 period	(20)
Number of companies selected as research samples		8
The number of research samples selected was 8 × 5 years		40

Variables and Operational Definitions of Variables

This study can be divided into two categories: independent variables and dependent variables:

1. The independent or influencing variables in this study are Sustainability Reporting (X1) and Green Accounting (X2) disclosures.
2. The dependent or influenced variable is Company Financial Performance (Y).

Table 2. Variables and Definitions

Variable Types	Operational Definition	Indicator	Scale	Source
Sustainability Reporting (X1)	A report that discloses the company's social, economic and environmental responsibilities in accordance with GRI (Global Reporting Initiative) standards.	1. Number of SR disclosure items based on GRI Standards G4 (economic, environmental, and social aspects). 2. Calculated using the disclosure index: □□□□ $= \frac{Number\ of\ items\ disclosed}{Number\ of\ GRI\ items}$	Ratio	D. Kurniadi *et al* (2024)
Green Accounting (X2)	An accounting practice that incorporates environmental costs and benefits into a company's financial statements to assess resource use efficiency and ecological impact.	PROPER rating created by the Indonesian Ministry of Environment and Forestry Score: Gold=5, Green=4, Blue=3, Red=2, Black=1	Nominal	Y. Santika *et al* (2023)
Company Financial Performance(Y)	A company's ability to generate profit from its total assets. The higher the ROA, the more efficiently the company uses its assets to generate profit.	Formula: □□□ $= \frac{Net\ Profit}{□□□□□\ □s□□□} \times 100\%$	Ratio	RF. Putri *et al* (2023)

RESULTS AND DISCUSSION

RESULTS

Statistik Deskriptif

The research variables are mentioned in the table, along with the quantity of data (Valid N) used in this study, namely 40 samples originating from mining and material sector companies participating in PROPER from 2019 to 2023. Meanwhile, the description of the research variables used in this study provides descriptive information about variables such as Sustainability Reporting (SR), Green Accounting (GA), and Return on Assets (ROA) as a ratio for calculating Financial Performance.

Table 3. Descriptive Statistics Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SR	40	13.18	95.60	55.9570	21.44967
GA	40	3.00	5.00	4.0250	.65974
ROA	40	-3.49	37.42	9.6280	10.01030
Valid N (listwise)	40				

The first independent variable used in this study is Sustainability Reporting disclosure using the GRI Standard G4 guidelines and measured by the SRDI. Based on the results of descriptive statistical tests, a minimum value of 13.18 was obtained, indicating the lowest level of Sustainability Reporting disclosure, obtained by PT. Indocement Tbk (2019). The maximum value of 95.60, indicating a high level of Sustainability Reporting disclosure, was obtained by PT Timah Tbk (2022). The average value obtained for Sustainability Reporting was 55.9570, which means that the average company sampled disclosed Sustainability Reporting according to the GRI Standard index, meeting a percentage of 55.9570 of the total 91 indicators that should be disclosed. The standard deviation value was 21.44967, indicating that 21.44967 of the data varied from the average. The second independent variable used in this study is the Green Accounting (GA) rating, obtained from data from the Company Performance Rating Program in Environmental Management (PROPER) conducted by the Ministry of Environment and Forestry (KLHK). Based on the results of descriptive statistical tests, the minimum score was 3.00, indicating the lowest PROPER rating, obtained by PT. Agincourt Resources. The maximum score was 5.00, indicating the highest PROPER rating, obtained by PT Bukit Asam, Tbk. The average score for Green Accounting (GA) was 4.0250, indicating that the average company in the sample disclosed Green Accounting (GA) according to PROPER data, meeting 4.0250 of the total five PROPER ratings. The standard deviation was 0.65974, indicating that the data varied from the average by 0.65974.

In this study, the dependent variable was Company Financial Performance, calculated using Return on Assets (ROA). Based on the results of the descriptive statistical test, the minimum value obtained was -3.49 which describes the lowest level of Company Financial Performance obtained from PT Timah Tbk. The maximum value of 37.42 which describes the high level of Company Financial Performance was obtained from PT. Agincourt Resources. The average value obtained for Company Financial Performance was 9.6280. And the standard deviation value was 10.01030, this number shows that 10.01030 of the data varied from the average.

Classical Assumption Test

Normality Test

According to Imam Ghozali (2018), using normality testing, one can determine whether a data distribution is normal or not. Regression testing can only be performed if the data is normal. Normality testing is performed using the One Sample Kolmogorov-Smirnov test. The main points of the One Sample Kolmogorov-Smirnov equation are as follows:

a. If the Asymp. Sig. (2-tailed) value is > 0.05, then H0 is accepted, meaning the residual data is normally distributed.

b. If the Asymp. Sig. (2-tailed) value is < 0.05, then H0 is rejected, meaning the residual data is not normally distributed.

Table 4. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		37
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.90148860
Most Extreme Differences	Absolute	.105
	Positive	.105
	Negative	-.094
Test Statistic		.105
Asymp. Sig. (2-tailed)		.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.

Based on the findings of the normality test using the Kolmogorov-Smirnov test, Asymp. Sig. (2-tailed) = 0.200 > 0.05, it can be concluded that the data in this regression model is normally distributed.

Multicollinearity Test

According to multicollinearity theory, there is a correlation between the independent variables. Multicollinearity testing is performed by examining the tolerance value and the Variance Inflation Factor (VIF). If the tolerance value is greater than 0.10 and the VIF value is lower than 10, multicollinearity will not occur in the regression (Imam Ghozali, 2018).

Table 5. Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	10.140	9.722		1.043	.304		
	Sustainability Reporting	.158	.083	.339	1.900	.065	.773	1.293
	Green Accounting	-2.326	2.707	-.153	-.859	.396	.773	1.293

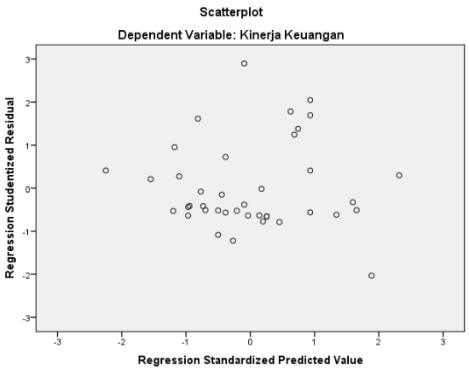
a. Dependent Variable: Financial Performance

Based on the results of the multicollinearity test in the table above, it shows that the tolerance and VIF values for the Sustainability Reporting (SR) variable are 0.773 and 1.293, respectively. Meanwhile, for the Green Accounting (GA) variable, the tolerance and VIF values are 0.773 and 1.293, respectively. The tolerance values obtained from both variables are greater than 0.10 and the VIF values for both variables are less than 10. It can be concluded that there is no correlation between the independent variables or there are no symptoms of multicollinearity in this study. Therefore, the regression equation is suitable for use in predicting the dependent variable, Financial Performance (KK).

Heteroscedasticity Test

The purpose of this test is to determine whether there is inequality in variation from one residual observation to another in the regression model (Imam Ghazali, 2018). If heteroscedasticity does not occur, then the regression model can be said to be valid. To determine whether heteroscedasticity is present or not, one can examine the scatterplot graph or look at the values of certain predictive variables, such as ZPRED with residual errors, such as SRESID. If there is no single pattern that can describe or give a sign above or below the number zero on the Y-axis, then it can be said that heteroscedasticity does not occur. The results of the heteroscedasticity test in this study are as follows:

Figure 3. Heteroscedasticity Test Results



The scatterplot test results in the image above show that the points appear to be randomly distributed around the horizontal line 0 and do not form a specific pattern. Therefore, it can be concluded that there is no heteroscedasticity in the regression equation of this study, making it suitable for use in predicting the dependent variable, Financial Performance (KK), in companies..

Multiple Linear Regression Test Analysis

Table 6. Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	10.140	9.722		1.043	.304
	Sustainability Report	.158	.083	.339	1.900	.065
	Green Accounting	-2.326	2.707	-.153	-.859	.396

a. Dependent Variable: Financial Performance

Based on the table above, the multiple linear regression analysis model equation obtained is as follows: The linear regression equation in this study aims to test the influence of the Sustainability Reporting (SR) and Green Accounting (GA) variables on Financial Performance (KK) so that the multiple linear regression equation model can be formulated as:

$$Y = a + b1X1 + b2X2 + e \ (1)$$

Based on the results of the multiple linear regression analysis in the table above, it can be distributed in the following equation model:

$$Y = 10{,}140 + 0{,}158\ X1\ -2{,}326\ X2 + e$$

It can be concluded that:

1. The constant is positive, namely 10.140. A positive sign indicates a unidirectional relationship between the independent and dependent variables. This means that if all independent variables, including SR and GA, are assumed to be present or equal to one (1), then GA will increase.

2. The SR variable shows a regression coefficient of 0.158. This indicates that for every one (1) percent increase in SR, SR will increase by 0.158, assuming all independent variables remain constant.

3. The GA variable shows a regression coefficient of -2.326. This indicates that for every one (1) percent increase in GA, GA will decrease by -2.326, assuming all independent variables remain constant.

Hypothesis Testing

Coefficient of Determination (R2) Test

Table 7. Results of the Determination Coefficient (R2) Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.298[a]	.089	.040	9.810

a. Predictors: (Constant), *Green Accounting*, Sustainability Report
b. Dependent Variable: Financial Performance

Based on the results of the R^2 test, the adjusted R Square value is 0.040. Therefore, it can be concluded that the two independent variables, namely SR (X1) and GA (X2), simultaneously influence the dependent variable, namely Financial Performance (Y), by 4%. Meanwhile, 96% is influenced by other variables not explained in this study.

F Test (Simultaneous)

Table 8. F Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	347.547	2	173.773	1.806	.179[b]
	Residual	3560.492	37	96.230		
	Total	3908.039	39			

a. Dependent Variable: Financial Performance
b. Predictors: (Constant), *Green Accounting*, *Sustainability Reporting*

Table 8 shows the results of the F-test, which obtained an F-calculated value of 1.806 and a significance value of 0.179. Since the significance value is greater than 0.05 (<α=0.05), it can be said that the company's SR and GA disclosure variables, simultaneously or jointly, do not have a significant effect on Financial Performance.

t-test (Partial)

Table 9. T-Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	10.140	9.722		1.043	.304
	Sustainability Reporting	.158	.083	.339	1.900	.065
	Green Accounting	-2.326	2.707	-.153	-.859	.396

a. Dependent Variable: Financial Performance

The t_{tabel} value is based on the formula t_{tabel}=t(a/2; n-k-1) = t(0,05/2; 40-2-1) = t(0,025;37), the t_{tabel} value obtained is 2.02619.

This test aims to determine whether or not there is a partial (independent) influence given by variables X1 and X2 on Y. with a confidence level of 95%, a = 0.05, the provisions of which are:

a. If the sig value < 0.05 or the calculated t value > t table value, then there is an influence of variable X on variable Y.

b. If the sig value > 0.05 or the calculated t value < t table value, then there is no influence of variable X on variable Y.

Based on the table above, the t-test yields:

1. The calculated t-value is 1.9 < 2.02619 for the Sustainability Reporting variable, with a significance value of 0.065 > 0.05. Therefore, it can be concluded that the Sustainability Reporting variable has no significant effect on Financial Performance. Therefore, Hypothesis 1 is rejected.

2. The calculated t-value is -0.859 < 2.02619 for the Green Accounting variable, with a significance value of 0.396 < 0.05. Therefore, it can be concluded that the Green Accounting variable does not significantly influence Financial Performance. Therefore, Hypothesis 2 is rejected.

DISCUSSION

The Influence of Sustainability Reporting on Company Financial Performance

The t-test results show that the calculated t-value is 1.9 < 2.02619 for the Sustainability Reporting variable, with a significance value of 0.065 > 0.05. Therefore, the Sustainability Reporting variable has no significant effect on the company's financial performance. This means that sustainability report disclosure has not yet had a direct impact on increasing the company's ROA. In other words, the existence of Sustainability Reporting is not yet considered strong enough to influence profitability or attract investor interest in the short term.

This insignificance indicates that sustainability reporting practices in the company may still be formalistic or not yet optimally implemented in the business strategy. The impact of sustainability activities also tends to emerge over the long term, so it is not yet clearly visible in short-term financial performance. This finding aligns with research by Yenti Santika (2023) that found green accounting has a negative effect on financial performance. This indicates that sustainability reporting still serves more as a form of compliance than a strategy that provides direct economic value, so its impact is not yet visible in performance indicators such as ROA.

The Influence of Green Accounting on Company Financial Performance

The t-test results show that the calculated t-value is -0.859 < 2.02619 for the Green Accounting variable, with a significance value of 0.396 < 0.05. Therefore, it can be concluded that Green Accounting does not significantly influence the company's financial performance. This indicates that the implementation of green accounting has not had a direct impact on increasing profitability, as measured by ROA.

This insignificance may be due to the suboptimal implementation of the Green Accounting concept or its limited application to reporting rather than actual operational practices. Many companies may not yet incorporate environmental accounting as a strategic component of business decision-making, so its economic benefits are not yet directly visible. This finding contradicts research by Astari Dianty (2022) that found that Green Accounting influences a company's financial performance. Therefore, although Green Accounting is important in supporting sustainability and environmental responsibility, its impact on financial performance remains weak. Stronger commitment and integration between environmentally friendly practices and business strategy are needed for Green Accounting implementation to have a significant positive impact in the future.

CONCLUSION

Based on the research results, it can be concluded that Sustainability Reporting and Green Accounting do not have a significant impact on the company's Financial Performance. The Sustainability Reporting variable shows no significant effect, no impact on profitability, and is not strong enough to be considered significant. This indicates that sustainability reporting practices in companies still need to be improved in terms of both quality and consistency of disclosure. Meanwhile, Green Accounting also does not have a significant impact on Financial Performance, indicating that the implementation of environmental accounting is still only a formality and has not been fully integrated into the company's business strategy. Overall, both variables have the potential to support Financial Performance in the future if implemented more comprehensively and sustainably.

SUGGESTION

This study has several limitations that should be considered. First, the study only used Sustainability Reporting and Green Accounting as factors influencing Financial Performance, thus not including other potentially influential variables, such as company size, leverage, or Corporate Social Responsibility. Second, the limited observation period means the results are unable to capture the long-term impact of sustainability practices on Financial Performance. Furthermore, the data used were sourced from annual reports and sustainability reports, which may differ in the level of disclosure between companies.

Based on these results and limitations, it is recommended that future research expand the variables used for more comprehensive results. Future researchers could also extend the observation period and use other analytical approaches, such as panel data regression, to achieve more accurate results and better illustrate long-term impacts. Companies are advised to improve the quality of their Sustainability Reporting and Green Accounting implementation, not only to comply with regulations but also as part of a business strategy that can create long-term economic value and reputation.

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