

Profitability, Earnings Management, and Corporate Social Responsibility in Environmental Accounting Moderates Good Corporate Governance

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Abstract

Backgrounds: Taxes as a source of funding to increase economic growth and national development.

Objectives: This study aims to determine the effect of profitability, earnings management, and Corporate Social Responsibility on environmental accounting moderating Corporate Governance.

Methods: The population of this study is manufacturing companies listed on the Indonesia Stock Exchange for the period 2021-2024. The sample of this study used a purposive sampling technique totaling 196 companies. The data analysis method used multiple regression analysis and moderated regression analysis.

Results: The results of this study indicate that 1) profitability affects environmental accounting, 2) earnings management does not affect environmental accounting, 3) Corporate Social Responsibility does not affect environmental accounting, 4) Corporate Governance cannot moderate profitability on environmental accounting. 5) Corporate Governance can moderate earnings management on environmental accounting, and 6) Corporate Governance can moderate Corporate Social Responsibility on environmental accounting.

Keywords: Corporate Social Responsibility; Earnings Management; Environmental accounting; Good Corporate Governance; Profitability

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INTRODUCTION

Taxes as a source of funding to increase economic growth and national development. Tax revenue process that runs optimally in economic growth and national development. UU no. 16 of 2009 concerning the fourth amendment to Law No. 6 of 1983 concerning KUP in article 1 paragraph 1 states that tax is a mandatory contribution to the state owed by an individual or entity that is coercive and does not receive direct compensation (Sabarudin *et al.*, 2020). The collection system adopts a self-assessment system. Taxpayers are entrusted by the government to calculate, determine, deposit and report the tax owed. The implementation of tax laws often provides opportunities for taxpayers, including companies, to reduce the amount of tax paid. (Mardiasmo, 2019). The tax burden borne by a company has an impact on the net profit it obtains. To avoid high tax burdens, companies tend to apply environmental accounting (Azzam & Subekti, 2019).

Environmental accounting is an action that has the aim of reducing the tax burden through tax planning. Environmental accounting can be carried out using mechanisms that are classified as tax evasion and tax avoidance (Andhari & Sukartha, 2017). Environmental accounting is an activity to reduce the tax burden. Environmental accounting was discovered by the authorities in various business and economic sectors. in tax avoidance (Andhari & Sukartha, 2017). One sector that has great potential for carrying out tax avoidance is the manufacturing sector. The manufacturing sector is engaged in mechanical, physical and chemical transformation of materials or substance. Central Ministry of Finance for the 2021-2024 period, tax revenues fluctuated. The following is the realization of state revenues which can be seen in table 1 below.

Table 1 Realization of State Revenue

Year	State Revenue	Tax Revenue
2021	1.743,6	1.444,5
2022	1.846,1	1.510,0
2023	2.774,3	2.021,2
2024	2.842,5	1.932,4

Source:: www.ministryoffinance.com

in trillion

Tax revenue is the primary source of state revenue used to finance development programs and public welfare. Table 1 shows that Indonesia's tax revenue exhibited a fluctuating trend from 2021 to 2024. In 2021, the economy began to recover, resulting in an increase in tax revenue reaching IDR 1.444,5 trillion compared to the previous year. This positive trend continued in 2022, with a significant increase of IDR 1.510,0 trillion. This increase reflects the effectiveness of the government's economic recovery policies and tax optimization efforts. In 2023, tax revenue continued to increase, albeit at a more moderate rate, reaching IDR 2.021,2 trillion. This growth indicates economic stability and increased tax compliance. In 2024, tax revenue was recorded at IDR 1.932,4 trillion, a slowdown in tax revenue growth. The government is targeting tax revenue of IDR 2.189,31 trillion compared to the previous year. This target reflects the government's optimism regarding improved tax compliance, improved economic growth, and fiscal policies that support increased state revenue.

This states that overall tax revenues have increased significantly. One case of environmental accounting was reported and carried out tax avoidance practices which resulted in losses to the state. Tax avoidance is carried out, firstly paying debt interest through the company internally and also paying royalties, fees and IT costs. Second, carried out through subsidiary transactions (www.nasionalkontal.com). Tax reporting can be seen in the profit and loss report to find out the amount of tax borne by the company. The greater the profit obtained by someone, the greater the obligation to pay taxes.

Researchers consider profitability, earnings management and Corporate Social Responsibility (CSR) as factors that can influence environmental accounting. Profitability is one of the factors that is thought to cause environmental accounting. Profitability can influence the emergence of environmental accounting due to a company's level of profit generation. So the higher the level of profitability, the higher the level of profit obtained by



the company. The greater the profit earned, the greater the tax paid will also be. Low levels of profitability will likely lead to environmental accounting. (Prasista & Setiawan, 2016). Profitability influences environmental accounting because it is to maintain the company's financial condition and assets rather than paying taxes (Prasista & Setiawan, 2016; Andhari & Sukartha, 2017; Leksono *et al.*, 2019).

Research shows that profitability has no effect on Environmental Accounting because companies with a high level of profitability will be more obedient and obedient in paying taxes so that companies do not have difficulty paying the tax burden. So the higher the profitability value does not affect Environmental Accounting. (Dinar *et al.*, 2020) and (Azzam & Subekti, 2019). The second factor that causes Environmental Accounting is earnings management. Earnings management is an effort made by management to report information regarding company profits. In earnings management, management will use methods to reduce profits or income decreasing to reduce taxes. With this, the company tries to make the company's profits appear lower than the actual reported profits. (Feryansyah *et al.*, 2020) and (Prasista & Setiawan, 2016). Acts of tax non-compliance within a company can be carried out through earnings management efforts. Efforts made by companies to minimize the tax burden are by avoiding large amounts of income and carrying out Environmental Accounting actions, thereby resulting in low tax compliance. The greater the company's income reduction, the smaller the tax burden the company pays. In this way, companies that are more aggressive in carrying out earnings management in the form of increasing income will indicate that their Environmental Accounting value has increased, so that earnings management has an effect on Environmental Accounting. (Nurhayati *et al.*, 2018) and (Kusuma & Firmansyah, 2018).

The lower the company's income reduction, it shows that earnings management has no effect on Environmental Accounting. Companies cannot increase profits through earnings management along with aggressive actions that reduce profits. (Kariimah & Septiowati, 2019; Permata *et al.*, 2021). The company's environmental accounting actions are considered an activity that is not socially responsible. For this reason, CSR is a factor that causes Environmental Accounting. The definition of CSR is a service in the form of social care carried out by a company aimed at external organizations and the public. CSR is a company that commits to the impact of operations in social, economic and environmental dimensions. (Prasista & Setiawan, 2016). CSR has an effect on environmental accounting because the higher the level of CSR, the higher the company's level of carrying out its responsibilities in carrying out its obligations to pay taxes. For this reason, the higher the company's CSR, the higher the company's level of environmental accounting. (Hidayat *et al.*, 2018; Prasista & Setiawan, 2016; Yunistiyani & Tahar, 2017).

It can be said that CSR has no effect on environmental accounting because the information disclosed by CSR in the report is not necessarily in accordance with the actual situation. CSR cannot be used as a guarantee of the level of environmental accounting actions carried out by the company. (Makhfudloh *et al.*, 2018; Utami & Tahar, 2018; Dewi, 2019). Good Corporate Governance (GCG) was chosen as a moderating variable because it provides assurance to stakeholders regarding manipulation. GCG is proxied by an independent commissioner. Independent commissioners are part of the commissioners who have the task of supervising company management so that they do not commit irregularities.

There are differences in the results carried out by previous researchers. GCG has an effect on environmental accounting (Feryansyah *et al.*, 2020), whereas GCG has no effect on Environmental Accounting. The better the GCG in the company can suppress the occurrence of Environmental Accounting actions, and vice versa, if the GCG in the company is worse, it can indicate high levels of environmental accounting in the company.

This research explains the influence of independent variables on the dependent variable with moderating variables in a conceptual framework. Profitability, earnings management, and CSR are independent variables, while the dependent variable is Environmental Accounting. GCG is used as a moderating variable which can provide strengths or weaknesses in the independent variable relative to the dependent variable.

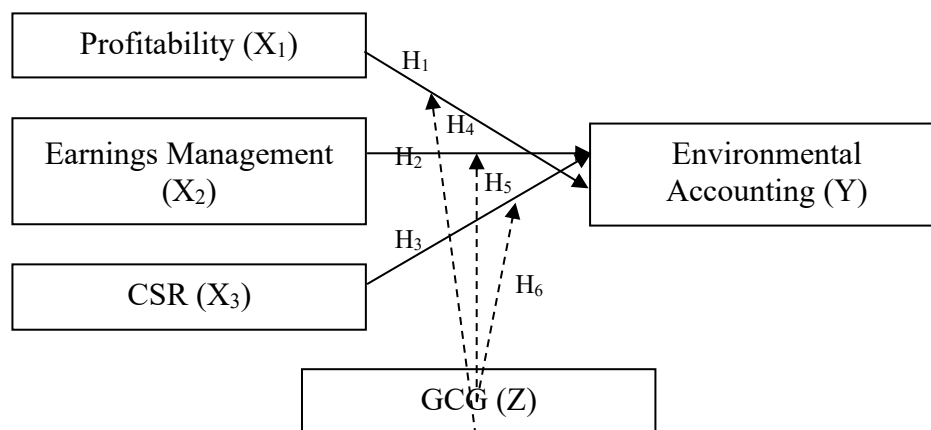


Figure 1 Conceptual Framework

Profitability shows the company's ability to earn profits in a certain period. The income a company earns is directly proportional to the taxes it pays, so the greater the profits the company makes, the higher the tax burden the company must bear. Companies that get maximum profits are declared successful in managing management and this is in accordance with what the company owner wants. With maximum profits, a company must also be ready to pay taxes in accordance with its obligations. (Dinar *et al.*, 2020). The tax burden can be determined by the high and low profits earned by the company. The higher the profits generated by the company, the higher the tax burden borne by the company, resulting in companies tending to take Environmental Accounting measures. This is reinforced by research results which state that profitability has an effect on Environmental Accounting. (Andhari & Sukartha, 2017; Purba & Kuncahyo, 2020; Ayem & Setyadi, 2019; Purba & Kuncahyo, 2020; Prasista & Setiawan, 2016; Poerwati *et al.*, 2021). Based on this description, the hypothesis in this research is.

H₁: Profitability has a positive effect on Environmental Accounting

Earnings management is an effort made by management to organize information in annual reports using accounting methods and procedures used to regulate company profits. With earnings management, it can be used to regulate taxes. Tax is a problem for a company because it is directly related to the company's net profit. Therefore, in reporting profits,

management will adjust to minimize taxable income. Companies avoid high taxes by presenting low profits through earnings management. Profit is used as a reference for calculating tax burden. Earnings management has an effect on Environmental Accounting, the greater the company's income reduction, the smaller the tax burden the company pays. So companies tend to carry out Environmental Accounting. (Nurhayati *et al.*, 2018; Arief *et al.*, 2016; (Fadli *et al.*, 2016; Novitasari *et al.*, 2017; Putra & Suryani, 2018; Nugroho *et al.*, 2020). Based on this description, the hypothesis in this research is.

H₂: earnings management has a positive effect on Environmental Accounting

CSR is a form of responsibility carried out by companies towards the community and the environment around where the company operates which is affected by the company's operational activities so that what the company does is assessed as being in accordance with the norms operating in society and gaining legitimacy from various parties. The higher the CSR disclosure in the company, the higher the aggressiveness carried out by the company, this is done so that it appears as if the company has fulfilled its obligations. This is supported by legitimacy theory, where companies must consider the satisfaction of all parties in implementing company activities and decision makers. This is reinforced by research which shows that CSR results have a positive effect on Environmental Accounting because the higher the CSR disclosed by the company, the higher the indication that the company is carrying out Environmental Accounting. (Hidayat *et al.*, 2018; Rengganis & Dwija, 2018; Gunawan & Kris, 2019; Yunistiyani & Tahar, 2017; Prasista & Setiawan, 2016; Fitri & Munandar, 2018; Kusumawati & Hardiningsih, 2016). Based on this description, the hypothesis in this research is.

H₃: CSR has a positive effect on Environmental Accounting

Profitability owned by a company is in the form of profit or gain over a certain period of time. The company will pay the tax burden according to the profits earned by the company. By implementing GCG, which is proxied by independent commissioners in the company, the occurrence of Environmental Accounting can be minimized. Companies that have high profitability have the option to carry out tax planning which is used to reduce the amount of the tax burden. (Azzam & Subekti, 2019). The greater the number of commissioners in the company whose task is to monitor financial reports more strictly and objectively, the level of fraud committed by management to manipulate profits will decrease. Research that states that GCG moderates the profitability of Environmental Accounting. (Rani *et al.*, 2021; Munawar *et al.*, 2022). Based on this description, the hypothesis in this research is:

H₄: GCG is able to moderate the influence of profitability on Environmental Accounting

One of the motivations used by companies in carrying out earnings management is tax, the company will try as much as possible to minimize the tax burden. Earnings management is an effort made by management to regulate company profits. With good company supervision and management or GCG, environmental accounting and profit management can be prevented. The more aggressive earnings management on financial reports, namely

earnings management carried out using the income dressing method, the more it indicates that management is acting aggressively towards the tax burden. The function of GCG in a company, which is proxied by an independent board of commissioners, is to supervise the company's management in accordance with applicable regulations. This is reinforced by several studies which state that GCG is able to moderate earnings management on environmental accounting. (Yossanda & Rahmanto, 2021; Prastiwi, 2018; Karinda, 2018; Nugroho *et al.*, 2020). Based on this description, the hypothesis in this research is:

H₅: GCG is able to moderate the influence of earnings management on Environmental

The existence of an independent board of commissioners will further increase the effectiveness of supervision. Independent commissioners are one part of the company responsible for implementing GCG. Thus, the company's goal of gaining legitimacy from stakeholders by disclosing CSR will be achieved because of the existence of an independent board of commissioners who will provide supervision and control. Independent Commissioners are needed to increase the Board's independence from management. Several studies state that independent commissioners are unable to moderate corporate social responsibility towards environmental accounting. (Yogiswari & Ramantha, 2017). Apart from that, there is research which states that GCG is able to moderate CSR towards environmental accounting (Kusumawati & Hardiningsih, 2016). Based on this description, the hypothesis in this research is:

H₆: GCG is able to moderate the influence of CSR on Environmental Accounting

METHODS

Table 2. Sample Selection Results

Simple Criteria	Amount
1. Manufacturing companies registered on the IDX for the 2021-2024 period	196
2. Manufacturing companies that do not publish annual reports for the 2021-2024 period	(59)
3. Companies that do not disclose CSR in their annual reports	(0)
4. Companies that experienced losses during the research period	(65)
5. Companies that use currencies other than the rupiah in annual reports	(14)
6. Companies that have incomplete annual reports	(7)
Companies that meet the criteria become the sample	51
Number of years of research	5
Total research sample	255

Source: Processed data, 2024

This research uses secondary data in the form of financial reports of manufacturing companies listed on the Indonesia Stock Exchange (BEI). This type of quantitative research with a population of 196 companies and samples using a nonprobability sampling method with purposive sampling technique (Sugiyono, 2015).

RESULTS AND DISCUSSION

The purpose of the t statistical test is to find out how much influence the independent variable partially has in explaining the dependent variable. The results of the t statistical test can be seen in table 3 below:



Table 3 Results of the t statistical test

		Coefficients ^a			
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	0,289	0,022		0,055
	ROA	0,138	0,057	0,197	0,407
	DA	0,806	0,039	0,079	0,967
	CSR	0,092	0,070	0,108	0,317

a. Dependent Variable: ETR

Source: Processed data, 2024

The profitability variable (ROA) has a calculated t value of 0,407 and a t table of 0,197 so that $t_{\text{calculated}} > t_{\text{table}}$ in a positive direction. A positive coefficient indicates a unidirectional relationship between profitability and Environmental Accounting. If the profitability value increases, Environmental Accounting will increase. The significance value of the profitability variable is $0,017 < 0,05$. This shows that profitability has a significant effect on environmental accounting therefore thus H_1 is accepted.

The earnings management (DA) variable has a calculated t value of 0,967 and a t table of 0,079 so that $t_{\text{calculated}} < t_{\text{table}}$ in a negative direction. A negative coefficient indicates an inverse relationship between earnings management and environmental accounting. If the value of earnings management decreases, environmental accounting will increase. The significance value of the earnings management variable is $0,335 > 0,05$. This shows that earnings management has no significant effect on environmental accounting therefore H_2 is rejected.

The CSR variable has a t count of 0,317 and a t table of 0,108, so that $t_{\text{count}} < t_{\text{table}}$ in a positive direction. A positive coefficient indicates a unidirectional relationship between CSR and Environmental Accounting. If the CSR value increases, Environmental Accounting will increase. The significance value of the CSR variable is $0,190 > 0,05$. This shows that CSR has no significant effect on environmental accounting therefore H_3 is rejected.

The coefficient of determination is used to determine how much the independent variable can explain variations in the dependent variable. If the R^2 value is close to one, it means that the independent variable provides almost all the information needed to predict variations in the dependent variable. The results of coefficient determination test can be seen in the table 4 below:

Table 4 Results of Coefficient Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,246 ^a	0,060	0,040	0,03293

a. Predictors: (Constant), CSR, DA, ROA

Source: Processed data, 2024

Based on table 4, it can be seen that the coefficient of determination test results is 0.060, which means that the dependent variable can be explained by the independent variable

at 6%. This means that the independent variables which include profitability, profit management and CSR influence Environmental Accounting by 6%, while the remaining 94% is influenced by other variables outside this research.

Table 5 Moderate Regression Analysis (MRA) Test Results

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	0,569	0,087		0,535	0,000
	ROA	0,224	0,297	0,320	0,755	0,452
	DA	0,213	0,441	0,002	0,007	0,994
	CSR	0,995	0,273	0,163	0,644	0,000
	KI	0,670	0,201	0,976	0,340	0,001
	X1Z	0,176	0,738	0,115	0,238	0,812
	X2Z	0,249	0,857	0,064	0,190	0,850
	X3Z	0,177	0,635	0,173	0,429	0,001

a. Dependent Variable: ETR

Source: Processed data, 2024

The Moderated Regression Analysis (MRA) testing method is used to identify the presence or absence of moderators using an analytical approach that maintains sample integrity and provides a basis for controlling the influence of moderator variables. Statistically, Moderated Regression Analysis (MRA) can be measured from the coefficient of determination, f statistical value and t statistical value. (Ghozali, 2018). The test results on the moderating variable using Moderated Regression Analysis (MRA) can be seen in table 5

The calculated t value of the interaction variable between profitability (ROA) and GCG (KI) is 0,238, while the t table is 0,97693 so that the calculated $t < t$ table is in a negative direction. Meanwhile, the significance value is $0,812 > 0,05$. This shows that GCG is unable to moderate the influence of profitability on environmental accounting therefore H_4 is rejected.

The calculated t value of the interaction variable between earnings management (DA) and GCG (KI) is 0,190, while the t table is 0,9763 so that the calculated $t < t$ table is in a negative direction. Meanwhile, the significance value is $0,850 > 0,05$. This shows that GCG is unable to moderate the influence of profitability on environmental accounting therefore H_5 is rejected.

The calculated t value of the interaction variable between CSR and GCG (KI) is 0,429 while the t table is 0,9763. So $t \text{ count} > t \text{ table}$ in the negative direction. Meanwhile, the significance value is $0,001 < 0,05$. This shows that GCG is able to moderate the influence of CSR on environmental accounting therefore H_6 is accepted.



Based on the results of the t statistical test, it states that the profitability variable (ROA) has a calculated t value of 0,407 and t table 0,976 so that $t_{\text{calculated}} > t_{\text{table}}$ in a positive direction. A positive coefficient indicates a unidirectional relationship between profitability and environmental accounting, if the profitability value increases, Environmental Accounting will increase. The significance value of the profitability variable is $0,017 < 0,05$. This shows that profitability has a significant effect on environmental accounting therefore H_1 is accepted. Profitability is an indicator used to assess the financial health of a company. This is because profitability is the company's ability to earn profits related to total capital assets and sales. Companies that can manage their assets well will benefit from tax incentives and other benefits so that it can be seen that the company is practicing tax avoidance. (Dewi, 2019). Companies with high profitability will always comply with tax payments because the company does not have difficulty fulfilling its obligations. Companies with a high profitability value can pay higher taxes than companies with a low profitability value. Companies with a low profitability value will choose to maintain the company's assets and financial condition rather than paying taxes. So companies with high profitability values will have a high possibility of taking environmental accounting action. The results of this research are in line with research conducted by (Prasista & Setiawan, 2016; Andhari & Sukartha, 2017; Leksono *et al.*, 2019; Ayem & Setyadi, 2019; Gunawan & Kris, 2019; Purba & Kuncahyo, 2020),

The earnings management (DA) variable has a calculated t value of 0,967 and a t table of 0,976 so that $t_{\text{calculated}} < t_{\text{table}}$ in a negative direction. A negative coefficient indicates an inverse relationship between earnings management and environmental accounting. If the value of earnings management decreases, Environmental Accounting will increase. The significance value of the earnings management variable is $0,335 > 0,05$. This shows that earnings management has no significant effect on environmental accounting therefore H_2 is rejected. Earnings management is an effort made by company management to influence financial report information by increasing or decreasing profits. In this case, the company cannot increase profits by carrying out earnings management in line with Environmental Accounting actions taken by reducing profits. The size of earnings management carried out by the company has no effect on the Environmental Accounting carried out by management. It can be said that profit management activities carried out by companies can minimize the tax burden but do not have a big impact on the action of minimizing tax costs. This research is in line with research conducted by (Kariimah & Septiowati, 2019; Karuniansyah & Anwar, 2021; Gunawan & Kris, 2019; Atami, 2017).

The CSR variable (CSR) has a t count of 0,317 and a t table of 0,97693, so that $t_{\text{count}} < t_{\text{table}}$ in a positive direction. A positive coefficient indicates a unidirectional relationship between CSR and environmental accounting. If the CSR value increases, Environmental Accounting will increase. The significance value of the CSR variable is $0,190 > 0,05$. This shows that CSR has no significant effect on environmental accounting therefore H_3 is rejected. CSR is one of the activities carried out by companies as a form of corporate responsibility towards the community and surrounding environment. So, CSR activities carried out by companies with low or high disclosure have nothing to do with Environmental Accounting actions. This is supported by legitimacy theory which states that companies can disclose additional information related to CSR activities in various fields to create social

harmony that lives in society, when an organization becomes part of the social community system. So it can be said that there are a lot of CSR activities and the funds spent on CSR activities are only listed in the annual report and we don't know whether the CSR activities were carried out well or not. In this way, the CSR carried out by the company has no effect on Environmental Accounting. The results in this research are in line with research conducted by (Utami & Tahar, 2018; Fionasari *et al.*, 2017; Firdayanti *et al.*, 2020).

The calculated t value of the interaction variable between profitability (ROA) and GCG (KI) is 0,238, while the t table is 0,976 so that the calculated $t < t$ table is in a negative direction. Meanwhile, the significance value is $0,812 > 0,05$. This shows that GCG is unable to moderate the influence of profitability on environmental accounting therefore H_4 is rejected. Profitability is a company's ability to earn profits in a certain period. The higher the profit a company makes, the higher the tax burden the company pays. With the existence of GCG which is proxied by independent commissioners in the company, the occurrence of environmental accounting can be minimized. However, the results in this study state that the higher the percentage of independent commissioners, the less impact it will have on environmental accounting. The existence of independent commissioners in a company is proven not to influence the level of influence of profitability on Environmental Accounting in a company, this can be influenced by the activity of the board of commissioners. The high or low percentage of independent commissioners cannot influence the profitability ratios used by companies as a reference for paying tax burdens which tend to lead to Environmental Accounting measures. The results of the research that GCG is unable to moderate the influence of profitability on Environmental Accounting are in line with research conducted by (Azzam & Subekti, 2019; Dianawati & Agustina, 2020).

The calculated t value of the interaction variable between earnings management (DA) and GCG (KI) is 0,190, while the t table is 0,976 so that the calculated $t < t$ table is in a negative direction. Meanwhile, the significance value is $0,850 > 0,05$. This shows that GCG is unable to moderate the influence of profitability on environmental accounting therefore H_5 is rejected. The explanation from the results of the analysis carried out is that GCG is unable to moderate the influence of earnings management on environmental accounting. It can be assumed that earnings management carried out by companies with profits used as a reference in calculating the tax burden will influence the level of environmental accounting. The high or low level of earnings management carried out by the company does not affect environmental accounting. In this case the GCG mechanism which functions to monitor and control the actions of opportunistic parties such as earnings management and environmental accounting does not operate effectively. Another consequence is that GCG principles such as transparency, accountability, independence, equality and fairness have not been fulfilled in implementing the GCG mechanism. The high or low percentage of independent commissioners is unable to influence management to take earnings management actions that can affect Environmental Accounting. The results of this research are in line with research conducted by (Yunistiyani & Tahar, 2017; Feryansyah *et al.*, 2020; Nugroho *et al.*, 2020).

The calculated t value of the interaction variable between CSR and GCG (KI) is 0,429 while the t table is 0,976. So $t \text{ count} > t \text{ table}$ in the negative direction. Meanwhile, the significance value is $0,001 < 0,05$. This shows that GCG is able to moderate the influence of



CSR on environmental accounting therefore H₆ is accepted. CSR is a form of corporate responsibility towards the community and the surrounding environment where the company operates. Companies with good GCG will carry out CSR responsibly and not carry out environmental accounting. Independent commissioners as the pinnacle of GCG have supervisory duties. CSR activities in companies aimed at gaining legitimacy from stakeholders will be fulfilled because the company has carried out social responsibilities which will be supervised and controlled by independent commissioners.

GCG influences companies in operating based on laws and regulations in terms of organizational formation, operations, relationships, structure and accountability. Where this will benefit both the company and society because with the existence of company GCG there will be more regulations, politics and stakeholder impacts on responsibility, ethics, transparency and CSR as well as the influence of society and its surroundings on visible claims of failure in environmental management. With this, the level of CSR activities disclosed will always be monitored by an independent commissioner in their implementation so that it will influence the company's level of environmental accounting. The higher the percentage value of commissioners and the higher the CSR value expressed by the company, the level of aggressiveness of the company will decrease. The results of this research are in line with research which states that GCG is able to moderate CSR towards environmental accounting (Kusumawati & Hardiningsih, 2016).

CONCLUSION

The influence of profitability, earnings management, and CSR on environmental accounting with GCG as a moderating variable. Profitability has a significant effect on environmental accounting. High and low profitability ratios will influence environmental accounting actions. Earnings management has no significant effect on environmental accounting. The level of management in carrying out earnings management has no effect on environmental accounting actions. CSR does not have a significant effect on environmental accounting. The level of CSR activities has no effect on environmental accounting actions. GCG is unable to moderate the influence of profitability on environmental accounting. The high or low percentage of independent commissioners has no impact on the influence of profitability on environmental accounting. GCG is unable to moderate the influence of profitability on environmental accounting. The high or low percentage of independent commissioners has no impact on the influence of earnings management on environmental accounting. GCG is able to moderate the influence of profitability on environmental accounting. The high or low percentage of independent commissioners has an impact on the influence of CSR on environmental accounting. This research is expected to add independent variables that influence environmental accounting, such as financial distress, company size, leverage, and liquidity. Furthermore, this research can be conducted in the mining and banking sectors.

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