

The Impact of Green Accounting, Independent Commissioners, Environmental Performance, and Firm Size on Financial Performance: Evidence from Indonesia's Energy and Basic Materials Sector

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ABSTRACT

This study aims to determine the effect of green accounting, an independent board of commissioners, environmental performance, and company size on financial performance. This research employs quantitative methods and utilizes secondary data obtained from the annual reports and sustainability reports of raw materials and energy companies listed on the Indonesia Stock Exchange for the 2021-2024 period. The sample was selected using a purposive sampling method, resulting in 82 samples. The novelty in the research is the calculation of green accounting which involves the environmental costs incurred by the company in maintaining the ecosystem and its relation to profit. The results indicate that green accounting and an independent board of commissioners have no effect on financial performance. Meanwhile, environmental performance and company size do influence financial performance. Green accounting, an independent board of commissioners, environmental performance, and company size simultaneously influence financial performance. This research is expected to improve companies' long-term financial performance, attract investors concerned with environmental and social issues, and enhance their reputation among stakeholders. With this research, it is expected to contribute ideas and enrich the literature in the field of corporate finance in research on the influence of green accounting, corporate governance, environmental performance, and company size. In addition, this study is also expected to serve as a reference for future research, so that it can be further developed and refined to enrich the literature in the fields of accounting, finance, and corporate sustainability.

INTRODUCTION

Financial performance is the main indicator in assessing a company's success in carrying out its operational activities. Financial performance reflects the company's ability to generate profits, manage assets efficiently, and maintain business sustainability in the long term. According to Masliyani & Murtanto (2022) company performance is the company's work performance which is influenced by its business activities and the way the organization allocates resources to meet its goals. Financial performance measurement is generally carried out using profitability ratios such as Return



on Assets (ROA), which is able to show the extent to which the company utilizes all its assets to generate profits. In the context of the modern business world, financial performance is not only seen from the amount of profit earned but also from how the company is able to create value in a sustainable manner. After the Covid-19 pandemic, global and national economic conditions experienced significant pressure. Many companies face challenges in the form of decreasing demand and increasing operational costs. Even though economic conditions are starting to show recovery, the stability of the company's financial performance has not yet fully recovered. This is especially felt by companies in sectors that are highly dependent on activities and commodities, such as the basic materials and energy sectors.

The basic material and energy sectors are two strategic sectors on the Indonesia Stock Exchange (IDX) that have a significant contribution to market capitalization and are highly influenced by global commodity price dynamics. According to data from the Indonesia Stock Exchange (IDX) through the sectoral index IDXBASIC, as of 2024, more than 95 companies are classified in the basic material sector, making it one of the main contributors to the total market capitalization on the IDX (idx.co.id). Meanwhile, the energy sector through IDXENERGY has become one of the main drivers of the IDX Composite Index (IHSG) along with the increase in demand for commodity-based energy such as coal and oil (Indonesia Stock Exchange, 2024). Nevertheless, both sectors face similar pressures in the form of commodity price volatility, sectoral index declines during certain periods, and increasing demands for environmental performance and sustainability.

The basic materials and energy sector has a strategic role in the economy because it contributes greatly to national development and market capitalization. However, this sector also has special characteristics in the form of a high level of exploitation of natural resources and significant environmental impacts. Operational activities such as mining, chemical processing and energy production have the potential to cause environmental pollution, ecosystem damage and greenhouse gas emissions. Therefore, companies in this sector face pressure not only from the economic side, but also from the social and environmental side.



Figure 1. ROA of Indonesia's Basic Material Dan Energy 2021-2024 (%)

According to the Financial Services Authority (OJK), since 2021 public companies in Indonesia are required to submit sustainability reports as a form of social and environmental responsibility in accordance with POJK No.51/POJK.03/2017 concerning sustainable finance (ojk.go.id). This regulatory pressure is also in line with the global trend where international investment institutions are increasingly making Environmental, Social, and Governance (ESG) the main criteria in investment decisions which have a direct impact on the company's image and performance in the global capital markets.

Increasing awareness of sustainability issues, companies throughout the world, including in Indonesia, are facing great pressure in balancing financial performance and environmental responsibility. The implementation of green accounting and corporate governance practices is now an important part of sustainable business strategies. Companies are required to be able to balance achieving financial performance and environmental responsibility. One approach used is the application of green accounting. Green accounting is an accounting practice that integrates environmental aspects into the financial reporting system to identify, measure and disclose environmental costs and impacts resulting from company operational activities (Dewi & Muslim, 2022). Through green accounting, companies can identify environmental costs, manage ecological impacts, and increase transparency to stakeholders. It is believed that the implementation of green accounting can increase cost efficiency, improve the company's reputation, and ultimately have an impact on improving financial performance. Hidayat & Widoretno (2025) found that green accounting had no effect on financial performance, while Hasanah & Widiyati (2024) and Indrayani et al., (2024) showed a positive effect

Nevertheless, good corporate governance is also an important factor in determining financial performance. One important element in corporate governance is the existence of an independent board of commissioners. The independent board of commissioners functions as a supervisor to ensure that the management of the company is transparent, accountable and in line with the interests of shareholders. The existence of independent commissioners is expected to reduce conflicts of interest, improve the quality of decision making, and increase the company's operational efficiency. Independent commissioners are neutral when managers make decisions, therefore the existence of independent commissioners can increase equality for majority and minority shareholders (Masliyani & Murtanto, 2022). Independent commissioners help in creating an objective and fair supervisory atmosphere. Masliyani & Murtanto (2022) found a positive influence on financial performance. However, in several other studies the effect was not significant, which indicates that the supervisory function has not been running optimally and tends to be formal.

Environmental performance is also a factor that cannot be ignored in determining a company's financial performance. Companies that have good environmental performance tend to be able to reduce legal risks, avoid sanctions, and increase public and investor confidence. In addition, good environmental performance also reflects the company's commitment to sustainability, which can be an added value in business competition. Thus, environmental performance has the potential to make a positive contribution to the company's financial performance. Good environmental performance has a positive effect on financial performance because it can improve a company's reputation, attract the interest of sustainability-oriented investors and reduce legal risks and costs due to environmental violations (Wang et al., 2023). Research conducted by Aulia et al., 2023; Cahyani & Puspitasari, 2023; Ramadhani et al., 2022; Suryaningrum & Ratnawati, 2024 shows that environmental performance has a positive effect on financial performance. Research conducted by Hasanah &

Widiyati, 2024; Indrayani & Baining, 2024; Masliyani & Murtanto, 2022 shows that environmental performance does not affect financial performance.

Company size is another factor that is believed to influence financial performance. Companies with larger sizes generally have more resources. Wider access to funding, as well as the ability to invest in technology and innovation. This provides a competitive advantage for large companies in facing competition and market uncertainty. However, large companies also face higher complexity in organizational management and decision making. Large companies enjoy the advantages of economies of scale and have more resources to exploit growth opportunities and reduce business risks, which contributes to increasing company value (Ahmed, 2023). Previous research Suryaningrum & Ratnawati (2024) shows that company size has a positive effect on financial performance. Research by Aulia et al., (2023) indicates that company size does not affect financial performance.

This research is expected to improve companies' long-term financial performance, attract investors concerned with environmental and social issues, and enhance their reputation among stakeholders. With this research, it is expected to contribute ideas and enrich the literature in the field of corporate finance in research on the influence of green accounting, corporate governance, environmental performance, and company size. In addition, this study is also expected to serve as a reference for future research, so that it can be further developed and refined to enrich the literature in the fields of accounting, finance, and corporate sustainability.

LITERATURE REVIEW

Green Accounting on Financial Performance

Green accounting is an accounting system that integrates environmental aspects into financial reporting to identify and disclose the costs and economic benefits of environmental activities. According to Gonzalez & Peña-Vinces (2023), green accounting enables companies to identify opportunities to improve resource efficiency, reduce environmental costs, and enhance compliance with environmental regulations. This contributes to the overall improvement of the company's financial performance. The implementation of green accounting enhances financial performance because good environmental management lowers long-term costs, strengthens reputation, and attracts investors. Based on the Legitimacy Theory, this action reflects the company's effort to meet social expectations through environmental responsibility, thereby gaining public trust and market support, which ultimately leads to increased profitability.

Independent Board of Commissioners on Financial Performance

The implementation of good corporate governance can improve financial performance because it encourages efficient resource management, as well as creates transparency and accountability in decision-making. From the perspective of legitimacy theory, effective corporate governance strengthens public and investor trust in the company's integrity, thereby enhancing the company's reputation and business sustainability. One important indicator of corporate governance is the presence of independent commissioners, who play a role in carrying out supervisory functions objectively and independently over management performance. Independent commissioners are expected to be able to prevent conflicts of interest, protect the interests of minority shareholders, and ensure the company's compliance with good corporate governance such as transparency, accountability, responsibility, and fairness. Through such effective and independent oversight, the

company gains stronger social legitimacy, which ultimately contributes to improving financial performance, especially in the long term.

Environmental Performance on Financial Performance

Logically, environmental performance has a positive impact on financial performance because companies that proactively protect the environment tend to reduce legal risks, lower long-term operational costs, and enhance reputation and consumer loyalty. This strengthens competitiveness and attracts investors who care about sustainable investment principles. Based on legitimacy theory, efforts to protect the environment become a form of social responsibility that helps companies gain public support and trust. Thus, companies with good environmental performance will gain social legitimacy, which ultimately contributes to increased profitability and company value.

Company Size on Financial Performance

The size of a company can be said to have a positive influence on financial performance, because large companies have wider access to funding sources, production scale efficiency, and higher bargaining power with both suppliers and consumers. In addition, large companies are more capable of investing in innovation and risk management, which ultimately leads to increased profitability. Based on the Legitimacy Theory, companies with large sizes have high public exposure, thus facing social pressure to demonstrate greater economic and social responsibility. By implementing transparent and ethical business practices, large companies can gain legitimacy from society, enhance their reputation, and ultimately strengthen their financial performance.

RESEARCH METHODS

This research uses a secondary data collection method, where the data is obtained from the annual financial reports of companies in the basic materials and energy sector listed on the Indonesia Stock Exchange (BEI) for the period 2021 to 2024 obtained from the website www.idx.co.id and other data obtained is accessed via the company's personal website in general. The population of this research are companies listed on the Indonesian Stock Exchange (BEI) and the samples used are basic material and energy sector companies in the period 2021-2024. The sample selection in this study used a purposive sampling method with certain criteria. The criteria in question are:

- a. Basic materials and energy sector companies listed on the Indonesia Stock Exchange (BEI) for the period 2021 to 2024.
- b. Companies that publish financial statements, annual reports and/or sustainability reports for the period 2021 to 2024 which can be accessed by the public.
- c. Companies that have environmental cost and PROPER data.

Based on these criteria, this research obtained a sample size of 82.

Table 1. Sampling

No	Criteria	Year				Total
		2021	2022	2023	2024	
1	Basic materials and energy sector companies listed on the IDX for the 2021-2024 period.	162	171	186	198	717
2	Companies that do not publish financial reports for the 2021-2024 period that can be accessed by the public.	3	6	8	10	27
3	Companies that do not publish annual reports and/or sustainability reports for the 20221-2024 period which can be accessed by the public.	3	5	8	12	28
4	Companies that do not disclose PROPER for the 2021-2024 period.	127	132	145	154	558
	Total Sample	29	28	25	22	104
	First Outlier	3	4	2	1	94
	Second Outlier	2	1	-	2	89
	Third Outlier	1	2	1	1	84
	Fourth Outlier	-	1	1	-	82
	Total Sample	23	20	21	18	82

Source: Processed Data

Research Variables and Operational Definitions

Financial Performance

Financial performance reflects the company's level of success in achieving its economic goals. If the company is able to obtain high profits, then it can be said that its financial performance is good because it shows the ability to manage resources efficiently. To assess financial performance, there are various indicators such as Return on Equity (ROE), Earning per Share (EPS), liquidity and solvency. However, in this research, the Return on Assets (ROA) indicator is used as a tool to measure financial performance, with data obtained from the annual report of each company. In finding ROA, it can be formulated as follows:

$$\text{ROA} = \frac{\text{Net Profit}}{\text{Total Asset}} \times 100\%$$

Green Accounting

Environmentally friendly accounting is an accounting method that includes environmental costs in the company's financial reports (Hidayat et al., 2025). Green accounting is an accounting approach that includes environmental costs in a company's financial reports. The implementation of green accounting can be measured by the amount of environmental costs incurred due to company activities on the surrounding ecosystem. By allocating environmental costs in a structured manner according to company activities, it is hoped that it can improve environmental performance and support the sustainability of company operations. Environmental costs are formulated as follows:

$$\text{Green Accounting} = \frac{\text{Environmental Cost}}{\text{Profit}} \times 100\%$$

Independent Board of Commissioners

Corporate governance is a company management system that regulates the relationships and responsibilities between management, board of commissioners, shareholders and other stakeholders to ensure transparency, accountability and fairness in every company decision. Because the implementation of good governance encourages efficient resource management, reduces the risk of conflicts of interest, as well as increasing investor confidence which ultimately has a positive impact

on profitability and company value. Independent commissioners are an indicator that is often used as a benchmark for the quality of good corporate governance because they act as the main element in a supervisory mechanism that is objective and free from the influence of management or majority shareholders. In the context of corporate governance, the proportion of independent commissioners reflects the strength of internal control mechanisms that are free from the influence of management or controlling shareholders, thereby strengthening transparency and accountability for strategic decisions. Corporate governance can be measured using the proportion of independent board of commissioners. The formula for independent commissioners is as follows:

$$\text{KOMIND} = \frac{\text{Number of Independent Commissioners}}{\text{Total Members of the Board of Commissioners}} \times 100\%$$

Environmental Performance

The form for measuring environmental performance has been determined by the Ministry of the Environment (KLH), namely PROPER. In previous research by Masliyani & Murtanto (2022), PROPER was used as a measurement of environmental performance variables. PROPER scores are obtained from companies that publish Sustainability Reports. The measurement of environmental performance using the PROPER method.

Firm Size

Company size shows how big or small the company is, both from a financial and operational perspective (Goh, 2023). Company size can be said to be a reflection of the capacity and economic strength of an entity in carrying out its operational activities, which includes the size of total assets, sales volume, number of employees, as well as the ability to manage resources to achieve business goals. Company size shows the level of stability and company's ability to face risks and fund operational activities independently. Thus, the larger the company size, the higher the company's ability to generate profits, access external funding, and maintain investor confidence. Company size can be measured using the formula:

$$\text{Firm Size} = \text{Ln} (\text{Total Asset})$$

RESULTS AND DISCUSSION

Results of Descriptive Statistical Analysis

As explained in Chapter III, this study uses several data analysis techniques, including descriptive analysis, multiple linear regression, and hypothesis testing, which aim to test the designed hypothetical model. Therefore, in this chapter, an in-depth discussion will be conducted regarding the analysis of the research variables used, from both descriptive and statistical perspectives.

Table 2. PROPER Assessment

Color	Means	Scale
Gold	Excellent	5
Green	Good	4
Blue	Enough	3
Red	Bad	2
Black	Poor	1

Source: Processed Data

Table 3. Descriptive Statistics Results of Financial Performance

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Performance	82	-,07	,18	,0513	,05341
<i>Green Accounting</i>	82	-,20	,56	,0432	,11397
Independent Board of Commisioners	82	-,20	,56	,0432	,11397
Firm Size	82	860	161118	28609,74	30474,90
Valid N (listwise)	82				

Source: Processed Data

Table 4. Descriptive Statistics Results of Environmental Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 3	37	45,1	45,1	45,1
4	25	30,5	30,5	75,6
5	20	24,4	24,4	100,0
Total	82	100,0	100,0	

Source: Processed Data

The Ministry of Environment (KLH) has implemented a procurement program called the Company Performance Rating Program in Environmental Management (PROPER). This program aims to assess the environmental performance of each company, which is conducted annually. PROPER has five scales, each marked with a color in the ranking: gold (five points), green (four points), blue (three points), red (two points), and black (one point).

Based on the table above, the analysis results of data from a total sample of 93 companies listed on the Indonesia Stock Exchange (IDX) during the study period show that 45.1% of companies received a blue rating, which means that most companies in the research sample have met the basic requirements in environmental management. On the other hand, 24.4% of companies received a gold rating, which means that the companies are committed to superior sustainability. A cumulative percentage value of 75.6% at rating 4 indicates that most companies in the research sample have environmental performance at a moderate to good level. Meanwhile, 24.4% of companies have achieved the highest environmental performance (rating 5), indicating a commitment of the companies to better environmental management.

Normality Test Results

Table 5 shows that there is normality in the data for companies in the basic materials sector and companies in the energy sector as many as 104 samples which have not experienced data outliers and shows that the data is not normally distributed because the significant value is below $0.000 < 0.05$.

The results of the normality test shown in the table above show the results of the normality test for data from companies in the basic materials sector and companies in the energy sector, totaling 82 samples where data outliers have been carried out. The results of the normality test obtained a significant value of $0.195 > 0.05$, so this research data was declared to have a normal distribution.

Table 5. Normality Test (Before Outliers)

		Unstandardized Residual
N		104
Normal Parameters	Mean	,0000000
	Std. Deviation	,12861412
Most Extream Differences	Absolute	,175
	Positive	,175
	Negative	-,126
Test Statistic		,175
Asymp. Sig. (2-tailed)		,000 ^c

- a. Test distribution is Normal.
b. Calculated from data.
c. Liliefors Significance Correction.

Source: Processed Data

Table 6. Normality Test Result (After Outlier)

		Unstandardized Residual
N		82
Normal Parameters	Mean	,0000000
	Std. Deviation	,04805497
Most Extream Differences	Absolute	,087
	Positive	,087
	Negative	-,051
Test Statistic		,087
Asymp. Sig. (2-tailed)		,195 ^c

- a. Test distribution is Normal.
b. Calculated from data.
c. Liliefors Significance Correction.

Source: Processed Data

Table 7. Results of Multiple Linear Regression Analysis

Model	Unstandardiz Coefficients		Standardized Coefficient Beta	t	Sig.
	B	Std. Error			
(Constant)	,377	,133		2,841	,006
Green Accounting	-,017	,048	-,037	-,358	,721
Independent Board of Commissioners	,071	,041	,185	1,748	,084
Environmental Performance	,041	,009	,624	4,567	,000
Firm Size	-,017	,005	-,447	-3,301	,001

- a. Dependent Variable: Financial Perfomance

Source: Processed Data

Results of Multiple Linear Regression Analysis

Based on the output results in the table 7, the known multiple linear regression equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

$$Y = 0,377 - 0,017 X_1 + 0,071 X_2 + 0,041 X_3 - 0,017 X_4 + \varepsilon$$

Explanation:

- Y = Financial Performance
- A = Constanta
- X₁ = Green Accounting
- X₂ = Independent Board of Commissioners
- X₃ = Environmental Performance
- X₄ = Firm size
- ε = Error term (Residual)

Hypothesis Test Results

F test on Hypothesis

Based on the results of the multiple linear regression test, a significance value of 0.001 was obtained. The resulting value shows that simultaneously or together the variables green accounting, independent board of commissioners, environmental performance, and company size influence the company's financial performance.

Adjusted R² Test of Hypothesis

Based on the output results in the table above, it can be seen that Adjusted R² = 0.175 (17.5%) which shows that there is a relationship between the independent variable and the dependent variable (financial performance). This shows that the financial performance variable is influenced by green accounting, independent board of commissioners, environmental performance, and company size simultaneously by 17.5%, and the remaining 82.5% is influenced by other factors or variables outside the research model.

Table 8. F Test

	Model	F	Sig.
1	Regression	5,300	,001 ^b
	Residual		
	Total		

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), *Green Accounting*, Independent Board of Commissioners, Environmental Performance, Firm Size

Source: Processed Data

Tabel 9. R² Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimade
1	,465 ^a	,216	,175	,048506

a. Predictors: (Constant), *Green Accounting*, Independent Board of Commissioners, Environmental Performance, Firm Size

b. Dependent Variable: Financial Performance

Source: Processed Data

Table 10. t-Test Result

Model	t	Sig.
(Constant)	2,841	,006
Green Accounting	-,358	,721
Independent Board of Commissioners	1,748	,084
Environmental Performance	4,567	,000
Firm Size	-3,301	,001

Source: Processed Data

Discussion

Green Accounting on Financial Performance

Green accounting is an accounting method that integrates environmental costs, such as greenhouse gas emissions, industrial waste, and the exploitation of natural resources, into a company's financial statements. These costs reflect the ecological impact of business activities and must be considered in decision-making. By including environmental costs, companies increase transparency and accountability to stakeholders, including investors and regulators. In addition to complying with regulations, this also demonstrates a commitment to sustainable business. The main goal of green accounting is to provide comprehensive information about a company's environmental performance, ensuring a balance between profitability and long-term sustainability. The results of this study are in line with the findings of (Cahyani, 2023; Hidayat & Widoretno, 2025; Suryaningrum & Ratnawati, 2024; Tiyas & Imronudin, 2024) which indicate that the implementation of green accounting has not yet provided a significant financial impact because its benefits are more long-term, while in the short term, companies actually bear additional environmental costs that can reduce profits. Furthermore, previous research also revealed that green accounting practices in many companies still focus on regulatory compliance and reporting, rather than being part of a strategy to increase company value. As a result, green accounting information has not been fully utilized by investors and has not yet been reflected in improved financial performance.

Independent Board of Commissioners on Financial Performance

Corporate governance is a system that regulates and controls the relationship between management and stakeholders to achieve company goals. In this study, corporate governance is proxied by the presence of independent commissioners who function as a supervisory mechanism over management. The test results in Table 10 show that corporate governance proxied through independent commissioners is also rejected because it has a significance value of 0.084 (> 0.05). This indicates that the presence of independent commissioners has not been fully effective in improving financial performance, as their role is more focused on supervisory and compliance functions, and may still be formalistic, thus not directly impacting the company's profit achievement. The results of this study indicate that corporate governance promoted by independent commissioners does not have a significant effect on the company's financial performance, thus this finding is not in line with the research conducted by (Masliyani & Murtanto, 2022; Wandasari et al., 2024) which states that corporate governance affects financial performance. The difference in the results of this study may be caused by several factors, including differences in the characteristics of the research sample, where previous studies generally used companies with a more mature level of corporate governance implementation. Meanwhile, in this study, the presence of independent commissioners tends to only function as regulatory compliance, so their supervisory role has not yet been effective in improving financial performance.

Environmental Performance on Financial Performance

Environmental performance is an effort made by companies to create a greener and more sustainable environment. The main focus of environmental performance is the reduction of negative impacts caused by company activities and efforts to preserve the environment. In this study, the test results in Table 10 show that the environmental performance regression coefficient is positive at 4.567 with a significance level of 0.000 (> 0.05), which means that environmental performance has a positive and significant effect on financial performance, although improvements in environmental performance have not yet had a direct impact on financial performance enhancement. One reason why this hypothesis is not considered a primary benchmark for companies in improving their financial performance is that many companies may focus more on aspects that have a direct impact on profitability rather than investing in environmental initiatives that may not provide financial results. Statements regarding the influence of environmental performance on financial performance are in line with previous research (Aulia et al., 2023; Cahyani, 2023; Ramadhani et al., 2022) which tested the impact on financial performance. The results indicate that good environmental performance reflects compliance with environmental regulations, which can minimize the risk of fines, sanctions, and litigation costs. From a market perspective, companies with high environmental performance have a more positive image and reputation in the eyes of investors, consumers, and stakeholders, thereby increasing trust, loyalty, and investment opportunities. This condition ultimately contributes to increased revenue and profit stability, thus having a positive impact on the company's financial performance.

Company Size on Financial Performance

Company size describes the scale and complexity of a company's operational activities. Larger companies tend to receive higher levels of public attention, thus demanding them to demonstrate greater social and environmental responsibility. Based on the test results in Table 10, company size has a negative regression coefficient of -3,301 with a significance value of 0.001 (> 0.05), indicating that company size has a positive and significant effect on financial performance, because companies with large assets are generally supported by stronger operational capacity, broader business diversification, as well as easier and relatively cheaper access to funding. In addition, large companies tend to have a more stable market position, higher bargaining power, and better ability to face economic fluctuations, which ultimately has a positive impact on financial performance. The difference in the results of this study compared to previous research conducted by (Aulia et al., 2023; Hasanah & Widiyati, 2024) which stated that company size does not have a significant effect on financial performance. This condition may be caused by large companies having greater resources but also facing higher operational costs and social pressures, as well as conditions where there is inefficiency in asset management in large companies or a low level of return on investment expected by investors.

CONCLUSION

This research aims to analyze the influence of green accounting, corporate governance, environmental performance, and company size on financial performance in basic materials and energy sector companies listed on the Indonesia Stock Exchange (BEI) for the 2021-2024 period using secondary data in the form of financial reports, annual reports, and sustainability reports, and involving 82 sample companies during four years of observation. The analysis results show that green accounting has no effect on financial performance because the benefits are more long term and in the short term

it actually increases the company's cost burden. The independent board of commissioners also has no influence on financial performance, indicating that its role still tends to be formal and not yet optimal in its supervisory function. Meanwhile, environmental performance has been proven to have a positive effect on financial performance because it can increase efficiency, reputation and investor confidence. And company size has an effect on financial performance, which shows that the size of assets supports the company's ability to produce financial performance even though it has the potential to cause inefficiencies if not managed optimally. In research, of course, there are still limitations. Although this study provides an important contribution to understanding the factors that influence financial performance, there are several limitations that need to be considered in this study as follows: 1) This study uses a limited sample both in terms of the number of companies and the analysis period, making the results difficult to generalize to a broader context. 2) This study uses the variables of green accounting, corporate governance, environmental performance, and company size on financial performance. Using other variables might produce different results. 3) In this study, not all companies publish complete data, which limits the research variable data. Based on the conclusions and limitations that have been explained above, the following are suggestions that can be conveyed in relation to the research that has been conducted, with the hope that future research can provide better results: 1) Future research is expected to use different research methods or approaches to obtain more comprehensive results. 2) Future research is recommended to further expand the population so that the data obtained can be more varied. 3) Future research can add the independent variable of environmental disclosure to add research subjects in terms of the environment, thereby enabling more accurate data to be obtained. With this research, it is expected to contribute ideas and enrich the literature in the field of corporate finance in research on the influence of green accounting, corporate governance, environmental performance, and company size. In addition, this study is also expected to serve as a reference for future research, so that it can be further developed and refined to enrich the literature in the fields of accounting, finance, and corporate sustainability.

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