The Effect of Green Accounting, Corporate Social Responsibility, And Enviromental Social Governance On Company Profitability

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ABSTRACT

This study is intended to examine the effect of Green Accounting, Corporate Social Responsibility (CSR), and Environmental Social Governance (ESG) on the profitability of mining companies listed on the Indonesia Stock Exchange (IDX) for 2020-2023. The study uses a quantitative method with secondary data obtained from the official IDX website. The data analysis technique uses multiple linear regression. Sampling uses a purposive sampling technique, so that a sample of 13 companies was obtained from a total population of 94 companies. The research findings show that Green Accounting has a positive and significant effect on the profitability of mining companies. However, CSR and ESG do not have a significant effect on the profitability of mining sector companies. This study is based on differences in previous research findings and the dynamics of declining profitability in recent years. The novelty of the study lies in the newer observation period and the observation period of 4 years, the use of ESG variables, and the measurement of profitability with ROE. This study provides insight into the role of Green Accounting in increasing profitability and the contribution of CSR and ESG.

Keywords: Green Accounting; Corporate Social Responsibility; Enviromental Social Governance.

Pengaruh Green Accounting, Corporate Social Responsibility, Dan Enviromental Social Governance Terhadap Profitabilitas Perusaan

ABSTRACT

Penelitian ini di maksudkan untuk menguji pengaruh Green Accounting, Corporate Social Responsibility (CSR), dan Environmental Social Governance (ESG) terhadap profitabilitas perusahaan pertambangan yang terdaftar di Bursa Efek Indonesia (BEI) untuk tahun 2020-2023. Penelitian menggunakan metode kuantitatif dengan data sekunder yang diperoleh dari situs resmi BEI. Teknik analisis data menggunakan regresi linear berganda. Pengambilan sampel memakai teknik purposive sampling, sehingga didapati sampel 13 perusahaan dari total populasi 94 perusahan. Temuan penelitian menunjukan bahwa Green Accounting berpengaruh positif dan signifikan terhadap profitabilitas perusahaan pertambangan. Namun, CSR dan ESG tidak berpengaruh secara signifikan terhadap profitabilitas perusahaan sektor pertambangan. Penelitian ini didasari perbedaan temuan penelitian sebelumnya serta dinamika penurunan profitabilitas dalam beberapa tahun terakhir. Novelty penelitian terletak pada periode pengamatan yang lebih baru dan lama pengamatan 4 tahun, penggunaan variabel ESG, dan pengukuran profitabilitas dengan ROE. Penelitian ini, memberikan wawasan tentang peran Green Accounting dalam meningkatkan profitabilitas serta kontribusi CSR dan ESG.

Kata Kunci: Green Accounting; Corporate Social Responsibility; Enviromental Social Governance.

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INTRODUCTION

A company, which is one type of organization, usually has goals that it wants to achieve in order to meet the interests of its stakeholders. The main goal of every business is to maximize the resources used and maintain the survival of the company. One strategy to help the company achieve its goals is to generate profit. According to (Friedman 1970), the main social responsibility of business is to increase profits for its shareholders, as long as the company operates within legal and ethical boundaries, generating maximum profit is the best way to fulfill the company's social responsibility.

According to the Big Indonesian Dictionary (KBBI), profit means profit. In the current era of globalization and business complexity, companies face major challenges in balancing the need to maximize profits or achieve optimal probability in relation to fulfilling social and environmental responsibilities. Moreover, the world is currently heading towards an energy transition and reducing the use of fossil fuels. The Executive Director of the Indonesian Coal Mining Association (APBI), Hendra Sinadia (Rahayu 2024) said "weakening commodity prices are increasingly threatening the profitability of mining companies, one of which is coal, amidst increasing operational costs that have continued to increase in recent years. The downward trend in prices began in 2023 due to oversupply. His party itself has only projected that this oversupply condition will continue until 2025 with an assumed production of 710 million tons. Sectorally, mining was only able to grow 44 percent this year, plummeting compared to January-July 2022 which reached 263.7 percent.

The mining industry basically produces metals and metalloids in high concentrations that can be harmful to health and the environment, but this sector is also a major contributor of foreign exchange and investment to the Indonesian economy. For example, the coal sector is the main source of energy in Indonesia, but it also contributes greatly to greenhouse gas emissions and air pollution around mining areas. Citing data from (Global Energy Monitor 2023), "coal mines in Indonesia produce methane emissions of 58 million tons of CO2e20 per year. This makes Indonesia the 8th largest methane producing country in the world".

The increasing cases of environmental pollution in Indonesia require companies or business actors not only to prioritize themselves and their management but also to consider all related parties, including consumers, employees, the community and the environment around the company (Sapulette and Limba 2021). Companies must have the ability to handle financial and non-financial investments. In general, businesses must be able to maximize profits and minimize expenses in the long term. (Hartono 2018) emphasized that improving the economy is the company's main priority in an effort to increase profitability.

Green accounting practices can increase capacity in reducing environmental issues in a company. According to (Sari and Wahyuningtyas 2020) Green Accounting is a new mechanism in accounting that focuses on measuring, identifying, recognizing, and presenting data related to social and environmental items and transactions, in addition to only covering financial objects and transactions. Then, the implementation of CSR and ESG disclosures can help companies improve their reputations so as to attract investors. In addition, the implementation of ESG (Environmental, Social, and Governance) and CSR

(Corporate Social Responsibility) have been proven to not only improve a company's reputation but also contribute directly to profitability. Recent research by (Bain and Company 2023) shows that more and more investors are paying attention to ESG factors in their investment decision making. ESG is not only seen as a tool to mitigate environmental and social risks, but also as a strategy that can increase a company's resilience to supply chain disruptions and other financial risks. This has a positive impact on the company's long-term financial performance. Therefore, "a harmonious relationship between the company and its surrounding environment can have a positive influence on the company's sustainability" (Dewi and Edward Narayana 2020).

Previous studies conducted by (Usti and Harmain 2023) discovered that profitability is significantly impacted by green accounting. However, according to (Saifuddin and Wiyono 2023) “Green Accounting has no effect on Profitability”. In addition (Pangestu, Setiawan, and Kurniawan 2023) conducted a study and found that Corporate Social Responsibility Disclosure does not have a significant effect on profitability. Meanwhile, according to (Kholmi and Nafiza 2022) “Corporate Social Responsibility has a positive effect on profitability”. Furthermore, research according to (Aydougmucs, Gülay, and Ergun 2022) ESG has a positive and significant relationship with company profitability. However, this is different from findings from the studies that have been conducted by (DINARJITO 2024) ”which shows that ESG has no effect on profitability”.

From the differences in the results of previous studies, the researcher is interested in conducting further research by looking at it from the perspective of Stakeholder Theory in explaining how relationships with various parties who have interests in the company can affect profitability. (Afkarina, Wardana, and Damayanti 2019) shows that although the mining sector contributes to income and economic development, serious environmental impacts such as pollution and forest destruction remain major problems. So this study chose the mining sector because the mining sector plays a major role in improving the economy and absorbing labor in Indonesia. However, this industry often has a negative ecological impact from the industrial business process, such as environmental pollution that can significantly affect organisms around it.

In addition, this study is driven by the fact that there are still many companies listed on the IDX that have not disclosed their sustainability reports. Studies carried out by (Sebrina et al. 2023) proves that although there are several companies that are committed to reporting sustainability, the level compared to the mandatory social responsibility reports, the dissemination of sustainability reports is still quite low. This study's goal is to ascertain the effect of Green Accounting, Corporate Social Responsibility (CSR), and Environmental Social Governance (ESG) on the profitability of mining firms that were listed between 2020-2023 on the Indonesia Stock Exchange (IDX)

The advantages of this study include the longer and newer research years compared to previous studies with the dynamics of declining profitability in recent years. In addition, in terms of variables, this study uses the Environmental, Social, and Governance (ESG) variable which is still relatively new in Indonesia. Then the measurement of profitability uses Return On Equity (ROE). ROE was chosen because it has a direct relationship with the interests of shareholders, and is appropriate for measuring the long-term effects of sustainability strategies on company performance. ROE is the profitability ratio that is most directly related to shareholder value because it shows the return generated on the capital they invest. This is especially important in research involving Green Accounting, CSR, and ESG, where the financial impact of these initiatives is anticipated to raise the business's worth over time. (Freeman et al. 2010) emphasizes the importance of shareholder and stakeholder involvement, which is in line with the purpose of ROE in describing the impact of corporate strategy on shareholder returns.

According to (Ghozali 2020) Stakeholder theory is an approach used by companies to manage stakeholders related to the company. According to (Ni Wayan Novi Budiasni and Darma 2020), Stakeholder theory has a goal that is not only to maximize one's own profits but to maximize the profits of many stakeholders. According to stakeholder theory, "a company is not only an entity that supports its own interests, but must also provide benefits to various parties, such as investors, creditors, consumers, suppliers, government, society, unions, and other stakeholders". Based on this theory, the progress of the company is closely related to how stakeholders view the company.

Stakeholder theory according to (Mardikanto 2014), is "a strategic management concept designed to help companies strengthen their competitive advantage and strengthen relations with external parties". Because of the large impact of stakeholders, the company needs to get support and support from each stakeholder for the business activities carried out to maintain the survival of the company itself. need to consider input from all stakeholders regarding the business activities carried out in order to assess and mitigate ongoing company expenses.

With this, researchers argue that through the execution of Green Accounting, Corporate Social Responsibility, and Environmental Social Governance (ESG) can have a positive impact on the organization's relationship with external parties. With the stakeholder theory, it is expected that the company can provide benefits to its stakeholders. These benefits can be realized through the application of CSR, ESG, and Green Accounting, with the hope that the program or disclosure will help the company enhance the well-being of local communities, workers, and clients. As a result, a positive relationship will develop between the business and the environment.

Good profitability of a company is likely to attract the attention of stockholders and interested parties, which will ultimately raise the cost of the company's shares. This is evident when implementing green accounting properly disclosed by the company, profitability also tends to increase because it is related to increased profits that build public trust and loyalty to the company's products (Pratiwi and Rahayu 2018). The use of environmental awareness by business owners will result in profitable growth and increase public perception of the company, which in turn increases market value in the eyes of investors. Stakeholders assess a company's environmental performance and the impact of environmental degradation on decisions related to production and sales, which ultimately increases profitability.

Environmental accounting, sometimes known as "green accounting," is an accounting approach that considers the environmental impact of business activities and seeks to minimize the external costs caused by the company to the environment. This concept is in accordance with stakeholder theory which emphasizes the importance of support and relationships with external parties in maintaining business continuity. Stakeholders play a crucial role in providing legitimacy to company operations, especially in terms of environmental sustainability.

According to research (Putri, Hidayati, and Amin 2019) and (Chasbiandani, Rizal, and Satria 2019), it "shows that the influence of Green Accounting has a positive effect on profitability". As a result of the implementation of green accounting, the company's reputation will increase, because Green Accounting is implemented or applied. This will then increase working capital and produce a good response from investors as seen through the increasing movement of stock market prices, and vice versa. Meanwhile, (Freeman et al. 2010) emphasizes the importance of stakeholder involvement in corporate decision-making, including aspects of sustainability, to maintain long-term business continuity. This result is supported by (Singh, Aggarwal, and Mathur 2021), which states that "Green Accounting increases operational efficiency and reduces environmental risks, which further strengthens the company's position in the eyes of stakeholders". B ased on the previously provided rationale, and supported by previous research that proves demonstrates the connection between green accounting and profitability, the study formulates a hypothesis in this study, namely as follows:

H_1: Green Accounting has a positive effect on Profitability.

In general, external programs implemented by companies involve cooperation with stakeholders, which aims to provide education to stakeholders, the general public, and surrounding communities in order to increase awareness of the community and the surrounding environment.

(Sulistiawati and Dirgantari 2016) stated that the information presented in financial reports has a significant impact on the stock exchange, both for individual investors and the market as a whole. This is due to the importance of information in financial reports, especially for investors, as the main reference source. Good corporate disclosure can increase profitability because investors will be more confident and willing to invest in the company. Environmental disclosure through CSR activities aims to build a positive image in the eyes of the public. If a company has a good image, it will attract more investors to invest, which ultimately has an impact on increasing the value of the company's shares and profitability.

Research by (Khan, Serafeim, and Yoon 2016) concluded that companies that consistently implement CSR tend to attract investors who have a sustainability focus, which ultimately increases market value and profitability (Return on Equity -ROE). Other research by (Fatemi, Fooladi, and Tehranian 2018) supports this by showing that CSR reduces reputational risk and helps manage stakeholder expectations, thereby increasing the company's financial stability. Overall, implementing CSR provides long-term benefits for companies by creating a positive image and strengthening relationships with stakeholders, all of which contribute to increased profitability. In addition, previous research by (Wicaksono

2021) stated "that CSR has a positive effect on profitability". In addition, (Fadila and Utiyati 2016) claimed in the findings of their study that profitability is positively impacted by corporate social responsibility. Consequently, the investigator developed the following hypothesis:

H_2: Corporate Social Responsibility (CSR) has a positive effect on profitability.

ESG disclosure is useful for providing additional information that can increase stakeholder trust in the company's operations. Stakeholder theory states that a business must take into account the interests and fulfill the desires of stakeholders in this case stakeholders in carrying out their business activities (Shakil et al. 2019). Research shows that companies that adopt ESG reporting can increase profitability through increased support from stakeholders. (Busch and Bassen 2015) in their meta-review found that ESG has a positive impact on financial performance, especially in attracting investors who care about sustainability issues. However, ROE is more specific in describing how well management utilizes shareholder capital to generate net profits, thus providing a deeper view of the quality of financial performance under current leadership.

With more investors interested in companies that report sustainability reports, these companies have greater potential to obtain funding support and improve financial performance, which in turn will affect the company's profit level. This is in accordance with research conducted by (Aydougmucs, Gülay, and Ergun 2022) which shows that ESG has a positive relationship with profitability (Return on Equity -ROE). company. In addition, (Velte 2017) in his research showed that ESG has a positive effect on profitability in German companies. Overall, these findings confirm that ESG disclosure can provide added value to companies by strengthening relationships with stakeholders, which in turn improves the financial results of the company's and attractiveness in the investment market. Based on the aforementioned rationale, the author formulates the following hypothesis regarding the relationship between ESG disclosure and company profitability:

H_3: Environmental, Social, and Governance (ESG) has a positive effect on Profitability.

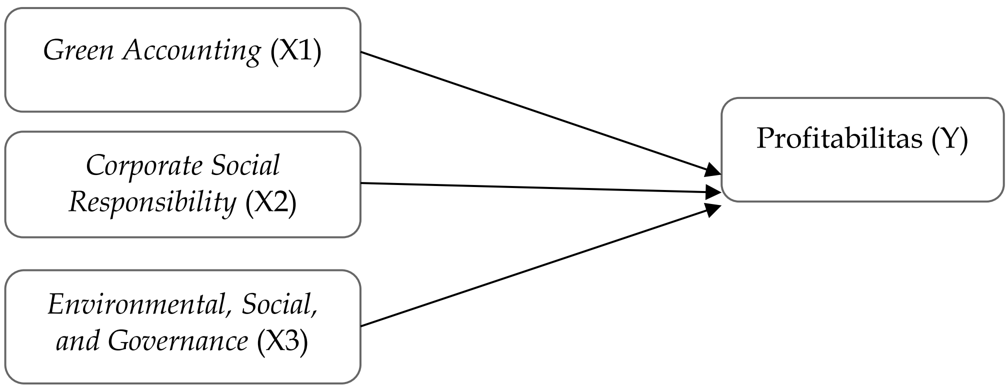

Figure 1. Research Model

Source: Research Data, 2024

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RESEARCH METHODS

This research method is a quantitative method. In compiling this research, secondary data is used. The data included in this study were obtained from the official website of the Indonesia Stock Exchange (IDX), www.idx.co.id . The data is the annual report disclosed by mining companies on the IDX for the period 2020-2023. The data analysis using SPSS version 21 data processing tools, the data analysis method makes use of multiple linear regression and classical assumptions. The population that will be used as the object of this research is all mining companies listed on the Indonesia Stock Exchange (IDX) during the period 2020-2023. The sample was taken using the purposive sampling method, with the following criteria provisions;

Table 1 Research Sample

Total Mining Sector Companies Listed on the IDX 2020-2023	94
Companies That Do Not Publish Financial Reports Consecutively	(32)
Companies That Do Not Implement Green Accounting	(31)
Companies That Do Not Implement CSR	(7)
Companies That Do Not Implement ESG	(11)
Number of Populations That Meet the Criteria	**13**
Number of Samples (13 Companies × 4 Years)	**52**

Source: Data Obtained From The Indonesian Stock Exchange

The research objects used in this study are mining companies listed on the Indonesia Stock Exchange in 2020-2023. The following are Mining Companies (Energy) that meet the sample criteria used in this study, namely:

Table 2 Research Objects

No	Company	Stock Code
1	ABM Investama Tbk	ABMM
2	Adaro Energy Tbk	ADRO
3	PT AKR Corporindo Tbk	AKRA
4	Aneka Tambang Tbk	ANTM
5	Bumi Resources Minerals Tbk	BRMS
6	Bumi Resources Tbk	BUMI
7	PT Darma Henwa Tbk	DEWA
8	Indo Tambangraya Megah Tbk	ITMG
9	Medco Energi International Tbk	MEDC
10	PT Perusahaan Gas Negara Tbk.	PGAS
11	Tambang Batubara Bukit Asam (Persero) Tbk	PTBA
12	Petrosea Tbk	PTRO
13	Timah (Persero) Tbk	TINS

Source: Data Obtained From The Indonesian Stock Exchange

Environmental accounting a paradigm in accounting known as "green accounting" highlights that the accounting process, which includes the submission, identification, information measurement and presentation, does not only focus on objects or transactions that are financial in nature, but also includes objects or transactions that are social and environmental in nature (Lako 2018).

Green Accounting in this study is measured based on environmental costs and environmental recovery disclosed in the financial statements. The measurement method uses dummy variables. Companies that disclose environmental costs in their financial statements will be given a value of 1, and vice versa, given a value of 0 if the company does not disclose these costs.

According to (Amin and Lastanti 2020), CSR Disclosure refers to the disclosure of financial and non-financial information that explains how a company interacts with its social environment. This information is presented in the company's annual report or other sustainability reports. In this study, Corporate Social Responsibility (X2) is measured based on the Global Reporting Initiative (GRI) Standards guidelines to assess a company's commitment to implementing CSR activities. The GRI indicators consist of 3 main focuses, namely using GRI 200, GRI 300, and GRI 400. This measurement uses a dummy variable that is given a value of 1 for each disclosure item that is disclosed, and gives a value of 0 when the disclosure item is not disclosed. With the formula used, namely:

$$CSRDI = \frac{Number\ of\ company\ CSR\ disclosures}{Number\ of\ items\ set\ by\ GRI} \quad \text{...}(1)$$

Sustainable investing according to (Stobierski 2022), is "a form of investment that takes into account Environmental, Social, and Governance aspects or what is known as ESG, before deciding to provide funds to a particular company or business unit". The ESG disclosure measurement used in this study was measured using the GRI Standards. With the ESG disclosure item approach using GRI 300 for environmental themes, GRI 400 for social topics and GRI 102 for governance topics. This measurement uses a dummy variable that is given a value of 1 for each disclosure item that is disclosed, and gives a value of 0 when the disclosure item is not disclosed. The formula used by researchers in this study is as follows;

$$ESGj = \frac{Sum\ of\ company's\ disclosure\ ite}{Total\ of\ GRI's\ disclosure\ standard\ ite} \quad \text{...}(2)$$

The dependent variable (Y) used in this study is the company's profitability. In this study, the author will measure it using Return On Equity (ROE). (Kasmir 2019) said that the higher the ROE ratio, the better it will be for the company because it strengthens the position of the company's owners, and vice versa. ROE measures how effectively a company generates profit from each unit of equity invested by shareholders. This is important because investors and capital owners are very interested in the returns they receive from their investments. By using ROE, this study can provide a clear picture of how well the company is utilizing its capital to generate profits.

From a stakeholder theory perspective, increasing ROE is one way for companies to manage and meet stakeholder expectations more broadly. ROE is more specific in describing how well management utilizes shareholder capital to generate net profits, thus providing a deeper view of the quality of financial performance under current leadership. In the context of investment decision making, ROE is often used by investors to assess company performance. Increasing ROE indicates better efficiency in the use of equity, which can attract more investors and increase the company's value in the market. Quoting from (Indrawan and Mutmainah 2011)**,** Maya (2008) stated that "ROE is the tool most often used by investors to make decisions in their investments". According to (Hery 2018) the measurement standards in the Profitability ratio are as follows:

$$ROE = \frac{Net\ Profit}{Total\ Equity} \quad (3)$$

Multiple linear regression is used in the data analysis method, which is supported by SPSS version 21 data processing tools. The following is the model for multiple linear regression analysis:

$$Y = a + bX1 + bX2 + bX3 \quad (4)$$

Description:
Y = Profitability
a = Constant
b_1 . b2 . b3 = Regression coefficient
X_1 = *Green Accounting*
X_2 = *Corporate Social Responsibility*
X_3 = *Environmental, Social, and Governance*

RESULTS AND DISCUSSION

Table 3 Normality Test

		Unstandardized Residual
N		52
Normal Parameters[a,b]	Mean	0
	Std. Deviation	0.39999769
Most Extreme Differences	Absolute	0.224
	Positive	0.143
	Negative	-0.224
Test Statistic		0.224
Asymp. Sig. (2-tailed)		.069[c]

Source: Research Data, 2024

Looking at the results of the One Sample Kolmogorov Smirnov test, the Asymp. Sig. (2-tailed) or significant value is 0.069. This value is greater than 0.05 (0.069> 0.05). So the researcher concluded that the data used in this study were normally distributed.

Table 4 Coefficients[a]

Model		Collinearity Statistics Tolerance	VIF
1	GA	0.699	1.431
	CSR	0.171	5.84
	ESG	0.164	6.106

Source: Research Data, 2024

Based the outcomes of the multicollinearity test, Observations show that the tolerance value of (X1) is 0.699, (X2) is 0.171, and (X3) is 0.164, greater than 0.10. And it is known that the VIF value for (X1) is 1.431, for (X2) it is 5.84, and (X3) is 6.106, meaning that the values obtained are less than 10. It is concluded that the data used for this study do not show symptoms of multicollinearity.

Table 5 Heteroscedasticity Test Results

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	0.273	0.145		1.877	0.067
	GA	3.975E-09	0	0.449	2.846	0.060
	CSR	-0.011	0.005	-0.715	-2.246	0.290
	ESG	0.009	0.005	0.612	1.879	0.066

Source: Research Data, 2024

It is known that the significant value of Green Accounting is 0.060, Corporate Social Response sibilitiy 0.290, and Environmental Social Governance 0.066. This figure is greater than 0.05, so there is no heteroscedasticity.

Table 6 Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.264[a]	0.07	0.011	0.412	1.966

Source: Research Data, 2024

Based on the results of the table above, the value of dw is known to be 1.966. For n = 30 and k = 4 (GA, CSR, ESG and Company Porosity) the value of du = 1.580 and dl = 1.333 so that 4-du = 1.570 = 2.420. Because 1.580 < 1.966 < 2.420 = du < dw < (4-du) then there is no case of autocorrelation. The assumption of non-autocorrelation is met.

Table 7 Results of Multiple Linear Regression Tests

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	0.143	0.186		-0.769	0.446
	GA	1.57E-09	0	-0.146	-0.878	0.038
	CSR	0.006	0.007	0.325	0.967	0.338
	ESG	-0.002	0.006	-0.098	-0.285	0.777

Source: Research Data, 2024

Based on the results of the coefficients table above, the multiple linear regression equation model can be arranged as follows;

Profitabilitas Y = 0,143 + 1,57E-09GA + 0.006CSR + (-0.002)ESG

With a positive value of 0.143, constant (a) demonstrates that the independent and dependent variables have a unidirectional relationship. In other words, if the independent variables such as GA, CSR, and ESG are worth 0 percent or do not change, then the aggressiveness of profitability will be worth 0.143. The coefficient (B) for the Green Accounting variable is 1.57E-09 with a positive relationship direction of 0.038. So if the Green Accounting variable increases by 1 unit, it will increase profitability by 1.57E-09. A positive sign means that there is a unidirectional relationship between the independent variables and the dependent variables.

Based on the coefficient table (b_2) for the CSR variable of 0.006, it demonstrates that the variable positively affects the profitability company's. This means that when CSR increases, the company's profitability will also increase.

More specifically, if CSR is increased by 1 unit, the company's profit will increase by 0.006 units, assuming other variables remain constant. On the other hand, the regression coefficient value (b_3) of -0.002 indicates that the ESG variable has a negative effect on the company's profitability. So, if ESG is reduced by 1 unit, the company's profitability will also decrease by -0.002 units, assuming that other variables remain constant/unchanged..

The significance value of the Green Accounting variable in table 7 above is 0.038 <0.05. Thus, H1: Green Accounting is accepted. This means that the Green Accounting variable has a positive and significant influence on profitability. The significance value of the Corporate Social Responsibility variable in table 7 above is 0.338, greater than 0.05. Therefore, it can be said that profitability is not significantly impacted by corporate social responsibility. Thus, H2: Corporate Social Responsibility is rejected. The significance value of the Environmental Social Governance variable in table 7 above is 0.777>0.05. Therefore, it can be interpreted that Environmental Social Governance does not have a significant influence on the company's Profitability. Thus H3: Environmental Social Governance is rejected.

Based on the results of the data analysis conducted by researchers looking at the output Coefficient, it shows that the first hypothesis (H1) is accepted, meaning that Green Accounting has a positive and significant effect on profitability, which means that an increase in the implementation of Green Accounting will increase the company's profitability. Increasing the implementation of Green Accounting will contribute to increasing the company's profitability. The implementation of Green Accounting improves the company's reputation, which in turn can increase working capital and get a positive response from investors through an increase in the stock market value so that it will affect the company's profitability.

This is in accordance with the theory that emphasizes that by considering the needs of stakeholders, companies can strengthen their position in society and, at the same time, improve their financial performance. Investors and stakeholders who see the company's commitment to sustainability tend to provide a positive response, both in the form of financial support and market appreciation, which ultimately contributes to increased profitability. Previous research that is in line with these results was conducted by (Putri, Hidayati, and Amin 2019) and (Chasbiandani, Rizal, and Satria 2019), proving that Green Accounting has a positive effect on profitability. The result of the implementation of green Accounting is an increase in the company's reputation, due to the implementation of green Accounting.

Considering the outcomes of the data analysis from the output Coefficient, it was found that there was no discernible impact of the Corporate Social Responsibility variable on profitability. This means that even though a company has high profitability, it does not necessarily mean that they disclose a lot of CSR in their annual reports.

Based on the research data collected, the researcher identified several factors that could explain why CSR does not have a real impact on profitability (ROE). This is mainly due to the low or massive level of compliance of stakeholders (the general public). Therefore, even though the company has made efforts to protect the environment, if the general public who are consumers who buy the company's products do not make these efforts, then the business will not have a positive impact on financial performance or environmental worker productivity which will increase the company's profitability.

Quoting from (Nistantya 2010) states that "corporate social disclosure can cause competitive losses because companies have to spend additional costs to disclose this social information".

The findings of this study are consistent with a number of earlier research carried out by (Suharsono 2020), also showing that "CSR does not have a significant effect on profitability". They found that CSR focuses mostly on social and environmental aspects, so it does not have a direct impact on profitability. Then (Wirawan 2010), have carried out studies on how corporate social responsibility affects business success, and the results showed that there was no significant effect between disclosure of CSR activities and company financial performance.

Based on the results of data analysis from the Coefficient output, it is known that the Environmental Social Governance variable does not have a substantial influence on Profitability. This could be because the implementation of ESG standards requires companies to invest more funds in order to meet social and environmental goals (for example, investing in projects with fewer emissions or reducing of pollution's, involvement in community service projects, such as sponsorships and donations, raising employee bonuses and pay), thus incurring higher costs. The implementation of ESG may outweigh the benefits obtained by the company, thus reducing the profit itself.

In this context, the implementation of ESG can be considered a long-term investment to build the company's reputation and trust from stakeholders. However, for companies facing pressure to achieve financial targets in the short term, a high ESG commitment may not be able to provide a direct positive impact on profitability. These results are in line with several previous studies that have been conducted by (DINARJITO 2024), and also (Ghazali and Zulmaita 2022) The results of the study show that, both separately and individually, the independent variables consisting of environmental, social, and governance disclosures have no effect on company profitability.

CONCLUSION

Given the study's findings, several main points can be concluded related to the formulation of the problem that has been submitted previously. Among them are the following: The profitability of mining businesses listed on the Indonesia Stock Exchange (IDX) for the period 2020–2023 is positively and significantly impacted by green accounting. Disclosure of Corporate Social Responsibility (CSR) does not have a significant influence on the profitability of mining sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2020-2023. And Environmental Social Governance (ESG) was also found to have no significant influence on the profitability of mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2020-2023.

With this research, it is hoped that it can help the management of mining sector companies in making more targeted decisions regarding the implementation of sustainability strategies. A greater focus on Green Accounting can be a priority, while the approach to CSR and ESG may require further development to produce a significant impact on profitability. The advantages of this research include the longer and newer research years, as well as the selection of ESG variables. These findings can be used as a reference for further researchers to further explore other variables that can moderate or mediate the relationship between CSR, ESG, and profitability.

This study has several shortcomings that still need to be considered for future research development. One of the main shortcomings of this study is that the sample used is quite small, which only involves 13 mining companies listed on the IDX in 2020-2023. This limited number of samples can affect the generalization of the research results, so that the findings may not fully represent the entire population of existing mining companies. In addition, limited samples can also reduce the level of statistical freedom and reliability of the test results. it is advisable to use a wider sector in order to obtain a larger and more diverse sample.

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