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The Impact of Green Accounting Implementation and Environmental Performance on Corporate Financial Performance

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A B S T R A C T

This study aims to identify and analyze the impact of green accounting implementation and environmental performance on corporate financial performance. The population of this study is manufacturing companies in the basic industry and chemical sectors that will be listed on the Indonesia Stock Exchange in 2021-2022. The sample was selected using a purposive sampling method with three criteria, resulting in 15 companies worth observing. This study uses multiple regression analysis using the SPSS program. In this study, green accounting variables are measured using the dummy method, environmental performance variables are measured using PROPER evaluation values, and financial performance variables are measured using ROA. Based on the analysis results, it is shown that green accounting and environmental performance variables do not affect the financial performance of companies.

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INTRODUCTION

In the current millennial generation, we have certainly caught up with the rapid advances in technological development and are able to compete globally, and the modern economy is becoming increasingly sophisticated, which can lead to various problems related to environmental degradation. there is. The environmental damage caused by corporate business activities is beginning to draw attention to society. The activities planned to be carried out by the company cannot be separated from the surrounding community. (Agustia, 2021) Considering the importance of following the development of a modern economy like today, various issues related to the environment such as global warming, eco-efficiency and other industrial activities that have a direct impact on the surroundings. It's surfacing. environment. As corporate activities have a greater impact on environmental issues and nature conservation, the accounting field plays a role in environmental conservation efforts through voluntary disclosure in financial reports about environmental costs (Panggabean and Deviarti, 2022) .

In the financial field, including accounting, we are of course actively engaged in environmental conservation activities called green accounting (environmental accounting). The concept of green accounting began to develop in Europe from the 1970s. In terms of the definition of green accounting, it is an activity that allows the collection, analysis, estimation and reporting of both environmental and financial data, taking advantage of environmental impact and cost reduction (Cohen and Robbins 2021: 190 in Aniela , 2022). Apart from that, in the sense of green accounting, it is also the first solution to environmental problems. Applying green accounting provides the motivation that companies can minimize the environmental problems they face. (Hamidi, 2019).

One of the objectives regarding the application of environmental accounting is to increase the efficiency of environmental management by implementing environmental activities from the perspective of cost and use or effectiveness (Santi, 2020). Pramelasari (2021) describes management as an organization that is carried out by carrying out a program of activities considered important by stakeholders and reporting these activities to stakeholders. Zulhaimi (2021) believes that the awareness of the industry is low regarding the introduction of green industries through green accounting. Because universally, it's like two sides of the same coin, benefiting the industry on the one hand and potentially benefiting the other. This leads to increased costs through environmental costs.

This will be an important part of the discussion as we work to implement environmental management as a corporate concern. This is especially true for companies involved in the manufacturing industry. Meiyana and Aisyah (2019) argue that it is undeniable that manufacturing companies leave behind waste during the production process, and if waste is not treated in such a way, companies contribute to the environment by polluting the waste. It says that it will become. Apart from implementing green accounting, there is also the application of environmental performance within companies. Environmental

performance is translated as performance regarding the environment, especially its impact on the environment (Putri and Herawati, 2017). Environmental performance can be verified through the measurement of environmental management systems related to the control of environmental aspects.

Since 2002, among the initiatives that the government can implement through the Ministry of Environment (KLH), it has established and enhanced the role of the Program for the Evaluation and Evaluation of Enterprise Performance in Environmental Management (PROPER) in the field of controlling environmental impacts. Enterprises on Environmental Protection Programs (Setyaningsih and Asyik, 2021).

A company's valuation is looked at from the company's performance, especially its financial performance, and its value is obtained in terms of how much profit it has made. We use profit as a parametric measure of financial performance because profit is important and highly prioritized for the survival of a company. In order to maximize profits, some companies ignore the impact of their activities, including the impact on the environment and surrounding communities. As time goes on, importantly, he says Rustiarini (2021), companies will face not a single bottom line, but a triple bottom line. This means that the business goal carried out by companies is not only to earn profits, but also to improve the welfare of society (people) and protect the environment (earth).

Siregar et al. (2019) study results show that environmental cost variables do not affect financial performance (ROA), while environmental performance affects financial performance (ROA). There are differences in research. The research results of Setyaningsih and Asyik (2021) show that environmental performance does not have a positive impact on financial performance, and PROPER interacting with CSR does not have a positive impact on financial performance. Since there are inconsistent differences in the results among several researchers, the authors want to prove it again using independent variables, namely green accounting and environmental performance, and dependent variables, namely financial performance. thinking about. In addition, the difference between the previous and current research is the difference in the survey target and research period.This research targets the manufacturing industry in the basic industry and chemical field, and the research period is from 2019 to 2021. . Previous studies targeted the manufacturing industry, but other fields and mining companies in general were surveyed, and the period was over two years, so there were differences in sampling and data analysis. In this study, data analysis was performed using hypothesis testing including coefficients. decision and t-test.

The application of green accounting and environmental performance that is part of this sustainability report allows researchers to conduct further studies. This study aims to analyze the extent to which the application of green accounting and environmental performance will affect the financial performance of manufacturing companies in the basic industries and chemical sectors listed on the IDX from 2021 to 2022 . The researchers are interested in conducting a study with the title "The impact of green implementation

accounting and environmental performance on corporate financial performance". Research Objectives 1. To analyze whether green accounting has an impact on the financial performance of manufacturing companies in the basic industry and chemical sectors listed on the BEI from 2021 to 2022. 2. Analyze whether environmental performance affects financial performance. Performance of listed manufacturing companies in the basic industries and chemical sectors for the BEI period 2021-2022.

THEORETICAL REVIEW

This theoretical research argues that companies make efforts and business activities not only for their own benefit but also for the benefit of their stakeholders. Therefore, this stakeholder theory study is a tactic that companies use to maintain relationships with stakeholders or stakeholders themselves, including investors, governments, creditors, employees, suppliers, customers, and society, including the environment. Pramelasari (2021) explains that an organization's management is expected to carry out activities that are considered important by stakeholders

We also report these activities to stakeholders. Since a company's business activities are supported by the stakeholders themselves, stakeholders have an obligation to receive reports on a company's environmental efforts. This theoretical study also states that all stakeholders have the right to be provided with information about what role a company's organizational activities play in the surrounding environment.

Legitimacy Theory

In this grand study, legitimacy theory states that a company's management system is oriented to take the side of society, government, individuals, and community groups (Rawi, 2021). This theory is part of the theory that motivates companies to submit sustainability reports. The advantage of this theory is that it can evaluate the organizational behavior of companies and limit it through norms in environmental considerations. This can be used as a means of formulating corporate strategy, especially in relation to the company's position in an increasingly advanced society.

Green Accounting

Green accounting, also known as green accounting or green accounting, is a type of accounting that seeks to include and relate environmental cost factors to corporate activities. Cohen and Robbins (2021) Green accounting or environmental accounting is defined as: "A style of accounting that includes indirect costs" This means that environmental accounting is a type of accounting that includes indirect costs and benefits from economic activities, such as the environmental and health effects of business plans and plans. means. decision. Apart from that, environmental accounting is accounting that identifies, measures, evaluates and details.

Costs - costs associated with a company's actions towards the environment (Aniela, 2022). Environmental accounting is also similar to a quantitative measurement framework for environmental conservation activities

carried out by companies (Suartana, 2021). Green accounting is a method of reporting the impact that a company's management activities have on the environment by including it in financial reports. Ningsih and Rachmawati (2021) Green Accounting, or accounting, aims to link the environmental budget and business operating funds. Green accounting also provides opportunities to reduce energy and natural resources, reduce health risks, and promote competitive advantage for companies. In this way, green accounting is an effort to improve the economics of a company without ignoring the state of the surrounding environment.

Green accounting is carried out by companies to create an evaluation of data in the form of numbers regarding costs and environmental impact. The benefits of environmental accounting concepts for companies facilitate the ability of companies to minimize the environmental problems they face (Nuryanti et al., 2021). Green accounting solutions for companies are a form of corporate responsibility towards stakeholders. This is because stakeholders want to focus not only on financial value, but also on environmental value, that is, whether a company takes into account the environmental impact of its operations. . Regulations on Green Accounting, namely Law No. 2 No. 23 of 1997 on Environmental Management. This law regulates the obligations of everyone who carries out or carries out activities to protect, manage and provide correct and accurate information about the environment (Hamidi, 2019).

Environmental Costs

Environmental costs are the costs of the impact that an organization's or company's activities have on the environment. Green accounting is an accounting model that discloses accounting for environmental costs. Environmental costs are the costs that companies incur when engaging in environmental management. Some companies believe that environmental costs reduce corporate profits. Tunggal and Fachrurrozie (2021) Despite the fact that the allocation of costs for environmental management shows the consistency of environmental considerations carried out by companies, thereby building society's confidence in corporate social responsibility. . Burhany (2021) classifies environmental costs as: 1. Environmental prevention costs, that is, costs arising from activities that prevent dirt and production waste from having a negative impact on the environment. Examples: costs of designing processes/products that can minimize or eliminate pollution, costs of environmental impact studies, etc. 2. Environmental detection cost. That is, the costs incurred from activities that bring products, processes, and other activities within a company into compliance with established environmental standards. Examples: costs of auditing environmental activities, costs of conducting tests, pollution, etc. 3. Environmental internal failure costs, i.e. costs incurred from activities performed because dirt or waste was generated but not disposed of into the company's surrounding environment. Examples: costs of treating and disposing of hazardous waste, costs of recycling leftover materials, etc. 4. Environmental external disturbance costs, i.e. the costs incurred after dirt and waste are

disposed of into the environment around the company. These costs are divided into two parts: Realized external failure costs, i.e. costs incurred and paid by the company. Examples: costs to conserve damaged land, costs to clean up contaminated environments, etc. b. Excludes unrealized external failure costs, i.e. costs incurred and paid by third parties outside the company.

They are included in the group of environmental costs that must be recognized or charged to a business, even if the costs are usually indirectly caused by the business. These costs are also called social costs. Examples: Medical costs for people who become ill due to pollution caused by corporate activities, costs for losing a healthy environment, etc.

Environmental Performance

Environmental performance is the relationship between a company and the environment regarding the environmental impact of the resources used, the environmental impact of organizational processes, the environmental impact of products and services, recovery of product processing, and compliance with working environment regulations .

Environmental performance refers to our focus on environmental conservation and overcoming problems related to negative environmental impacts resulting from environmental business activities. The results related to the management of environmental aspects of an environmental management system are called environmental performance. Environmental performance refers to the degree of environmental damage caused by business activities.If the environmental impact is small, the environmental performance is good; conversely, if the impact of environmental damage caused by environmental business activities is large, the environmental performance of the company is poor. It can be said that it is in good condition. If negative, the company's environmental performance is poor. According to Dewi (2019), companies with good environmental performance indirectly have good social information, which can increase their corporate value. This environmental performance is evaluated through the Program for Corporate Performance Evaluation (PROPER) conducted by the Ministry of Environment (KLH).

Company Financial Performance

A company's financial performance is an analysis performed with the purpose of determining how well a company performs its financial activities with reference to ideal financial execution rules. Corporate performance is a formal effort undertaken by a company to accurately assess the company's operational activities performed during a particular period or time period. Spit et al. (2021) Financial performance is a tool to measure the financial performance of a company through its capital structure. Fahmi (2018) defines financial performance as the analysis performed to ascertain the extent to which a company has properly and accurately implemented its financial implementation rules. Financial performance describes a company's objectives, that is, a company's ability to increase its profits by generating profits. Financial performance is very important to evaluate because it can motivate employees to achieve organizational goals and follow predetermined standards of behavior,

thereby generating desired steps and profits. Financial performance is measured through data obtained from a company's financial reports. Financial reports are prepared to describe past financial conditions and are used to predict future financial conditions.

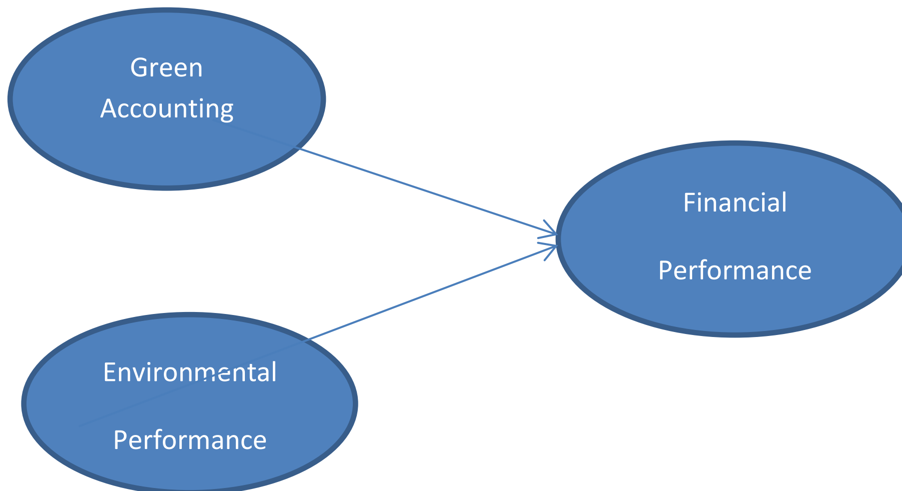
Research Conceptual Model

In their business activities, companies definitely leave behind waste that can damage the environment. Companies are considered responsible and those who are able to sustain and overcome the negative effects of this damage are considered responsible, but this is also a form of corporate responsibility towards stakeholders such as investors, communities and the environment. This is in accordance with the stakeholder theory, which states that companies place importance on their relationships with stakeholders, and stakeholders can use information to evaluate the company's merits and demerits as seen in the company's financial reports. Due to the existence of legitimacy theory, that is, through information about corporate activities, companies can be recognized by stakeholders and can demonstrate their activities. Reporting a company's operational activities through an annual report as evidence of a company's responsibility to

Environmental problems that indicate the limits to the norms and values that exist in society and the surrounding environment. The voluntary disclosure of environmental cost accounting in activity information is generally referred to as green accounting.In applying green accounting, it is a form of corporate environmental responsibility that is used to ensure that a company is accepted and favorably received by stakeholders. You are required to make it visible. (Investors and the public). Apart from implementing green accounting, companies can also implement environmental performance. Environmental performance refers to the extent of environmental damage caused by business activities, and if the resulting environmental damage is small, it can be said that the company's environmental performance is good. The environmental performance of enterprises is poor because the damage caused by environmental business activities has many negative effects.

We report the environmental costs incurred and our activities to improve environmental performance in our annual financial report, which is information we disclose to our stakeholders, especially investors. Investors who want to invest in a company can see not only how much profit the company generates, but also how much the company cares about the environment around it. The above information gives investors a positive image of the company, and if this evaluation is high, investors will definitely want to cooperate with investments that will contribute to improving the company's profits.

Development of hypothesis



Applying Green Accounting to Financial Performance

The application of green accounting in a company proves that the company is concerned about the environment through the environmental costs in the financial report that the company issues for the environment. Environmental accounting is also similar to a quantitative measurement framework for environmental conservation activities carried out by companies (Suartana, 2021). If companies view the environment as a corporate strategy to present a positive image to society and investors, they cannot avoid the costs they incur on the environment. Green accounting is a type of environmental accounting that combines environmental benefits and costs of economic decisions. This economic decision is whether an investor decides to invest in a company or not. Disclosing environmental costs can demonstrate a company's business ethics and responsible resource management practices. Based on previous research, Putri et al (2019) conducted a study showing that environmental accounting and environmental performance have a significant impact on ROA profitability, and that environmental accounting and environmental performance have a significant impact on ROE profitability. The results were implemented. This differs from the study conducted by Noer (2019). Noer's findings showed no significant relationship between disclosure and disclosure.

Environmental accounting and financial performance. Based on the theory and previous research discussed so far, the information disclosed to stakeholders is considered to be a legitimate corporate social contribution, and companies tend to recognize the following; It is believed to have a significant positive impact on performance. Voluntary environmental disclosures can be used to maintain a company's legitimacy, especially to its social and political stakeholders (Sunday 2019). Therefore, the hypotheses of this study are: H1: Green accounting has a significant impact on financial performance.

Reflection of Environmental Performance in Financial Performance

Implementing environmental performance can help companies reduce operational risks, namely environmental pollution, and prevent protests from stakeholders. Companies that practice environmental performance also demonstrate their responsibility to their stakeholders. Companies with good environmental performance are also good news for investors and potential investors, so investors will react positively through changes in a company's stock price (Gardana, 2018). A company that obtains an appropriate PROPER rating can gain a positive image and legitimacy from the environment.The magnitude of the evaluation that the government gives to companies in terms of managementIntroducing environmental performance risks, i.e. environmental pollution, and help prevent protests from stakeholders. Companies that practice environmental performance also demonstrate their responsibility to their stakeholders. Companies with good environmental performance are also good news for investors and potential investors, so investors will react positively through changes in a company's stock price (Gardana, 2018). A company that obtains an appropriate PROPER evaluation can gain a positive image and legitimacy from the environment.The magnitude of the management evaluation that the government gives to the company.

Maintaining environmental balance increases investor and customer awareness of a company's products, which can increase a company's profits in the long run. The research results of Nisa et al (2020) show that green accounting practices and environmental performance in accordance with PSAK 57 have a significant impact on corporate profitability. Therefore, the hypotheses of this study are: H2: Environmental performance has a significant impact on financial performance.

Research Techniques

This study uses quantitative causality research. The population of this study is manufacturing companies in the basic industry and chemical sectors listed on the Indonesia Stock Exchange during the period 2021-2022. The total population is 75 companies. The sampling method was a purposive sampling method, and a sample of 15 companies was obtained. The sampling criteria are as follows. 1. Companies listed in the manufacturing industry during 2021-2022. 2. Manufacturing companies for the period 2021-2022 that publish an annual report. 3. Companies participating in PROPER registered in the manufacturing companies in the textile and apparel sub-sector for the period 2021-2022.

METHODOLOGY

Data analysis in this study uses descriptive statistical analysis methods. Descriptive statistics is the analysis of data by describing the collected data as is, without the intention of drawing conclusions that apply to the general public. According to Ghozali (2012), descriptive statistical analysis is the provision of an overview or description of data in terms of mean (average), standard deviation, variance, maximum, and minimum values. Descriptive analysis is a study performed to determine the values of independent and dependent variables. The descriptive analysis in this study is to describe and

characterize the data from the sample used using the following variables: green accounting (X1), environmental performance (X2), and financial performance (Y). Before testing the hypothesis, classical hypothesis testing and linear regression are first tested to avoid errors.

RESULTS

Narrative Analysis

Statistical data are obtained based on the processed data using SPSS software and descriptive analysis is performed to provide an overview or explanation of the statistical data from the collected samples. Descriptive statistical analysis describes the distribution of data in terms of minimum, maximum, mean (average), and standard deviation values for each study variable indicator. Below is a description of the study variables with descriptive statistics.

Table 1. Results of study variables with descriptive statistics.

Descriptive Statistics

	N	Minimun	Maximun	Mean	Std.Deviation
financial performance	30	,0029	,1646	,053093	,0570075
Green Accounting	30	0	1	67	,479
Work environment	30	3	4	3,27	,450
Valid N Listiwese	30				

Source: SPSS output

Green Accounting

Based on the table above, it can be explained that the minimum value of green accounting is 0 and the maximum value is 1. This shows that the amount of green accounting for this company ranges from 0 to 1 and the mean (average) is 0.67. The standard deviation is 0.479. The mean value (average) is greater than the standard deviation, i.e. 0.67 > 0.479. This means that the distribution of corporate green accounting is uniform.

Environmental Performance

From the table above, it can be explained that the minimum value of environmental performance is 3 and the maximum value is 4. This shows that the environmental performance value of this company ranges from 3 to 4, with an average value of 3.27. The standard deviation is 0.450. The mean value (average) is greater than the standard deviation, i.e. 3.27 > 0.450, which means that the distribution of environmental performance of companies is homogeneous.

Financial Performance

Based on the above table, it can be explained that the minimum value of financial performance is 0.0029 and the maximum value is 0.1646. This shows

that the magnitude of the financial performance of this company ranges from 0.0029 to 0.1646 with a mean (average) of 0.053093 and a standard deviation of 0.0370075. The mean value (average) is greater than the standard deviation, i.e. 0.053093 > 0.0370075. This means that the distribution of financial performance of companies is uniform.

Testing Model Assumptions

Normality test

Based on the results of normality testing, the result is 0.078, which means that this figure is greater than the predetermined significant value of 0.05, so it can be said that the data is normally distributed.

Autocorrelation Test

The value of the Durbin-Watson autocorrelation test is 1.692. Since the number of samples used in this survey was 15 companies, the lower limit (dl) was 1.07697 and the upper limit (du) was 1.36054. The Durbin-Watson test is performed with the condition du<d<4-du, so the result is 1.36054<1.692 <2.63946. These results indicate that the autocorrelation problem does not occur in the regression model because the D-W value is between the du value and the 4-d value.

Multicollinearity Test

Based on the results of the multicollinearity test, it can be seen that the variables in this study are not correlated with each other, as their tolerance is greater than 0.10 and the VIF value is less than 10. Therefore, we can conclude that there was no sign of multicollinearity.

Heteroskedasticity Test

Based on the results of the heteroskedasticity test by Glejser test, all significant values are > 0.05, which indicates that there is no heteroscedasticity in the regression model.

Hypothesis Testing

Multiple Regression Analysis

Multiple regression analysis was conducted to analyze the influence of independent variables on dependent variables. This statistical analysis method was chosen because this study was designed to examine the influence of the independent variable on the dependent variable.

The results of the multiple regression analysis are as follows.

Table 2. T-statistic test results

Model	Unstandarzed Coefficients		Standardized Coefficients	r	Sig.
	B	Std Error	βeta		
(Constant)	,094	,051		1.825	,079
Green Accounting	-011	,015	-149	-784	,440
Environmental Performance	-010	,016	-122	-645	,524

Source: SPSS output

Based on the table above, we get the following multiple regression equation: ROA = 0.094 – 0.011X1 – 0.010X2 + e The constant value for the regression model is 0.094. This means that when the independent variable green accounting environmental performance is 0, financial performance is positive with a value of 0.094. The regression coefficient value of the green accounting variable is − 0.011, indicating that the impact of green accounting on financial performance is in the negative direction. Therefore, when the green accounting increases by 1, its value decreases. Financial performance is a difference of 0.011. The coefficient value of the environmental performance variable is -0.010, and the coefficient value has a negative sign, indicating an inverse relationship between environmental performance and financial performance. These numbers explain that when environmental performance increases by 1, financial performance decreases by 0.010.

Coefficient Of Determination Test (Adjusted R2)

The coefficient of determination (R2) is a coefficient that expresses the amount of variation due to an independent variable, or the magnitude of the influence that an independent variable has on a dependent variable, expressed as a percentage. The results of the coefficient of determination test in this study are shown in the following table.

Table 3. Coefficient Of Determination Test Results

Model	R	R Square	Adjusted R Square	Std.Errr of the Estimate
1	,202[1]	,041	-030	,0375613

Predictor variables (constants), environmental performance, green accounting
b. Fluctuations in financial performance
Source: SPSS output

Based on the table above, it can be explained that the R-squared coefficient of determination is 0.041 or 4.1%. This means that variations in the independent variables used in the model, namely green accounting (X1) and environmental performance (X2), can influence the dependent variable, namely financial performance (Y), by 4.1%. On the other hand, the remaining 95.9% is influenced by other factors other than the variables under study.

Partial Test (T-Test)

This test was performed to measure the extent to which each independent variable influences the dependent variable, which was tested at a significance level of 0.05. The result of the t-statistic test is:

Table 4. T-statistic test results

Model	Unstandarzed Coefficients		Standardized Coefficients	r	Sig.
	B	Std Error	βeta		
(Constant)	,094	,051		1.825	,079
Green Accounting	-011	,015	-149	-784	,440
Environmental Performance	-010	,016	-122	-645	,524

Source: SPSS output

Based on the above t-test results, it can be seen that the significance value of the green accounting variable is 0.440, which is greater than 0.05. This means that H0 is accepted and H1 is rejected. Therefore, we can conclude that it is not green accounting. It has a significant impact on the level of financial performance of a company. Source: SPSS output.

The significance value of the environmental performance variable is 0.524, which is greater than 0.05, indicating that H0 is accepted and H2 is rejected. This indicates that environmental performance does not have a significant impact on a company's financial performance.

DISCUSSION

The Impact of Green Accounting on Financial Performance

The first hypothesis of this study is that green accounting will affect the financial performance of manufacturing companies in the basic industries and chemical sectors listed on IDX from 2021 to 2022, based on the presented analytical results. , the significance value is calculated. 0.440 is greater than the 0.05 significance level (0.440 > 0.05). These results indicate that green accounting does not have a significant impact on firms' financial performance. This shows that companies whose sole purpose is to increase profits will

consider all costs incurred, including environmental costs that reduce the size of profits. This is according to a study by Tunggal and Fachrurrozie (2021) who state that when companies manage the environment, they allocate costs through environmental disclosure or environmental costs, which can cause a reduction in corporate profits. This is because some companies record environmental costs as administrative expenses or general expenses. Environmental costs, which are considered voluntary costs as investment expenditures in annual reports and sustainability reports, will gain social legitimacy in the future and will indirectly be recognized by stakeholders as a company that shows consideration for the surrounding environment. This is because it gives a positive image. If a company has a good image in terms of environmental management, it will be accepted by society. On the other hand, if a company is less concerned about the environment, it is less likely to adopt it. Therefore, only companies with positive information are ready to disclose their environmental activities (Sulistiawati & Dirgantari, 2021).

Additionally, this environmental cost information is influenced by a company's industry, i.e., whether it is well-known or low-profile. Well-known companies with high consumer recognition are

reveal more environmental costs compared to companies in lesser-known industry categories (Siregar et al., 2019). Therefore, the introduction of green accounting does not have a significant impact on the company's financial performance. This finding is consistent with the finding of Faizah (2020) which shows that green accounting has no impact on financial performance. In order to implement green accounting through environmental activities and produce environmentally friendly products for consumption by the public, it is necessary not only to obtain a PROPER rating, but also to allocate environmental costs. The existence of environmental costs reduces profits and is therefore considered a burden on companies. Companies should consider environmental costs to be investment expenditures because they can provide social legitimacy and green recognition from governments and society. However, this is inconsistent with the study of his Putri et al. (2019) found that 1) green accounting and environmental performance have a significant impact on the profitability of his ROA, 2) green accounting and environmental performance have a significant impact on the profitability of his ROE. The better the green accounting disclosure and environmental performance, the higher the PROPER level, the higher the profitability of the company.

Impact of environmental performance on financial performance

The second hypothesis of this study is that environmental performance will have a significant impact on the financial performance of manufacturing companies in the basic industries and chemical sectors listed on the BEI in 2021-2022. Based on the presented analysis results, we can see that: The significance value of the environmental performance variable is 0.524 greater than 0.05 (0.524 > 0.05). This indicates that a company's environmental performance does

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not have a significant impact on a company's financial performance. The results of this study show that even if companies carry out environmental management efforts in accordance with PROPER requirements, they cannot influence environmental performance through PROPER agents in environmental management and cannot influence financial performance. Masu. The average PROPER rating that companies receive is very good, i.e. in the blue category. The findings of this study are consistent with those of Setyaningsih & Asyik (2021). The aspects of the PROPER assessment conducted by the Ministry of the Environment can be interpreted as not directly related to community interests, and the compliance aspects assessed by the PROPER committee also include environmental permits, supervisory permits, and the provision of corporate data, so environmental performance The consequences cannot be directly felt by the community. This may affect the company's financial performance not improving. Because for the company's survival, it is very important for the company to have a positive image, and the company must strive to gain good legitimacy from the community.

These results are also consistent with the study by Putri & Herawati (2017), which proves that there is no significant relationship between environmental performance and corporate financial performance. This study shows that the information on environmental performance released by the Ministry of the Environment cannot directly influence financial performance. Environmental performance is not the most important factor influencing a company's financial performance. This can be seen from PT. Unilever Indonesia Tbk. Received a green rating of 4 in 2015.

Gunawan Dianjaya Steel Tbk, rated Red with PT. score 2, has a financial performance of 15.1%, while its financial performance as measured by ROA is -9.3%. This indicates that environmental performance is not aligned with financial performance or does not have a direct impact on financial performance. This finding is inconsistent with Tahu's (2019) research finding that environmental performance has a significant impact on financial performance, while environmental disclosure has no impact on financial performance. Environmental performance can also be expected. This is a consideration when considering a company's financial performance. A positive image of a company increases society's interest in purchasing the company's products, improves financial performance (increases corporate profits), and increases stock price and company value due to improved financial performance. A company's stock thereby attracts investors to invest in the company.

CONCLUSIONS AND RECOMMENDATIONS

The purpose of this study is to analyze the impact of green accounting and environmental performance on the corporate financial performance of manufacturing companies in the basic industry and chemical sectors listed on the Indonesia Stock Exchange (BEI) for the period 2021-2022. is. From the analysis performed on the results, two conclusions can be drawn: Source: SPSS output. The result of the first hypothesis is that green accounting has no effect

on a company's financial performance. This is because companies whose sole purpose is to increase profits consider any costs they incur, including environmental costs, which reduce the amount of profits. There are several companies that record these environmental costs as administrative expenses or general expenses, and some environmental costs are voluntarily recorded as investment expenditures in annual reports in order to gain future social legitimacy. This is because costs are also taken into account. This indirectly gives a positive image to companies that care about the surrounding environment. Therefore, the introduction of green accounting does not have a significant impact on the company's financial performance. Source: SPSS output. The result of the second hypothesis is that environmental performance does not have a significant impact on a firm's financial performance. This study provides assurance that a company's environmental management activities do not affect its financial performance and that even if a company carries out its environmental management efforts in accordance with appropriate requirements, the financial performance of a company will improve. It shows that it is not. This is because aspects of the PROPER evaluation do not directly address the interests of the community and therefore do not give a good image to the community. Therefore, the implementation of environmental performance does not have a significant impact on a company's financial performance. Source: SPSS output. Based on their findings, the researchers have made several suggestions. In other words, it is hoped that industry players who implement green accounting and environmental performance will pay more attention to the community, as a positive image from the community can really help companies improve their performance. Promote the company's profits, promote sales growth, increase the company's profits. Investors are expected to invest more carefully, especially in companies that have social legitimacy and are evaluated as environmentally friendly companies by the government and society. This will increase the company's reputation and enhance the company's image.

FURTHER STUDY

For further research, it is recommended to explore the addition of new variables in the study to broaden the view of factors that may affect the relationship between Green Accounting, environmental performance, and corporate financial performance.

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