Jurnal Riset Akuntansi Mercu Buana JRAMB
Online ISSN 2548-4338, Print ISSN 2460-1233
Vol 11, N0 02, November 2025

GREEN ACCOUNTING, SUSTAINABILITY REPORTS, AND DEBT POLICY ON FINANCIAL PERFORMANCE

Sefi Aulia Nur Asifah[1]*
[1]Universitas Mercu Buana Yogyakarta, Jl. Raya Wates Km. 10, Sedayu, Bantul, Daerah Istimewa Yogyakarta, 55752, Indonesia
Email : [1]sefiaulia20@gmail.com*
*Correspondence Author

Article Info
Accepted: 05-10-2025 **Revised: 27-10-2025** **Approved: 12-11-2025** **Publish: 25-11-2025**

Keyword: Kinerja Keuangan, Green Accounting, Sustainability Report, Kebijakan Hutang

Abstrak
Penurunan kinerja keuangan yang terjadi pada sejumlah perusahaan sektor barang baku di Indonesia pasca pandemi COVID-19 menjadi perhatian penting dalam menghadapi ketidakpastian ekonomi, fluktuasi harga bahan baku, serta gangguan rantai pasok. Kondisi ini menuntut perusahaan untuk mengoptimalkan pengelolaan aset dan efisiensi operasional agar dapat mempertahankan profitabilitas dan daya saing di pasar yang semakin kompetitif. Penelitian ini mengkaji pengaruh penerapan green accounting, penyusunan sustainability report, dan kebijakan utang terhadap kinerja keuangan perusahaan sektor barang baku yang terdaftar di Bursa Efek Indonesia (BEI). Tujuan dari penelitian ini adalah untuk menganalisis implementasi penerapan green accounting, sustainability report dan kebijakan hutang terhadap kinerja keuangan. Metode penelitian yang digunakan adalah metodelogi kuantitatif dengan menganalisis data dari 24 perusahaan yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2021-2023, yang dipilih melalui metode purposive sampling. Analisis data menggunakan SPSS Statistik dengan teknik analisis regresi linier berganda. Temuan penelitian menunjukan bahwa green accounting dan sustainability report berpengaruh positif dan signifikan terhadap kinerja keuangan, sebaliknya kebijakan hutang tidak berpengaruh terhadap kinerja keuangan. Temuan ini menegaskan bahwa perusahaan perlu memprioritaskan pengelolaan lingkungan dan pelaporan keberlanjutan untuk meningkatkan profitabilitas. Meskipun kebijakan utang penting, pengaruhnya terhadap return on assets (ROA) tidak terlihat secara langsung. Dengan fokus pada green accounting dan sustainability report, perusahaan dapat memperkuat kinerja keuangan secara berkelanjutan.

Keywords: Financial Performance, Green Accounting, Sustainability Report, Debt Policy

Abstract
The decline in financial performance experienced by several companies in the raw materials sector in Indonesia following the COVID-19 pandemic has become a significant concern amid economic uncertainty, fluctuations in raw material prices, and supply chain disruptions. This situation requires companies to optimize asset management and operational efficiency to maintain profitability and competitiveness in an increasingly competitive market. This study examines the effect of implementing green accounting, preparing sustainability reports, and debt policies on the financial performance of companies in the raw material sector listed on the Indonesia Stock Exchange (IDX). The purpose of this study is to analyze the implementation of green accounting, sustainability reports, and debt policies on financial performance. The research method employed is a quantitative methodology, analyzing data from 24 companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period, selected through purposive sampling. Data analysis was performed using SPSS Statistics with multiple linear regression analysis techniques. The findings suggest that green accounting and sustainability reports have a positive and significant impact on financial performance, whereas debt policy does not have a substantial effect on financial performance. These findings confirm that companies must prioritize environmental management and sustainability reporting to enhance profitability. Although debt policy is essential, its impact on return on assets (ROA) is not directly apparent. By focusing on green accounting and sustainability reports, companies can enhance their financial performance sustainably.

doi : https://doi.org/10.26486/jramb.v11i2.4900
URL : https://ejurnal.mercubuana-yogya.ac.id/index.php/akuntansi/index
Email: jramb@mercubuana-yogya.ac.id

How to cite :

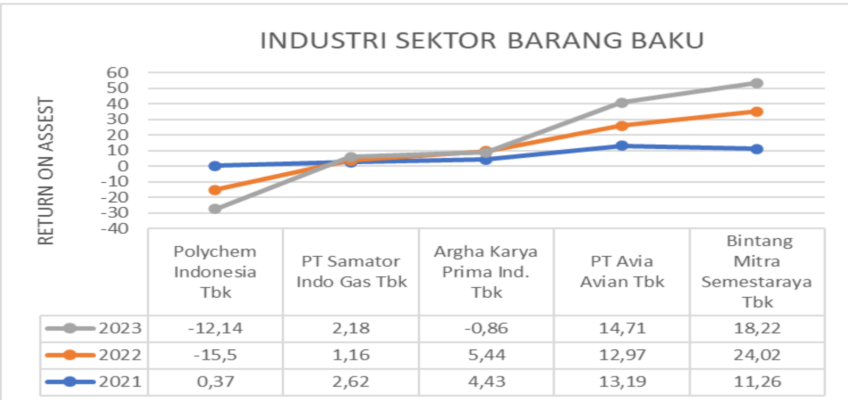
Asifah, S. A. (2025). Green Accounting, Sustainability Reports, and Debt Policy: Their Impact on Financial Performance. *JRAMB, 11*(2). 110-123. doi: https://doi.org/10.26486/jramb.v11i2.4900

INTRODUCTION

Financial performance is one of the primary indicators that reflects a company's health and sustainability. Financial performance is an analysis conducted to evaluate the extent to which a company has carried out its activities in accordance with the principles of good and proper financial management (CIBA, 2021). In the development of the Indonesian economy, every company must strive to improve its performance to achieve its targets (Pamungkas & Meini, 2023). Financial statements are crucial for various parties, including financial institutions, which are used to assess a company's performance and help companies make informed decisions for both the present and the future (Resti Gustika et al., 2024). Financial performance measures an organization's activities related to its profitability, operations, growth, and social and economic performance for a specific period (Solanke et al., 2022). Financial performance is crucial to evaluate because it can motivate employees to achieve the organizational goals and adhere to established standards of behavior, thereby obtaining the desired results (Pratiwi, 2022). With strong financial performance, the company can attract investor interest and enhance the trust of its stakeholders. Stable financial performance not only reflects a company's financial health but also provides a solid foundation for its long-term survival. On the other hand, if financial performance is neglected, then the company risks facing severe financial difficulties and even bankruptcy due to the difficulty of surviving in increasingly fierce business competition.

Financial performance trend analysis is a method used to evaluate historical financial data to project the direction of future financial performance development. Through this analysis, companies can monitor and ensure optimal financial performance by identifying key patterns that impact profitability and operational effectiveness. For example, a decrease in Return on Assets (ROA) can be a signal that problems in asset management and operational efficiency require further investigation to identify the underlying causes. The decline in Return on Assets (ROA) is a significant warning for companies to conduct a thorough evaluation and take corrective steps to improve asset management and operational efficiency, thereby maintaining healthy financial performance.

Figure 1: Grafik Return on Assets



Based on the return on assets (ROA) data presented in Figure 1, it is evident that the financial performance of companies in the Indonesian raw materials sector exhibits a diverse pattern post-COVID, characterized by significant fluctuations throughout the 2021-2023 period. Analysis of this sector identified a fairly sharp downward trend. The decline was influenced by several key factors, including increased production costs, intensifying global competition, and economic uncertainty at the international level. The COVID-19 pandemic has further exacerbated conditions by lowering demand for products and disrupting supply chains. Additionally, fluctuations in raw material prices and changes in environmental regulations also affect the company's operational efficiency and profitability. In this condition, companies that can adapt quickly and optimize their operational strategies will have a greater chance of maintaining financial performance stability amid the challenges of post-pandemic economic uncertainty.

Green Accounting is a type of accounting that integrates environmental elements into financial measurement, reporting, and analysis. In this approach, an organization not only evaluates the financial aspects but also considers the environmental and social impacts of each decision taken (Tandiono et al., 2023). This information is presented in integrated accounting reports that facilitate easier assessments and decisions for stakeholders, focusing not only on economic aspects (Ahyani et al., 2024). The implementation of green accounting aims to integrate environmental cost aspects into business operational activities, enabling companies to evaluate their economic performance from an environmental sustainability perspective. Green Accounting plays an important role in encouraging energy efficiency, the utilization of natural resources, reducing health risks, and increasing the company's competitive advantage.

Additionally, green accounting enables companies to understand the overall environmental impact of their operations. Therefore, efforts to increase company value through improving financial performance should be balanced with responsible environmental management (Gantino et al., 2023). Thus, green accounting provides a comprehensive picture of business performance while creating opportunities for long-term sustainability.

Sustainability Report is the process by which a company informs stakeholders about the social, environmental, and economic impacts of its business activities (Amalia & Indarti, 2024). The preparation of this report serves as a form of corporate accountability and demonstrates the company's compliance with the regulations governing its operations (Prasetyowati & Marsono, 2024). Sustainability reports are issued as a manifestation of the company's commitment to carrying out its responsibilities to stakeholders and ensuring compliance with applicable regulations (Dura & Suharsono, 2022). Through this report, the company transparently discloses the economic, social, and environmental impacts of its operational activities, thereby strengthening its legitimacy in the eyes of the public. With this legitimacy, the company not only enhances its reputation and public trust but also supports long-term business sustainability and has the potential to drive improved financial performance. Therefore, sustainability reports serve as a strategic communication tool that helps companies demonstrate to the public that their operations align with the applicable social contract, thereby maintaining and strengthening their legitimacy.

Debt policy is a guideline used by companies to manage the use of debt in financing their operational activities. Debt policy is related to management's decision to increase or decrease long-term debt and equity ratios to finance industrial operational activities (Larasati, 2023). Funding through debt is considered a more cost-efficient option because the interest payable is usually lower compared to the profits earned from using the funds. However, companies must also consider the associated risks, including interest costs and the potential for default. Therefore, debt issuance should be adjusted to the useful life of the financed assets and have a progressive payment schedule to gradually reduce the debt burden (Geelen et al., 2024). The right debt policy will strike a balance between profit opportunities and risks, thereby optimizing the company's performance without compromising its financial stability.

Several previous studies have yielded varying results regarding the impact of green accounting and sustainability reports on a company's financial performance. According to the study by Efria et al. (2023) and Pamungkas et al. (2024), green accounting does not impact the performance of a Financial company. On the contrary, Ramadhan et al. (2024) revealed that green accounting has a significant influence on financial performance. Sustainability reporting is now a crucial topic for companies, which focus not only on profits but also on sustainability and environmental impact. Prasetyowati & Marsono (2024) and Pham et al. (2021) state that social and green accounting have a positive influence on ROA. However, Pradipta et al. (2022) state that a sustainability report does not affect the quality of the company's organizational administration. Debt policy is crucial for a company's financial performance because it has a direct impact on profitability, solvency, and liquidity. The use of debt can be a strategic approach to expand business operations, increase

e-ISSN : 2548-4338
p-ISSN : 2460-1233
JRAMB, Vol 11 No 02, November 2025, 110-123

revenue, and enhance profitability, provided it is managed effectively. Research (Rosalina, 2022) indicates that debt policy has a substantial impact on a company's financial performance. An overly aggressive debt policy tends to reduce a company's financial performance, while a balanced debt policy has a positive impact on the company's profitability. This disclosure is different from a study that has been conducted Naomi (2023) and (Feriyanto, 2024) which shows that debt policy (DER) partially does not have a significant effect on the company's financial performance, this means that the higher the DER value, there will be the opposite impact on ROA where an increase in DER value will actually cause a decrease in financial performance as measured by ROA.

These differences in results highlight the complexity of the relationship between green accounting, sustainability reporting, debt policy, and financial performance, which warrants further research. The relationship between the application of green accounting and sustainability reporting on financial performance has been extensively researched, although more in-depth research is still needed. Although many studies have discussed the impact of implementing green accounting and sustainability reporting on financial performance, some companies have not included debt policy variables in their analysis. The results of the study on these three variables show significant diversity. In addition, previous studies have often employed different analytical frameworks, involved a wide range of variables, and adopted diverse methodologies, making it challenging to draw common conclusions. Thus, this study aims to address these shortcomings by focusing on the influence of internal company factors, specifically to determine the effect of green accounting, sustainability reports, and debt policy on financial performance, thereby providing a clear understanding of the contribution of each factor to financial performance in the context of sustainability and debt management.

Hipotesis

The implementation of green accounting reflects the company's commitment to environmental conservation through transparent management and recording of environmental costs (Sembiring et al., 2024). By adopting green accounting, companies not only enhance their positive image in the eyes of the public but also attract the attention of investors, as they are perceived as socially and environmentally responsible (Aliyyah Fitriyani & Musa Said Sungkar, 2024). This aligns with the theory of legitimacy, which posits that companies must meet public expectations regarding social and environmental responsibility to ensure the sustainability of their operations. Transparency in the disclosure of environmental costs strengthens stakeholder trust in the company. Therefore, integrating environmental aspects into business strategies can continuously improve both financial performance and the company's reputation.

H1: Green Accounting affects financial performance.

The sustainability report is the primary document that presents the company's performance in environmental, social, and economic aspects over a specified period, addressing stakeholders such as investors, customers, employees, and the general public (Ahsanirizqy, 2024). Through this report, the company demonstrates its commitment to sustainable business practices and efforts to achieve the Sustainable Development Goals, including reducing environmental impact and enhancing social welfare. The disclosure in the sustainability report aims to demonstrate that the company's performance aligns with societal norms, values, and expectations, thereby gaining and maintaining social legitimacy. The transparency of these reports helps to reduce the risk of social conflicts and increase public and investor confidence, which has a positive impact on the company's financial value and performance. Ahsanirizqy (2024) demonstrates that the disclosure of sustainability reports has a significant impact on improving financial performance, particularly Return on Assets (ROA), as it fosters a positive image that attracts investors' interest and increases the company's capital. These findings are supported by research by May et al. (2024), which states that the three dimensions of sustainability reporting, namely economic, environmental, and social, simultaneously affect a company's financial performance.

H2: Sustainability report affects financial performance.

Debt policies play a crucial role in determining a company's financial performance, particularly when implemented effectively. By utilizing debt as a source of funding, companies can expand their operational capacity and increase investments that have the potential to generate profits, thereby improving profitability ratios such as Return on Assets (ROA) when investment costs are offset by debt costs (Feriyanto, 2024). In addition, debt serves as an external oversight mechanism that encourages management to be more disciplined due to the obligation to pay interest and principal regularly, thereby limiting the potential for misuse of funds and encouraging operational efficiency. Strong ownership structures, such as institutional ownership, further strengthen management oversight and lower agency costs. The combination of the right debt policy and effective corporate governance ultimately contributes positively to financial performance, as evidenced by the increase in profitability and asset efficiency. Agency theory emphasizes that managing conflicts between agents and principals through wise funding policies is a key factor in improving a company's financial performance. Feriyanto (2024) demonstrates that the use of debt proportionately can enhance financial performance by striking a balance between the benefits of tax efficiency and management discipline, and the risks associated with interest expense and bankruptcy. Research by Ardhefani et al. (2021) also shows that the Debt to Equity Ratio (DER) has a positive and significant influence on ROA, indicating that external funding policies through DER can increase company profits and expansion, which has a positive impact on ROA.

H3: Debt policy affects financial performance.

METHOD

This study employs a quantitative approach, collecting data in the form of numerical information, which is then statistically analyzed to obtain valid and reliable results. The population used in this study consists of companies in the raw goods sector listed on the Indonesia Stock Exchange (IDX) during the period from 2021 to 2023. Data obtained from the official website of the Indonesia Stock Exchange (IDX) (www.idx.co.id) includes the number of companies that constitute the population in this study, namely 93 companies, along with their financial statements. The sampling technique used is purposive sampling, a method that involves selecting participants based on specific criteria established by the researcher (May et al., 2024). Data analysis was conducted using multiple linear regression analysis methods with IBM SPSS Statistics 21 software. This study examines the influence of green accounting, sustainability reports, and debt policy variables on dependent variables of financial performance. The analysis process involves three main stages: descriptive statistics, classical assumption tests, and regression model testing.

Table 1. Research Variables and Operational Definitions

Variabel	Operational Definition	Measurement
Financial performance (Y1)	Financial performance analysis is conducted to evaluate the extent to which a company has executed its activities in accordance with sound and prudent financial management principles (CIBA, 2021).	ROA = $\frac{Net\ Profit}{Total\ Aset}$ x 100%
Green accounting (X1)	Green accounting is a type of accounting that integrates environmental elements into financial measurement, reporting, and analysis. Where an organization not only assesses the financial aspects, but also pays attention to the environmental and social impacts of every decision taken (Tandiono et al., 2023).	Environmental Cost Ratio $= \frac{Total\ Biaya\ CSR}{Laba\ Bersih\ Setelah\ Pajak}$
Sustainability report (X2)	Sustainability reporting, also known as a Sustainability Report, is a process in which a company communicates the social, environmental, and economic impacts of its business activities to	SDRI = $\frac{K}{N}$

e-ISSN : 2548-4338
p-ISSN : 2460-1233

	stakeholders (Amalia & Indarti, 2024).	
Debt policy (X3)	Debt policy is a cash management strategy related to the use of long-term debt to support a company's daily operational activities.	$DER = \frac{Total\ Debt}{Total\ Equity} \times 100\%$

RESULT AND DISCUSSION

Result

From the data to be analyzed, companies that fall into specific categories will be excluded from the sample so that a carefully curated final sample is obtained. The final sample consisted of 24 companies representing the relevant sectors. The categories in question are as follows:

Table 2. Sample Selection

No	Criterion	Number of Companies
1	Companies in the raw goods sector listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period	93
2	Companies in the raw goods sector that did not publish annual reports during the 2021-2023 period	(3)
3	Companies in the raw goods sector that do not have complete data according to the variables studied	(66)
	Number of Company Samples	24
	Total Observation Data for 3 Years (24 Years of Research)	72

The research sample consists of 24 companies listed on the Indonesia Stock Exchange (IDX), as presented in Table 2. The observation period spanned 3 years, resulting in 72 observations. The magnitude of this data reinforces the reliability of the findings. It provides an in-depth understanding of the practices involved in implementing green accounting, sustainability reporting, and debt policies within the context of a company's financial performance.

Descriptive Statistical Analysis

The variables used in this study are explained using the descriptive statistical analysis below:

Table 3. Descriptive Statistical Analysis Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
GA	72	-18,06	54,28	2,1307	7,40910
SR	72	,17	1,00	,5479	,23645
KH	72	-7,73	5,43	,6688	1,65262
KK	72	-28,24	16,37	2,8779	7,15981
Valid N (listwise)	72				

Source: Processed secondary data 2025

Descriptive statistical analysis of 72 data revealed several key characteristics related to financial performance, green accounting, sustainability report, and debt policy. Data shows that green accounting dominates the financial performance of a company with an average value of 2.1307 (SD = 7.40910). The company with the lowest green accounting rate, at -18.06%, is PT Chandra Asri Pacific Tbk (TPIA) as of 2023. Meanwhile, the highest green accounting is held by PT Merdeka Copper Gold Tbk (MDKA) at 54.28% in 2023. Debt Policy occupies the second position, with an average of 0.6688% (SD = 1.65262). The company with the lowest debt policy level in 2023 was PT Waskita Beton Precast Tbk (WSBP), at-7.73 %. Meanwhile, the highest debt policy level of 5.43% was held by PT Krakatau Steel (Persero) Tbk (KRAS) in 2021. The sustainability report seems less prominent, with an average value of 0.5479% (SD = 0.23645). The company with the lowest sustainability report rate in 2021 was PT Mitra Investindo Tbk (BRPT), at 0.17%. Meanwhile, the highest sustainability report rate of 1.00% is held by PT Vale Indonesia Tbk (INCO) and PT Timah Tbk (TINS) as of 2023. Regarding the value of financial performance, the analysis revealed a significant spread in data, ranging from -28.24% to 16.37% (M = 2.8779%; SD = 7.15981). PT Waskita Beton Precast Tbk (WSBP) had the lowest financial performance value, at -28.24%, in 2021, while PT Cita Mineral Investindo Tbk (CITA) had the highest financial performance value, at 16.37%, in 2022.

Normality Test

Based on Table 4, the Kolmogorov-Smirnov Z value is 1.102, and the significant value (2-tailed) is 0.176. The significant result of 0.176 > 0.05 indicates that the data are typically distributed, making it suitable for use. The fulfillment of this assumption of normality is an important indicator that the regression model has met one of the required classical assumptions. This creates a robust methodology for regression analysis. This ensures that the statistical conclusions resulting from the model are reliable and accurately describe the proper relationship between the variables being analyzed.

Table 4. Normality Test Results

		Unstandardized Residual
N		72
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	7,14162935
Most Extreme Differences	Absolute	,130
	Positive	,082
	Negative	-,130
Kolmogorov-Smirnov Z		1,102
Asymp. Sig. (2-tailed)		,176

a. Test distribution is Normal.

b. Calculated from data.

Source: Processed Secondary Data, 2025

Multicolinearity Test

Table 5. Multicolinierity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,162	2,218		,975	,333		
	GA	,040	,117	,041	,339	,736	,996	1,004
	SR	1,334	3,671	,044	,364	,717	,996	1,004
	KH	-,150	,524	-,035	-,286	,776	1,000	1,000

a. Dependent Variable: KK

Source: Processed secondary data, SPSS 2025

Based on the results of the SPSS output in Table 5 above, it can be concluded that the tolerance values for Green Accounting, Sustainability Report, and Debt Policy are 0.996, 0.996, and 1,000, respectively. The results of the calculation show that all independent variables have a tolerance value greater than 0.10, indicating no correlation between them. Therefore, this regression model is suitable for use.

Meanwhile, the VIF value in Green Accounting is 1.004, the Sustainability Report is 1.004, and Debt Policy is 1,000, showing that all independent variables have a VIF value of <10, so that in this regression model, it is good. There is no multicollinearity, and the data meet the requirements for normality.

Heteroscedasticity Test

The heteroscedasticity test used the Park test. Based on Table 6. Using the park test, it can be seen that the significance values of all independent variables are above 0.05. Therefore, all independent variables used in this study are free from heteroscedasticity symptoms. The results of the park test are as follows:

Table 1. Heteroscedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,674	,672		3,979	,000
	GA	-,044	,036	-,145	-1,229	,223
	SR	-,393	1,113	-,042	-,353	,725
	KH	-,238	,159	-,177	-1,497	,139

a. Dependent Variable: LN_RES

Source: Processed secondary data, SPSS 2025

Autocorrelation Test

Table 7. Autocorrelation Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,071[a]	,005	-,039	7,29747	1,297

a. Predictors: (Constant), Debt Policy, Green Accounting, Sustainability Report

b. Dependent Variable: Financial performance

Source: Processed secondary data, SPSS 2025

Based on the SPSS output results in Table 7. Above, it can be concluded that in this study, the D-W result was obtained as 1.297, which indicates that the regression model does not have autocorrelation problems because the D-W number falls between -2 and +2. Therefore, this regression model is deemed feasible for use.

Multiple Linear Regression Test

Table 8. Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,162	,333		6,500	,000
	GA	,040	,018	,248	2,259	,027
	SR	1,334	,551	,266	2,424	,018
	KH	-,150	,079	-,208	-1,904	,061

a. Dependent Variable: KK

Source: Processed secondary data, SPSS 2025

Based on the statistical results presented in the table, the multiple linear regression equation can be formulated as follows:

Financial performance = 2.162 + 0.040GA + 1.334SR – 0.150KH + e

The explanation of this regression equation can be simulated as follows: Constant (a) = 2.162. The positive intercept shows that the explanation of this regression equation can be concluded as follows: Constant (a 2.162). Negative interception shows that in a theoretical scenario where the variables of green accounting, sustainability report, and debt policy simultaneously remain at or equal to zero, the model predicts a financial performance value of 2.162. Although mathematically valid, this scenario lacks practical interpretation because the ownership structure cannot realistically reach absolute zero. Green accounting (X1=0.040). The positive coefficient indicates a strong positive relationship, where every.

A 1% increase in green accounting is equivalent to a 0.040% increase in financial performance value activities. This substantial measure of effect indicates that green accounting has a significant impact on the company's financial performance improvement. Sustainability report (X2 = 1.334). A moderate positive coefficient indicates that the sustainability report has a relatively significant impact, with every 1% increase equivalent to a 1.334% increase in the company's financial performance value. Debt policy (X3 -0.150). A moderate negative coefficient indicates that debt policy has no significant impact, where a 1% decline in debt leads to a decrease in the price of financial performance by 0.150.

Partial Hypothesis Testing (t-test)

Based on the data in Table 8. The results of the partial hypothesis test (t-test) are shown, which can be concluded as follows: green accounting shows a statistically significant influence (y= 0.027; $p < 0.05$), which shows that the higher the company's commitment to allocating costs for environmental activities, the more the financial performance of companies in the raw goods sector will increase. These findings align with the theory of legitimacy, which suggests that companies must meet public expectations regarding social and environmental responsibility to maintain the sustainability of their operations. The Sustainability Report reveals a statistically significant influence (y = 0.018; $p < 0.05$), indicating that the company's performance aligns with societal norms, values, and expectations, thereby securing and maintaining social legitimacy. The results of the influence of Debt Policy on Financial Performance were obtained with a significance level of 0.061, which is greater than 0.05. With a significance greater than 0.05, the debt policy does not affect Financial Performance. This suggests that the relationship between debt policy and financial performance may be complex and influenced by other internal and external conditions that are not directly measured in the study. Therefore, companies are advised to consider factors beyond debt policy in an effort to enhance their financial performance.

Discussion

The Influence of Green Accounting on Financial Performance

The results of the study indicate that Green Accounting has a significant impact on the Financial Performance of companies in the raw goods sector, specifically those listed on the Indonesia Stock Exchange (IDX). This means that the higher a company's commitment to allocating costs for environmental activities, the more its financial performance will also improve. Thus, companies that implement green accounting not only contribute to environmental sustainability but also increase their efficiency and profitability. Green accounting factors, including environmental performance, environmental costs, and environmental disclosure, are important indicators that drive improvement in a company's environmental performance, ultimately having a positive impact on financial performance, such as Return on Assets (ROA).

Based on research, Green Accounting is one of the key factors that support the improvement of a company's financial performance. The higher the implementation of Green Accounting, the greater the value of the Return on Assets (ROA) or the company's profitability, which reflects an improvement in overall financial performance. The implementation of Green

Accounting enables companies to manage environmental costs more efficiently and increase transparency for stakeholders. Thus, companies are encouraged to continue optimizing the implementation of Green Accounting as part of their business strategy to achieve both financial and environmental sustainability.

The results of this study are in line with Sembiring et al., (2024), who obtained results that green accounting has a positive effect on financial performance, and is also supported by research Aliyyah Fitriyani & Musa Said Sungkar (2024); Putri (2024); widya (2022); Dura & Suharsono (2022); Sari & Astari (2023) and Efria et al., (2023) The results of its tests state that green accounting affects the financial performance of the company by disclosing environmental costs to the stakeholders. Reporting of environmental costs allows stakeholders to be motivated to identify ways to reduce environmental costs (environmental cost reduction) or avoid such costs to improve the quality of the environment (environmental quality).

The Influence of Sustainability Reports on Financial Performance

The study's results revealed that the preparation of the Sustainability Report had a positive impact on the company's financial performance in the raw goods sector, as listed on the Indonesia Stock Exchange (IDX). This means that the better the company is in compiling and disclosing sustainability reports, the higher the level of financial performance of the Raw Goods Sector Company. Through this report, the company not only demonstrates social and environmental responsibility but also increases operational efficiency and profitability. Components in the Sustainability Report, such as environmental and social performance reporting, are important factors that drive investor and other stakeholder confidence, ultimately contributing positively to financial performance indicators, including Return on Assets (ROA).

Based on research, the Sustainability Report plays a role as one of the strategic elements that support the improvement of the company's financial performance. The more transparent and detailed the sustainability report compiled, the higher the company's profitability and ROA, which reflects an improvement in overall financial performance. The preparation of this report enables companies to identify and manage environmental and social risks more effectively, thereby increasing their credibility in the eyes of stakeholders. Therefore, companies are encouraged to continue to strengthen sustainability reporting practices as part of efforts to improve financial performance and maintain long-term business sustainability.

The results of this study are in line with Ahsanirizqy (2024), who obtained the results of the disclosure of sustainability reports for economic performance that have a significant positive influence on Return on Asset (ROA) in the company, and are supported by research May et al., (2024); Putra & Subroto (2022); Fatihah & Widiatmoko (2022); Oncioiu et al., (2020); Pham et al., (2021) and Suaidah (2020) with the results of its tests stating that the disclosure of sustainability reports affects Return On Assets (ROA) in mining sector companies listed on the IDX, as seen from the Between- Subjects Effect, where the disclosure of sustainability reports, the more the company's profitability will increase.

The Effect of Debt Policy on Financial Performance

The study's results indicate that debt policy has no significant impact on the financial performance of companies in the raw goods sector listed on the Indonesia Stock Exchange (IDX). This means that the more intensively the company implements the debt policy, the more it directly affects the financial performance of the Raw Goods Sector Company. Although debt policy is expected to increase leverage and capital efficiency, in the context of companies in the raw goods sector, debt management does not have a direct and significant impact on financial performance indicators, such as Return on Assets (ROA). This can be caused by other factors that are more dominant in influencing financial performance, such as operational efficiency and cost management.

Based on the research, Debt Policy is not the primary factor determining the company's financial performance in this study. Companies that implement debt policies with varying levels of proportion do not show significant differences in profitability and ROA. This suggests that the use of debt in a company's capital structure is not always directly correlated with improved financial performance. These findings suggest that the relationship between debt policy and financial performance may be complex and influenced by other internal and external conditions that are not directly measured in the study. Therefore, companies are advised not to focus solely on debt policy, but also to consider other factors that can improve financial performance, including comprehensive risk management, holistic business strategies, and analysis of non-financial factors, in order to achieve more optimal results in the face of complex business dynamics.

The results of this study align with those of Muharromi et al. (2021), which suggest that debt policy does not impact financial performance. Moreover, this is supported by research Yanti & Sisdianto (2024), Nur W.a et al., (2021); Naomi (2023) and Gusmao (2022) with the results of its test stating that the debt policy represented by DER has an insignificant influence on financial performance, which means that it has not been tested for its correctness to predict or be able to explain the company's financial performance. The results of the study are not in line with Feriyanto (2024), who stated that Debt Policy affects Financial Performance, because companies need to manage debt policies carefully by considering the risk of bankruptcy that can arise due to uncontrolled use of debt.

CONCLUCION

This study presents three key findings related to the implementation of green accounting, sustainability reports, and debt policy in companies in the raw goods sector listed on the Indonesia Stock Exchange for the period from 2021 to 2024. First, green accounting has a positive effect on improving the company's financial performance. The consistent and comprehensive implementation of green accounting enables companies to manage environmental costs more effectively, thereby increasing efficiency and profitability. Second, sustainability reports also have a positive and significant effect on financial performance. Companies that transparently report on sustainability performance will be more trusted by investors and other stakeholders, thus opening up opportunities for access to funding and strengthening the company's reputation. Good reporting practices support long-term business strategies that are environmentally and socially responsible. This supports the theory of legitimacy, which suggests that companies must meet societal expectations regarding social and environmental responsibility. To maintain the sustainability of their operations, companies need to be responsible for their environmental impacts. Third, debt policy has a limited influence. These findings suggest that companies should consider factors beyond debt policy to enhance their financial performance, such as operational efficiency and investment in environmentally friendly practices. Thus, companies are advised to expand their financial strategies to be more adaptive to business and environmental challenges.

This study also contributes theoretically to the development of environmental accounting and financial management by strengthening existing theories through analysis of the findings. Practically, this study serves as a reference for companies in the raw materials sector to integrate green accounting and sustainability reports, thereby improving financial performance and maintaining business sustainability. These findings are also beneficial for regulators and capital market authorities in strengthening regulations and providing incentives for companies that are committed to sustainability reporting. In addition, the results of this study can serve as a reference for industry players and educational institutions in developing practices and learning about environmental management and sustainability reporting in the corporate sector.

Based on this study, several limitations have been identified, and the researcher hopes that future researchers will address them to enhance the quality of the research further. Some of the shortcomings of this research include the following: The study only utilizes a sample of companies in the raw goods sector listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period, so the results cannot necessarily be generalized to other industry sectors or different time periods. The variables used in this study are limited to Green Accounting, Sustainability Report, and Debt Policy, so there are still other factors that may affect financial performance but have not been analyzed. The data used is secondary and is obtained from the company's annual report, so it is highly dependent on the openness and quality of each company's reporting.

REFERENCES

Ahsanirizqy, F. (2024). Pengaruh Pengungkapan Laporan Keberlanjutan Terhadap Kinerja Keuangan Perusahaan yang termasuk nominasi Asrrat Commendation 2023. Prosiding Seminar Nasional Akuntansi Dan Manajemen, 3,2024.

Ahyani, M., Septiawati, R., & Trisyanto, A. (2024). The Effect Of Green Accounting And Financial Performance On Tax Avoidance At Mining Companies Listed On The Indonesian Stock Exchange In the 2018-2022 Period. COSTING: Journal of Economic, Business and Accounting, Volume 7 Nomor 6, Tahun 2024.

Aliyyah Fitriyani & Musa Said Sungkar. (2024). Pengaruh Penerapan Green Accounting,Kinerja Lingkungan, dan Profitabilitas Terhadap Kinerja Keuangan Dengan Tata Kelola Perusahaan Sebagai Variabel Moderasi. Jurnal Ilmiah Ekonomi, Akuntansi, dan Pajak, 1(2), 309–326. https://doi.org/10.61132/jieap.v1i2.228

Ardhefani, H., Pakpahan, R., & Djuwarsa, T. (2021). Pengaruh CR dan DER terhadap ROA pada Perusahaan Kosmetik dan Barang Keperluan Rumah Tangga. Indonesian Journal of Economics and Management, 1(2), Article 2. https://doi.org/10.35313/ijem.v1i2.2502

Amalia, S., & Indarti, M. G. K. (2024). The Effect of Environmental Performance on Sustainability Report with Financial Performance as a Mediating Variable. 2024.

CIBA, D. F. H., MBA. (2021). Analisis Kinerja Keuangan Perusahaan. Desanta Publisher.

Dura, J., & Suharsono, R. (2022). Application of Green Accounting To Sustainable Development: Improve Financial Performance Study In the Green Industry. Jurnal Akuntansi, 26(2), Article 2. https://doi.org/10.24912/ja.v26i2.893

Efria, D. A., Baining, M. E., & Orinaldi, M. (2023). Pengaruh Green Accounting, Kinerja Lingkungan Terhadap Kinerja Keuangan Pada Perusahaan Pertambangan Yang Terdaftar di ISSI Tahun 2019-2021. JURNAL ILMIAH EKONOMI DAN MANAJEMEN, 1(3), Article 3. https://doi.org/10.61722/jiem.v1i3.216

Faransahad, G. F., & Wulandari, I. (2024). Pengaruh Pengungkapan Sustainability Report dan Nilai Aset Tidak Berwujud Terhadap Kinerja Keuangan Perusahaan (Studi Kasus pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2018-2021). EKONOMIKA45 : Jurnal Ilmiah Manajemen, Ekonomi Bisnis, Kewirausahaan, 12(1), 1075–1089. https://doi.org/10.30640/ekonomika45.v12i1.3688

Feriyanto, O. (2024). Pengaruh Kebijakan Utang Terhadap Kinerja Keuangan Perusahaan Perbankan Yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun Observasi 2021-2023. 5(2).

Fatihah, A. A., & Widiatmoko, J. (2022). Pengaruh Corporate Governance Efficiency Terhadap Pengungkapan Sustainability Report Dan Dampaknya Terhadap Kinerja Keuangan. KRISNA: Kumpulan Riset Akuntansi, 14(1), 80–92. https://doi.org/10.22225/kr.14.1.2022.80-92

Gantino, R., Ruswanti, E., & Widodo, A. M. (2023). Green Accounting and Intellectual Capital's Effect on Firm Value, Moderated by Business Strategy. Jurnal Akuntansi, 27(1), Article 1. https://doi.org/10.24912/ja.v27i1.1118

Geelen, T., Hajda, J., Morellec, E., & Winegar, A. (2024). Asset life, leverage, and debt maturity matching. Journal of Financial Economics, 154, 103796. https://doi.org/10.1016/j.jfineco.2024.103796

Gusmao, E. F. (2022). Analisis ukuran Perusahaan, FCF Dan Kebijakan Hutang Terhadap Kinerja Keuangan Perusahaan Food And Beverage. Journal Ecoment Global, 7(2). https://doi.org/10.35908/jeg.v7i2.2165

Larasati, C. W. (2023). Analisis Kinrja Keuangan Dan Nilai Perusahaan Sektor Property, Real Estate Dan Kontruksi. Media Pustaka Indo.

May, S. D. S., Mutmainnah, M., & Ponto, S. (2024). Pengaruh Sustainability Report Terhadap Kinerja Keuangan (Studi Pada Sektor Pertambangan yang Terdaftar di Bursa Efek Indonesia Periode 2018-2022) | Jurnal Bisnis Mahasiswa. https://jurnalbisnismahasiswa.com/index.php/jurnal/article/view/193

Muharromi, G., Santoso, S. E. B., Santoso, S. B., & Pratama, B. C. (2021). Pengaruh Kebijakan Hutang, Arus Kas Bebas, Likuiditas Dan Pertumbuhan Penjualan Terhadap Kinerja

Keuangan (Studi Empiris Pada Perusahaan Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Tahun 2016-2019). Ratio : Reviu Akuntansi Kontemporer Indonesia, 2(1), 36–50. https://doi.org/10.30595/ratio.v2i1.10371

Naomi, I. W. (2023). Effects of Debt Financing on Financial Performance of Manufacturing Firms in Kenya. African Journal of Commercial Studies, 3(2), 86–95.

Nur W.a, E., Mukhzarudfa, M., & Yudi, Y. (2021). Determinan Kepemilikan Asing, Kepemilikan Manajerial, Kebijakan Hutang, Dan Kebijakan Dividen Terhadap Kinerja Keuangan. JAKU (Jurnal Akuntansi & Keuangan Unja) (E-Journal), 6(1), Article 1. https://doi.org/10.22437/jaku.v6i1.13302

Oncioiu, I., Petrescu, A.-G., Bîlcan, F.-R., Petrescu, M., Popescu, D.-M., & Anghel, E. (2020). Corporate Sustainability Reporting and Financial Performance. Sustainability, 12(10), 4297. https://doi.org/10.3390/su12104297

Pamungkas, N. B., & Meini, Z. (2023). The Effect Of Sustainability Reporting And Intellectual Capital Disclosure On Firm Value, With Profitability As A Moderator. Jurnal Ekonomi, 12(01), Article 01.

Pradipta, P., Khairunnisa, A., Yudistira, O., & Baradja, L. (2022). Pengaruh Sustainability report, Ukuran Dewan Direksi, Ukuran Perusahaan Serta Leverage Terhadap Kinerja Keuangan Perusahaan Perbankan Yang Terdaftar Di Bursa Efek Indonesia Pada Tahun 2018-2020. Jurnal Ekonomi Trisakti, 2(2), Article 2. https://doi.org/10.25105/jet.v2i2.14944

Prasetyowati, A., & Marsono, M. (2024). Pengaruh Pengungkapan Sustainability Report Dan Green Accounting Terhadap Kinerja Keuangan Perusahaan (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2018-2022). Diponegoro Journal of Accounting, 13(3), Article 3.

Pratiwi, E. Y. (2022). Pengaruh Penerapan Gren Accounting Terhadap Kinerja Keuangann Perusahaan Pada Perusahaan Yang Terdaftar Di Bursa Efek Indonesia (Studi Kasus Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia 2016-2021). 2022.

Putra, Y. P., & Subroto, T. A. (2022). Pengaruh Pengungkapan Sustainability Report Terhadap Kinerja Keuangan Perusahaan. EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis, 10(2), Article 2. https://doi.org/10.37676/ekombis.v10i2.2272

Putri, I. W. H. (2024). Pengaruh Green Accounting, Kinerja Lingkungan Terhadap Kinerja Keuangan Dengan Corporate Sosial Responsibility Sebagai Variabel Moderasi (Studi Empiris Perusahaan Pertambangan yang terdaftar di BEI tahun 2019-2022) [S1, Univrsitas PGRI Madiun]. https://eprint.unipma.ac.id/1921/

Pham, D. C., Do, T. N. A., Doan, T. N., Nguyen, T. X. H., & Pham, T. K. Y. (2021). The impact of sustainability practices on financial performance: Empirical evidence from Sweden. Cogent Business & Management, 8(1), 1912526. https://doi.org/10.1080/23311975.2021.1912526

Resti Gustika, Rinofah, R., & Maulida, A. (2024). The Influence of Financial Literacy, Credit Requirements, and Financial Report Quality on Access to Financing for Micro, Small, and Medium Enterprises. Jurnal Ilmiah Manajemen Kesatuan, 12(5), 1499–1508. https://doi.org/10.37641/jimkes.v12i5.2772

Rosalina. (2022). Analisis Pengaruh Hutang terhadap Kinerja Keuangan PT. Panasonic, Tbk Jakarta. 2022, Vol. 11 No. 2 (2022): August.

Sanaa Adika, R., Luthfi, M., Mahmudi, R., Oktavia, K., Rabiatuladawiyah, A., Fayaadh, M., & Surbakti, L. P. (2024). Studi Literatur: Pengaruh Green Accounting Terhadap Kinerja Keuangan di Perusahaan yang Terdaftar Bursa Efek Indonesia. Accounting Student Research Journal, 3(2), 144–156. https://doi.org/10.62108/asrj.v3i2.8704

Sari, N., & Astari, T. A. (2023). Green Accounting Implementation on the Improvement of Company Financial Performance. International Journal of Business, Humanities, Education and Social Sciences (IJBHES), 5(1), 1–7. https://doi.org/10.46923/ijbhes.v5i1.222

Sembiring, S. D. B., Sibarani, J. L., & Rahman, A. (2024). Pengaruh penerapan Green Accounting, Corporate Sosial Responsibility Dan Ukuran Perusahaan Terhadap Kinerja Keuangan Pada Perusahaan Sektor Energy Yang Terdaftar Di Bursa Efek Indonesia. 06(4).

Solanke, F. T., Olugbamiye, D. O., Olasehinde, S., Efuntade, O., Olaniyi, R. B., & Kolawole, I. B. (2022). Corporate Social Responsibility and Financial Performance Of the Oil And Gas Industry in Nigeria. 2022.

Suaidah, Y. M. (2020). Pengungkapan sustainability report dan pengaruhnya terhadap kinerja perusahaan. MBR (Management and Business Review), 4(1), Article 1. https://doi.org/10.21067/mbr.v4i1.4619

Tandiono, R., Ratnawati, A. T., Gusneli, G., Ilham, I., Martini, R., Waty, E., Putuhena, H., AR, M., & Devi, E. K. (2023). TEORI AKUNTANSI: Konsep, Aplikasi, dan Implikasi. PT. Sonpedia Publishing Indonesia.

Topan Pamungkas, Iin Rosini, & Suripto. (2024). Size Perusahaan Memoderasi Hubungan Good Corporate Governance, Green Supply Chain Management dan Green Accounting Terhadap Kinerja Keuangan Perusahaan. Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah, 6(5). https://doi.org/10.47467/alkharaj.v6i5.2544

Widya, A. A. (2022). Pengaruh Penerapan Green Accounting Terhadap Kinerja keuangan Perusahaan (Studi Pada Perusahaan Pertambangan Dan Manufaktur Yang Terdaftar Di Index Saham Syariah Indonesia Tahun 2015-2019) [Undergraduate, UNIVERSITAS ISLAM NEGERI RADEN INTAN LAMPUNG]. https://repository.radenintan.ac.id/16888/

Wulandari, I., & Wulandari, I. (2024). The Effect of Profitability, Liquidity, and Company Size on Capital Structure in Companies Listed on the Indonesian Stock Exchange. Journal of Syntax Admiration, 5(7), 2577–2588. https://doi.org/10.46799/jsa.v5i7.1277

Yanti, O. D., & Sisdianto, E. (2024). Analisis Pengaruh Kebijakan Hutang Terhadap Kinerja Keuangan Perusahaan. Anggaran : Jurnal Publikasi Ekonomi dan Akuntansi, 2(2), 221–238. https://doi.org/10.61132/anggaran.v2i2.581