

# The Effect of Carbon Emission Disclosure, Green Accounting, and Good Corporate Governance on The Financial Performance of Companies Listed in The Sri Kehati Index for the 2020–2023 Period

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## Abstract

*This study aims to examine and analyze the effect of Carbon Emission Disclosure, Green Accounting, and Good Corporate Governance on financial performance, both partially and simultaneously, in companies listed on the SRI Kehati Index for the 2020-2023 period. The type of data used in this study is secondary data, including annual reports and sustainability reports. The sampling technique employed is purposive sampling, resulting in a sample of 52 companies based on specific criteria. This research utilizes multiple linear regression analysis and SPSS version 30 as tools for multiple regression testing and descriptive statistical analysis. The results of this study indicate that, partially, carbon emission disclosure and green accounting do not significantly affect the financial performance (ROA) of companies, while good corporate governance has a partial effect. However, simultaneously, carbon emission disclosure, green accounting, and good corporate governance significantly affect the financial performance (ROA).*

**Keywords** : carbon emission disclosure, financial performance (ROA), good corporate governance, green accounting.

JEL Codes : Q56, G34, G32, M14

## INTRODUCTION

The rapid development of the global industry is driving companies to optimize business strategies to maintain their existence and competitiveness in an increasingly competitive market. Facing this competition, companies need to be adaptive and innovative in responding to changing market dynamics and evolving consumer needs. Good financial performance is generally attractive to investors and shareholders. The higher a company's profitability, the greater its appeal in the capital market due to the potential for higher returns. Beyond simply generating profits, companies now face the challenge of managing their businesses sustainably, both financially and environmentally. This is driving companies to shift from an approach to a business model that also focuses on environmental impact. Companies are required to maximize operating profits to increase profitability. However, corporate operations often have consequences for the environment.

One of the greatest environmental threats today is climate change. Climate change occurs due to increasing concentrations of greenhouse gases in the atmosphere, which leads to global warming. Therefore, Indonesia has committed to implementing low-carbon development by 2030, targeting a 29% emission reduction through its own efforts and a 41% reduction with international support. According to (Akhiroh & Kiswanto, 2016), carbon emission disclosure is a form of corporate contribution to environmental change, particularly global warming.

Environmental accounting is crucial for a country's economy. Many sectors are considered contributors to environmental and socioeconomic issues, resulting in environmental problems that impact a country's progress (Singh et al., 2022). Furthermore, the application of good corporate governance (GCG) is also considered to influence a company's financial performance. GCG is a system that regulates, manages, and controls a company to ensure with the principles of transparency, accountability, responsibility, independence, equality, and fairness.

There is disclosure of carbon emissions, green accounting and good corporate governance tends to lead to better financial performance. Transparency and sustainability are important factors that can increase investor confidence, thus positively impacting financial performance. One index that tracks global stock

price movements is the Sri Kehati Index. As an index that considers environmental, social, and governance aspects, listed companies have the opportunity to demonstrate that social and environmental responsibility does not reduce profitability but can actually strengthen competitiveness. Based on this, researchers are interested in conducting research and studying in more depth a study entitled: The Impact of Carbon Emission Disclosure, Green Accounting, and Good Corporate Governance "On the Financial Performance of Companies Listed In The Sri Kehati Index For The Period 2020 – 2023.

## LITERATURE REVIEW

### Legitimacy Theory

According to (Ghozali and Chariri, 2007), the underlying legitimacy theory is a social contract between a company and the community in which it operates and uses its economic resources. Companies can make social sacrifices as a reflection of their concern for the community. Legitimacy theory explains that companies must comply with applicable rules and norms in carrying out their operations.

### Stakeholder Theory

According to (Branco and Rodrigues, 2007) theory stakeholder is a theory that states that companies have a social responsibility that requires them to consider the interests of all parties affected by their actions. Management should consider not only shareholders in the decision-making process, but also anyone affected by business decisions.

### Financial performance

Financial performance is a company's achievements over a specific period, reflecting its health. According to (Irham Fahmi in Tyas, 2020), financial performance is an analysis conducted to determine the extent to which a company has implemented financial regulations properly and correctly. Financial performance is a form of assessment of the use of the financial budget. Through financial performance, a company can evaluate the efficiency and effectiveness of all company activities over a specific period.

### Return On Assets (ROA)

According to (Raiyan et al., 2020) ROA or Return On Assets is the ratio between net profit and total assets. This ratio indicates how much net profit a company earns when measured against the value of its assets. According to Kasmir (2016), the higher the ratio, the better, as the company is considered capable of effectively using its assets to generate profits.

$$\text{Return On Assets (ROA)} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}} \times 100\%$$

### Carbon Emissions

Carbon emissions are a measure of the total greenhouse gas emissions that arise directly or indirectly from the activities of a company, product, event, or individual. Greenhouse gas emissions are largely due to human activities that produce carbon dioxide, primarily from the combustion of fossil fuels for electricity generation, heating, and transportation (Heizer et al., 2017).

GRI 305 is a standard developed by Global Sustainability Standard Board (GSSB) and came into effect on July 1, 2018. This standard provides guidance to organizations to report information related to emissions produced, impacts caused, and steps taken to address these impacts. The main focus of this standard is reporting significant air emissions, such as ozone-depleting substances, nitrogen oxides, and sulfur oxides. This standard also focuses on disclosing information related to significant air emissions, such as ozone-depleting substances, nitrogen oxides, and sulfur oxides. Some disclosures that companies need to make regarding emissions produced, according to the GRI 305 standard are as follows:

**Table 1. GRI Standard 305 Carbon Emission Disclosure**

Disclosure Standards	Disclosure Requirements
Disclosure 305-1: Direct (Scope 1) GHG Emissions	Direct sources of GHG emissions (Scope 1); biogenic emissions; standards, methodologies, assumptions, and/or calculation tools used; and the base year for the calculations.

Disclosure Standards	Disclosure Requirements
Disclosure 305-2: indirect (Scope 2) GHG emissions	Indirect (Scope 2) GHG emission sources; standards, methodologies, assumptions, and/or calculation tools used; and the base year for the calculation.
Disclosure 305-3: Other indirect (Scope 3) GHG emissions	Other indirect sources of GHG emissions (Scope 3); standards, methodologies, assumptions, and/or calculation tools used; and the base year for the calculation.
Disclosure 305-4: GHG emission intensity	The ratio of GHG emission intensity and the types of GHG emissions included in the intensity ratio.
Disclosure 305-5: Reduction of GHG emissions	GHG emission reductions and the standards, methodologies, assumptions and/or tools used.
Disclosure 305-6: Emissions of ozone-depleting substances (ODS)	Sources of emissions of ozone-depleting substances; and the standards, methodologies, assumptions, and/or calculation tools used.
Disclosure 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Significant sources of air emissions; and the standards, methodologies, assumptions, and/or calculation tools used.

Source: GRI, 2016

### Green Accounting

According to (Ningsih and Rachmawati, 2017) Green Accounting is an accounting role used to see the relationship between the company's environmental budget side and the funds the company uses to carry out operational activities. In addition, the role green accounting is a way to reduce the energy used, natural resources, minimize risks to health, and promote the company's competitive advantages.

### Good Corporate Governance (GCG)

According to (Effendi, 2016) Good Corporate Governance is a system designed to direct the management of companies professionally based on the principles of transparency, accountability, responsibility, independence, fairness and equality. Good Corporate Governance is a corporate governance system designed to improve organizational performance, protect stakeholder interests, and ensure compliance with laws and regulations and generally accepted ethical values. According to (Djuitaningsih and Martatilova, 2012), the measurement of the proportion of independent commissioners is as follows:

$$PDKI = \frac{\text{Number of independent commissioners}}{\text{Total number of members of the board of commissoners}} \times 100\%$$

## RESEARCH METHOD

### Research Object

According to Sugiyono (2015), a research object is an attribute or assessment of a person, subject, or activity that has certain variations that have been determined by the researcher to then be studied and conclusions drawn. The research object used in this study is carbon emissions, green accounting, good corporate governance, and financial performance (ROA). The research unit used was companies listed on the Sri Kehati Index for the 2020–2023 period, and the units of analysis used were annual reports and corporate sustainability reports.

### Population and Sample

The population used in this study is the companies listed on the Sri Kehati Index for the 2020-2023 period. In this study, the sampling technique used is the random sampling technique.purposive sampling. In this study, the sampling technique used is the purposive sampling. This technique is carried out according to specified criteria to determine the number of samples to be studied. The following are the research criteria:

1. Companies listed in the Sri Kehati Index for the 2020-2023 period
2. Companies listed in the Sri Kehati Index do not have complete and consecutive sustainability reports during the 2020 – 2023 period

3. Companies listed on the Sri Kehati Index did not use the rupiah currency during the 2020 – 2023 period
4. Companies listed in the Sri Kehati Index but do not have complete data for research during the 2020 – 2023 period

### Data Types and Sources

The type of data used in this study is quantitative. The data sources used in this study are secondary data. Data were collected through documentation studies and literature studies. The data sources used by the researcher include: annual report, sustainability report, companies listed in the Sri Kehati Index for the 2020 – 2023 period published through the official website of the Indonesian Stock Exchange, namely <https://www.idx.co.id/id> and the official website data of each company. In addition, researchers also used GRI standards obtained from the official Global Reporting Initiative, that is, <https://www.globalreporting.org/> to assess carbon emission variables.

## RESULTS AND DISCUSSION

### Descriptive Statistical Analysis

**Table 2. Descriptive Statistical Test Results**

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Carbon Emissions ( $X_1$ )	52	.00	1.00	.6563	.34450
Green Accounting ( $X_2$ )	52	-9.13	10.22	2.0477	2.93334
GCG ( $X_3$ )	52	.29	.70	.4698	.13089
ROA ( $Y$ )	52	-.27	16.37	4.7356	3.90730
Valid N (listwise)	52				

Source: Results of SPSS v.30 data processing, (2025)

The following are the results of descriptive statistical analysis of each variable, including:

1. Carbon Emission Disclosure ( $X_1$ ) has a value mean (average) of 0.6563 is greater than the standard deviation of 0.34450. This indicates a good data distribution, as it reflects smaller deviations.
2. Green Accounting ( $X_2$ ) has a value mean (average) of 2.0477 is smaller than the standard deviation of 2.93334. This indicates that the data distribution is less good, because it reflects a larger deviation.
3. Good Corporate Governance ( $X_3$ ) has a value mean (average) of 0.4698 is greater than the standard deviation of 0.13089. This indicates a good data distribution, as it reflects smaller deviations.
4. Return On Assets ( $Y$ ) has a value mean (average) of 4.7356 is smaller than the standard deviation of 3.90730. This indicates that the data distribution is not good, because it reflects a larger deviation.

### Normality Test

The normality test is used to determine whether the dependent variable (ROA) and the independent variables (Carbon Emissions, Green Accounting, and Good Corporate Governance) that is tested has a normal distribution or not.

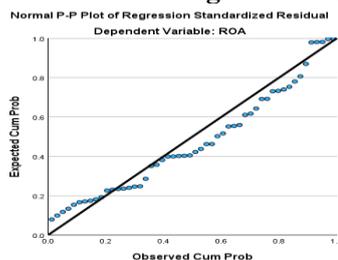
**Table 3. One Sample Kolmogorov-Smirnov**

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual	
N		52	
Normal Parameters <sup>a,b</sup>	Mean	.0000000	
	Std. Deviation	3.57229661	
Most Extreme Differences	Absolute	.116	
	Positive	.116	
	Negative	-.078	
Test Statistic		.116	
Asymp. Sig. (2-tailed) <sup>c</sup>		.077	
Monte Carlo Sig. (2-tailed) <sup>d</sup>	Say.	.074	
	99% Confidence Interval	Lower Bound	.068
		Upper Bound	.081

Sumber: Hasil olah data SPSS v.30, (2025)

Overall, the independent and dependent variable data are normally distributed with a significance value of  $0.077 > 0.05$ , this the regression model meets the assumption of normality. Therefore, the regression model is suitable for use in this study.

**Figure 1. Normal P-P Plot of Regression Standardized Residual**



Source: Results of SPSS v.30 data processing, (2025)

Curve Normal P-P Plot of Regression Standardized Residual. The data studied are normally distributed because the points spread along the diagonal line. From this curve, it can be said that the regression model meets the assumption of normality.

**Multicollinearity Test**

The Multicollinearity Test is a regression model testing tool that aims to test whether there is a perfect or definite linear relationship between independent variables in a regression model.

**Table 4. Multicollinearity Test Results**

Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	I	.908	1.101
	GA	.877	1.141
	GCG	.927	1.079

a. Dependent Variable: ROA

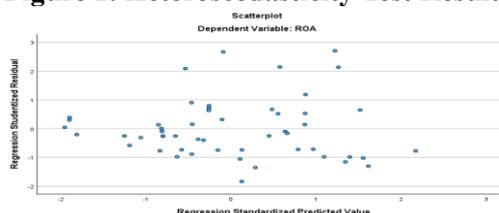
Source: Results of SPSS v.30 data processing, (2025)

It can be seen that the value tolerance for each variable is above 0.10 and the VIF value is below 10, then it can be concluded that the data in this study does not have a correlation between the independent variables, so it can be concluded that there is no multicollinearity or is free from multicollinearity.

**Heteroscedasticity Test**

The heteroscedasticity test is a regression model testing tool that aims to determine the difference in variance from the residuals of one observation to another.

**Figure 2. Heteroscedasticity Test Results**



Source: Results of SPSS v.30 data processing, (2025).

It can be seen that the points are spread randomly, do not form a clear pattern, and are spread both above and below zero on the Y axis. This shows that there are no symptoms of heteroscedasticity.

**Autocorrelation Test**

The autocorrelation test is a regression model testing tool that aims to test whether in linear regression there is a correlation between the nuisance errors (residuals) in period t and the errors in the previous period (t-1).

**Table 6. Autocorrelation Test Results**

Model Summary <sup>b</sup>						
Mode	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1						

1	.405 <sup>a</sup>	.164	.112	3.68224	1.047
a. Predictors: (Constant), GCG, EK, GA					
b. Dependent Variable: ROA					

Source: Results of SPSS v.30 data processing, (2025)

Based on Table 4.6, the D-W value is 1.047. This value is between  $-2 < dw < 2$ , which means there is no autocorrelation. Therefore, based on the autocorrelation test, it can be concluded that  $-2 < 1.047 < 2$  means there is no autocorrelation in the regression model, so the dependent variable is not correlated with itself.

### Multiple Linear Regression Analysis

This study uses multiple linear regression tests which aim to determine the influence of independent variables, namely Carbon Emissions, Green Accounting, Good Corporate Governance on the dependent variable, namely Return on Assets (ROA). Based on the results of the classical assumption test, multiple linear regression analysis can be conducted in this study. The results of the multiple linear regression analysis data processing can be seen in the following table:

**Table 7. Multiple Linear Regression Test Results**

Coefficients <sup>a</sup>		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	9.686	2.153	
	I	-1.432	1.571	-.126
	GA	.219	.188	.164
	GCG	-9.490	4.091	-.318

a. Dependent Variable: ROA

The results of the multiple linear regression analysis data processing can be seen in the following table:

$$ROA = 9,686 - 1,432 EK + 0,219 GA - 9,490 GCG + e$$

1. The constant value is positive, namely 9.686. The positive sign indicates that the dependent variable and the independent variable have the same influence. This means that if all the independent variables are Carbon Emissions, Green Accounting, and Good Corporate Governance has a value of 0 or is considered constant (fixed), then the ROA value is 9.686.
2. The coefficient value for the Carbon Emission variable ( $X_1$ ) has a negative value of -1.432. This means that if the EK variable experiences an increase of one unit, the carbon emission variable will increase. Return On Assets will experience a decrease of 1,432.
3. Coefficient values for variables Green Accounting ( $X_2$ ) has a positive value of 0.219. This means that if the GA variable experiences an increase of one unit, the variable Green Accounting for Return On Assets will experience an increase of 0.219.
4. Coefficient values for variables Good Corporate Governance ( $X_3$ ) has a negative value of -9.490. This means that if the GCG variable increases by one unit, the variable Good Corporate Governance (GCG) then Return On Assets will experience a decrease of 9,490.

### Hypothesis Testing

#### Partial Test (t-Test)

The t-test or partial test is a statistical test used to test how far an independent variable influences a dependent variable by comparing the calculated t-value with the t-table.

**Table 8. Partial Test Results (t-Test)**

Coefficients <sup>a</sup>		Unstandardized Coefficients		Standardized Coefficients	T	Say.
		B	Std. Error	Beta		
1	(Constant)	9.686	2.153		4.500	<,001
	I	-1.432	1.571	-.126	-.912	.366
	GA	.219	.188	.164	1.165	.250

GCG	-9.490	4.091	-3.18	-2.320	.025
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a. Dependent Variable: ROA

Source: Results of SPSS v.30 data processing, (2025)

So, the results of the partial test (t-test) are as follows:

1. Carbon Emissions have a significance value of 0.366, this shows that the significance value of Carbon Emissions is above 0.05, which means  $H_0$  accepted and  $H_1$  rejected, meaning that the results show that Carbon Emissions have no effect on Return On Assets company.
2. Green Accounting has a significance value of 0.250, this shows that the significance value Green Accounting is above 0.05 which means  $H_0$  accepted and  $H_2$  rejected, means showing the results that Green Accounting has no effect on Return On Assets company.
3. Good Corporate Governance has a significance value of 0.025, this shows that the GCG significance value is below 0.05, which means  $H_0$  rejected and  $H_3$  accepted, meaning that the results show that GCG has an effect on Return On Assets company.

### Simultaneous Test (F Test)

The F test or simultaneous test is a statistical test used to see the overall influence of the independent variable on the dependent variable.

**Table 9. Simultaneous Test Results (F Test)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	127.788	3	42.596	3.142	.034 <sup>b</sup>
	Residual	650.826	48	13.559		
	Total	778.615	51			

a. Dependent Variable: ROA

b. Predictors: (Constant), GCG, EK, GA

Source: Results of SPSS v.30 data processing, (2025)

This shows that the dependent variable and the independent variable have a simultaneous effect. This can be seen from the significance value of  $0.034 < 0.05$ , thus  $H_4$  accepted. This, it can be said that Carbon Emissions, Green Accounting, and Good Corporate Governance have a simultaneous effect on Return on Assets company.

### R Determination Coefficient Test (R<sup>2</sup>)

**Table 10. Results of the Determination Coefficient Test (R<sup>2</sup>)**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.405 <sup>a</sup>	.164	.112	3.68224

a. Predictors: (Constant), GCG, EK, GA

Source: Results of SPSS v.30 data processing, (2025).

From the results of the tests that have been carried out, the value obtained is Adjusted R Square of 0.112 or 11.2%. This shows that the independent variable, namely Carbon Emissions, Green Accounting, Good Corporate Governance can only be explained by the dependent variable proxied by financial performance of 11.2% while the remainder, namely 88.8%, is explained by other variables not used in this study, such as leverage, liquidity, managerial ownership, institutional ownership, firm value, corporate social responsibility (CSR), and others.

### The Impact of Carbon Emissions on Financial Performance (ROA)

Based on the results of the partial test (t-test), the calculated t value was -0.912 and the significance value was 0.366. These results indicate that the calculated t value is smaller than the t table ( $-0.912 < 1.677$ ) and the significance value is  $> 0.05$ , which means  $H_0$  accepted and  $H_1$  rejected. Therefore, carbon emissions does not have a significant impact on the company's financial performance (ROA).

The results of this study indicate that companies that disclose carbon emissions tend to do so to meet societal demands and comply with environmental regulations, without considering the direct impact on the company's financial performance. Legitimacy theory explains that disclosing carbon emissions is a way for companies to gain social legitimacy and demonstrate alignment with societal values and expectations. This can strengthen the company's reputation. However, its impact on the company's financial performance, as measured by ROA, tends to be insignificant in the short term.

This research is in line with research conducted by (Mazaya & Barokah, 2022) which indicates that carbon emissions have no impact on the company's financial performance and (Sunarko, 2019) which states that carbon emission disclosure has no impact on financial performance as measured by Return on Asset. However, this study is not in line with the research conducted by (Salsa Khairunisa and Hotman Tohir Pohan, 2022) which stated that Carbon Emission Disclosure influence on Financial Performance.

### **Influence Green Accounting On Financial Performance (ROA)**

Based on the results of the partial test (t-test), the calculated t value was 1.165 and the significance value was 0.250. These results indicate that the calculated t value is smaller than the t table ( $1.165 < 1.677$ ) and the significance value is  $> 0.05$ , which means  $H_0$  accepted and  $H_2$  rejected. So, green accounting does not have a significant impact on the company's financial performance (ROA). The results of this study indicate that companies that disclose their environmental costs do not always provide confidence to investors and the public in assessing the company as a whole. This results in no significant impact on company profits. Environmental conservation activities are included in social responsibility reports and CSR expenses. Therefore, the inclusion of environmental costs in the income statement does not impact a company's financial performance.

Based on the stakeholder theory, companies have a responsibility to meet the expectations of various stakeholders, including investors, governments, and the wider community. Green Accounting It is often used to demonstrate a company's commitment to sustainability and social responsibility. However, its impact on financial performance is not immediately visible, as the benefits perceived by stakeholders (such as a positive reputation or customer loyalty) take time to materialize and impact financial outcomes such as ROA. The results of this study are in line with research conducted by (Angelina and Nursasi, 2021) which shows that green accounting does not affect company performance based on ROA. (Tunggal and Fachrurrozie, 2014) explain that environmental management is recorded as an environmental cost in reports that can reduce profits, while some companies record it as an administrative expense. Environmental costs, which are voluntary, are considered an investment to gain social legitimacy and a positive image in the future. Meanwhile, this study is inconsistent with research conducted by (Kamila Ramadhani, Muhamad Sena Saputra, and Lidia Wahyun, 2022), which states that Green Accounting influence on Financial Performance.

### **Influence Good Corporate Governance On Financial Performance (ROA)**

Based on the results of the partial test (t-test), the calculated t value was -2.320 and the significance value was 0.250. These results indicate that the calculated t value is smaller than the t table ( $-2.320 < 1.667$ ) and the significance value is  $< 0.05$ , which means  $H_0$  rejected and  $H_3$  accepted. Then, Good Corporate Governance has a significant influence on the company's financial performance (ROA). The results of this study indicate that companies with multiple boards of commissioners will have tighter oversight of management and the board of directors, ensuring they consistently follow the wishes of shareholders. The larger the number of boards of commissioners, the greater the input provided to the board, thus increasing the board's options. Therefore, increasing the number of boards of commissioners will improve company performance.

Based on the legitimacy theory, adding independent commissioners is a strategic step to demonstrate a company's commitment to good governance. By prioritizing transparency and accountability, a company can gain legitimacy from the public and stakeholders. This not only helps increase trust but also contributes to the sustainability of the company's operations and performance. The results of this study align with research conducted by Savira and Hariyati (2021), which found that independent commissioners influence a company's financial performance. The more independent commissioners there are, the better the level of management oversight. This can reduce the risk of managers acting for personal gain and help improve the company's financial performance.

## **The Impact of Carbon Emissions, Green Accounting And Good Corporate Governance On Financial Performance (ROA)**

Based on the results of the f-test carried out, it shows that there is a simultaneous influence between carbon emissions, green accounting, and good corporate governance on the company's financial performance (ROA). This is indicated by a significance result of 0.034 and this significance value is smaller than 0.05, meaning ( $0.034 < 0.05$ ). The f-test results obtained a calculated f of 3.142 and a table f of 2.80, meaning ( $3.142 > 2.80$ ). Therefore, the results of this study prove that the carbon emission variable, green accounting, and good corporate governance simultaneously influence the company's financial performance (ROA). The magnitude of the influence is 11.2%, with the remaining 88.8% being influenced by other variables not analyzed in this study.

## **CONCLUSION AND SUGGESTION**

### **Conclusion**

Based on the results of the discussion in this study regarding the Influence of Carbon Emission Disclosure, Green Accounting, and Good Corporate Governance on the Financial Performance of Companies Listed in the SRI Kehati Index for the 2020-2023 Period, it can be concluded that carbon emission disclosure and green accounting does not affect financial performance as measured by Return on Assets (ROA), which means that environmental aspects have not become a major factor in determining company profitability. Meanwhile, good corporate governance has an effect on ROA, indicating that the implementation of good corporate governance can improve operational efficiency, financial transparency, and investor confidence. Simultaneously, disclosure of carbon emissions, green accounting, and GCG has an impact on financial performance, which means that the integration of environmental aspects with good governance can create a more sustainable management system and contribute to increasing company profitability.

### **Suggestion**

1. For companies  
Based on the research results, companies listed on the SRI Kehati index are expected to continue to develop carbon emission disclosure practices and green accounting, as well as taking care of the application Good Corporate Governance (GCG). This way, companies can improve management effectiveness and strengthen investor confidence, potentially boosting financial performance.
2. For further researchers  
It is hoped that future researchers will be able to add years of research so that more precise and accurate research results are available. annual report and sustainability report. In addition, it is recommended that further researchers measure the dependent variable through financial performance using other indicators such as ROE (Return On Equity), NPM (Net Profit Margin), and EPS (Earning Per Share) and using other measurements for the independent variables other than those used in this study.

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