



THE EFFECT OF ENVIRONMENTAL ACCOUNTING DISCLOSURE AND ENVIRONMENTAL PERFORMANCE ON FINANCIAL PERFORMANCE OF BANKING COMPANIES

PENGUNGKAPAN AKUNTANSI LINGKUNGAN DAN KINERJA LINGKUNGAN TERHADAP KINERJA KEUANGAN PERBANKAN

Friska R. Mile^{1*}, Mahdalena², Ronald S. Badu³

^{1*}Gorontalo State University, Email: ikhamile814@gmail.com

²Gorontalo State University, Email: Mahdalena@gmail.com

³Gorontalo State University, Email: ronaldoemitro@ung.ac.id

*email koresponden: ikhamile814@gmail.com

DOI: <https://doi.org/10.62567/micjo.v3i1.1850>

Abstract

This study aims to examine the effect of environmental accounting disclosure and environmental performance on the financial performance of banking companies listed on the Indonesia Stock Exchange during the period 2019–2023. This research employs a quantitative approach using secondary data obtained from annual reports and sustainability reports. The sample consists of eight banking companies selected through purposive sampling. Financial performance is measured using Return on Assets (ROA), environmental performance is measured using the Sustainable Banking Assessment (SUSBA) index, and environmental accounting disclosure is measured using the Environmental Disclosure Index (EDI). The data are analyzed using multiple linear regression analysis after passing classical assumption tests. The results indicate that environmental accounting disclosure has a positive and significant effect on financial performance. In addition, environmental performance also has a positive and significant effect on financial performance. These findings suggest that transparent environmental disclosure and the implementation of sustainable banking practices contribute to improved financial performance. Therefore, banking companies are encouraged to enhance environmental accounting disclosure and strengthen environmental performance as part of their sustainability strategy.

Keywords : Environmental Accounting Disclosure, Environmental Performance, Financial Performance, Banking Sector.

Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh pengungkapan akuntansi lingkungan dan kinerja lingkungan terhadap kinerja keuangan perusahaan perbankan yang terdaftar di Bursa Efek Indonesia periode 2019–2023. Penelitian ini menggunakan pendekatan kuantitatif dengan data sekunder yang diperoleh dari laporan tahunan dan laporan keberlanjutan. Sampel penelitian terdiri dari delapan perusahaan perbankan yang dipilih menggunakan metode purposive sampling. Kinerja keuangan diukur menggunakan Return on Assets (ROA), kinerja lingkungan diukur menggunakan indeks Sustainable Banking Assessment (SUSBA), dan pengungkapan akuntansi lingkungan diukur menggunakan Environmental Disclosure Index (EDI). Teknik analisis data yang digunakan adalah regresi linear



berganda setelah melalui uji asumsi klasik. Hasil penelitian menunjukkan bahwa pengungkapan akuntansi lingkungan berpengaruh positif dan signifikan terhadap kinerja keuangan. Selain itu, kinerja lingkungan juga berpengaruh positif dan signifikan terhadap kinerja keuangan. Temuan ini menunjukkan bahwa transparansi pengungkapan lingkungan dan penerapan praktik perbankan berkelanjutan mampu meningkatkan kinerja keuangan perusahaan perbankan.

Kata Kunci : Pengungkapan Akuntansi Lingkungan, Kinerja Lingkungan, Kinerja Keuangan, Perbankan.

1. INTRODUCTION

In recent years, the concept of sustainability has become an important concern for business entities, including the banking sector (Firman et al., 2022). Companies are no longer assessed solely based on their ability to generate profits, but also on how they manage social and environmental responsibilities. This shift is driven by increasing public awareness, regulatory pressure, and stakeholder demands for transparency and accountability in corporate activities. In Indonesia, although environmental accounting has not been explicitly regulated in national accounting standards, companies are encouraged to disclose environmental and social information through sustainability reporting and corporate social responsibility (CSR) practices.

Environmental accounting plays an important role in identifying, measuring, and disclosing environmental-related costs and activities resulting from corporate operations. Proper environmental accounting disclosure reflects a company's commitment to environmental responsibility and sustainability, which can enhance corporate reputation and stakeholder trust. For banking companies, although their operations do not directly generate environmental pollution, their financing activities indirectly influence environmental impacts through lending and investment decisions.

Financial performance is a key indicator used by stakeholders to evaluate a company's efficiency and effectiveness in managing its resources. In the banking sector, financial performance is commonly measured using profitability ratios such as Return on Assets (ROA). A strong financial performance indicates good management quality and enhances investor confidence. However, financial performance may also be influenced by non-financial factors, including environmental accounting disclosure and environmental performance.

Environmental performance represents a company's efforts to manage environmental impacts and implement sustainable practices. In banking companies, environmental performance can be reflected through green financing initiatives, sustainable banking policies, energy efficiency programs, and environmental risk management. Good environmental performance may improve a company's legitimacy and public image, which in turn can positively affect financial performance.

This study aims to examine the effect of environmental accounting disclosure and environmental performance on the financial performance of banking companies listed on the Indonesia Stock Exchange during the period 2019–2023. This research is expected to



contribute to the literature on environmental accounting and provide insights for banking companies in implementing sustainable business practices.

2. RESEARCH METHOD

This study employs a quantitative research approach using secondary data. The population consists of all banking companies listed on the Indonesia Stock Exchange (IDX) during the period 2019–2023 (Amelia et al., 2023). The sampling technique used is purposive sampling with the following criteria: banking companies listed on the IDX, availability of complete annual and sustainability reports, and publication of financial data during the research period.

The final sample includes eight banking companies that meet the criteria. The data were obtained from annual reports, sustainability reports, and financial statements published on the official IDX website and company websites.

a. Variables Measurement

Financial performance is measured using Return on Assets (ROA), which reflects a bank's ability to generate profit from its total assets. Environmental performance is measured using the Sustainable Banking Assessment (SUSBA) index developed by WWF Singapore, which evaluates environmental integration in banking operations. Environmental accounting disclosure is measured using an Environmental Disclosure Index (EDI), calculated based on the number of environmental disclosure items reported by the company.

b. Data Analysis Technique

The data analysis method used in this study is multiple linear regression analysis. Prior to regression analysis, classical assumption tests were conducted, including normality, multicollinearity, autocorrelation, and heteroscedasticity tests. Hypothesis testing was conducted using t-tests and F-tests with a significance level of 5%.

3. RESULT AND DISCUSSION

The descriptive statistical analysis shows that the average ROA of the sampled banking companies fluctuated during the period 2019–2023. Some banks demonstrated consistent profitability, while others experienced financial instability. Environmental performance scores based on the SUSBA index generally showed an increasing trend, indicating improved sustainability practices in the banking sector.

The regression analysis results indicate that environmental accounting disclosure has a positive and significant effect on financial performance. This finding supports legitimacy theory, suggesting that transparent environmental disclosure enhances stakeholder trust and corporate reputation, leading to improved financial outcomes.

Furthermore, environmental performance also shows a significant positive effect on financial performance. Banks with higher environmental performance scores tend to achieve better profitability. This result indicates that sustainable banking practices contribute to long-term financial benefits and strengthen corporate competitiveness.



Overall, the findings confirm that both environmental accounting disclosure and environmental performance play important roles in influencing the financial performance of banking companies.

4. CONCLUSION

This study concludes that environmental accounting disclosure and environmental performance significantly affect the financial performance of banking companies listed on the Indonesia Stock Exchange during the period 2019–2023. Banks that disclose environmental information transparently and implement sustainable banking practices tend to achieve better financial performance.

These findings imply that banking companies should strengthen environmental accounting disclosure and improve environmental performance as part of their sustainability strategies. For future research, it is recommended to expand the research period, include additional variables, or apply alternative measurement methods to provide more comprehensive insights.

5. REFERENCES

- Amelia, D., Setiaji, B., Primadewi, K., Habibah, U., Lounggina, T., Peny, L., Rajagukguk, K. P., Nugraha, D., Safitri, W., Wahab, A., Larisu, Z., Setiaji, B., & Dharta, F. Y. (2023). *Metode Penelitian Kuantitatif*. Yayasan Penerbit Muhammad Zaini.
- Arikunto, S. (2006). *Research Procedure: A Practical Approach*. Jakarta: Rineka Cipta.
- Budianto. (2024). *Corporate Social Responsibility and Financial Performance of Banking Companies*.
- Febriansyah, E., & Fahreza, R. (2020). *Environmental Accounting Disclosure and Financial Performance*.
- Firman, M., Ginanjar, H., & Nugraha, D. (2022). Pengaruh Disiplin Terhadap Kinerja Karyawan Pada PT Glenindo Citra Abadi Di Jakarta. *Jurnal Ekonomi Efektif*, 4(2), 161. <https://doi.org/10.32493/jee.v4i2.17114>
- Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *Academy of Management Review*, 20(3), 571–610.
- WWF Singapore. (2020). *Sustainable Banking Assessment (SUSBA) Framework*.