JAFM: Journal of Accounting and Finance Management
E-ISSN: 2721-3013
P-ISSN: 2721-3005
https://dinastires.org/JAFM dinasti.info@gmail.com +62 811 7404 455
DOI: https://doi.org/10.38035/jafm.v6i5

From Sustainability to Profit: The Role of Green Accounting and ESG in the Banking Sector

Mohamad Djasuli[1], Anita Nuris Lestari[2], Fatimatus Zahra Ayu[3], R. Choirur Rizki[4], Syamsuddin Syamsuddin[5]
[1]Universitas Trunojoyo Madura, Bangkalan, Indonesia, djasuli@trunojoyo.ac.id
[2]Universitas Trunojoyo Madura, Bangkalan, Indonesia, 230221100033@student.trunojoyo.ac.id
[3]Universitas Trunojoyo Madura, Bangkalan, Indonesia, 230221100024@student.trunojoyo.ac.id
[4]Universitas Trunojoyo Madura, Bangkalan, Indonesia, 230221100012@student.trunojoyo.ac.id
[5]Universitas Trunojoyo Madura, Bangkalan, Indonesia, 230221100004@student.trunojoyo.ac.id

Corresponding Author: djasuli@trunojoyo.ac.id[1]

Abstract: This study examines the effects of Green Accounting and Environmental, Social, and Governance (ESG) disclosure on financial performance and firm value in Indonesian banks from 2022 to 2024. Sustainability has gained attention due to regulatory requirements and stakeholder expectations, but its financial impact in banking is not well understood. Using a quantitative panel data approach, secondary data from annual reports, sustainability reports, financial statements, and market sources were analyzed. Classical assumption tests ensured model validity, and the Common Effect Model with robust clustered standard errors addressed heteroskedasticity and autocorrelation. Results reveal that Green Accounting has a positive but insignificant effect on Return on Assets, while ESG disclosure has a positive and significant effect on financial performance when examined jointly with Green Accounting. Neither Green Accounting nor ESG disclosure significantly affects market valuation measured by Tobin's Q. The findings suggest that sustainability practices improve internal financial outcomes but have limited impact on investor perceptions. Banks are encouraged to enhance ESG measurement and disclosure quality, integrate ESG into KPIs and management incentives, and adopt standardized reporting with external assurance mechanisms.

Keywords: Banking, ESG Disclosure, Financial Performance, Green Accounting, Sustainability

INTRODUCTION

Sustainability has become a central concern in international business practices over the past two decades due to its implications for long-term economic, social, and environmental stability. Climate change, global regulatory pressures such as the Paris Agreement, and increasing stakeholder demands require companies to expand corporate objectives beyond mere profit maximization by internalizing the dimensions of people and planet (Freeman, 1984; Suchman, 1995). In this context, Environmental, Social, and Governance (ESG) indicators have emerged as a vital tool for investors to evaluate the long-term risks and prospects of firms. ESG disclosure allows companies to communicate their commitment to sustainability,

transparency, and social responsibility, which may influence investor perceptions, financial performance, and corporate value (Ahmad et al., 2023; Chytis, 2024; Krueger, 2024).

The banking sector plays a strategic role in supporting the green economic transition due to its ability to channel financing toward productive and environmentally conscious sectors. In Indonesia, regulations such as OJK Regulation No. 51/POJK.03/2017 mandate financial institutions to integrate sustainability aspects into business plans and reporting. However, the implementation of green financing and green accounting practices still faces operational and reporting challenges. The gap between formal regulations and actual practice raises questions about the effectiveness of sustainability integration on banks' financial outcomes (Kartiko & Indradewi, 2024; Puspitasari & Firmansyah, 2025; Silalahi et al., 2023).

A notable problem is the lack of uniformity in ESG disclosure quality and incomplete integration of green accounting in banking accounting systems. While some institutions provide structured and comprehensive ESG reports, many merely fulfill formal obligations without linking them to financial performance measurement. This inconsistency is exacerbated by limited empirical evidence regarding the direct correlation between green accounting practices, ESG disclosure, and firm value, particularly within the domestic banking industry (Birindelli et al., 2025; Gupta & Kashiramka, 2025). Previous studies have predominantly focused on heavy industries such as manufacturing and mining, where environmental impacts are highly visible, while financial sector research remains limited and often emphasizes reputational effects or market reactions.

This study is grounded in Stakeholder Theory, Legitimacy Theory, and Signaling Theory. Stakeholder Theory posits that firms are accountable not only to shareholders but also to a broader set of stakeholders including employees, regulators, communities, and the environment (Freeman, 1984). In this framework, green accounting and ESG disclosure are essential for meeting stakeholder expectations and strengthening corporate legitimacy. Legitimacy Theory emphasizes that social approval acts as a "license to operate," prompting firms to demonstrate sustainability initiatives through financial and sustainability reporting (Suchman, 1995). Signaling Theory suggests that companies communicate positive signals through disclosures, where ESG and green accounting practices indicate managerial quality and commitment to sustainability, potentially affecting investment decisions and firm valuation.

Green accounting, also known as environmental accounting, is an approach that emphasizes the recognition, measurement, and disclosure of costs and benefits associated with environmental activities (Hörisch et al., 2020; Sundarasen, 2024). It enables firms to account for environmental costs, including waste management, energy savings, and investments in environmentally friendly technologies. Green accounting has been shown to enhance operational efficiency, mitigate environmental risks, and strengthen public image. In the banking context, green accounting relates to environmentally oriented financing policies and sustainability strategies aligned with the Sustainable Development Goals (SDGs) (Schaltegger & Csutora, 2012).

ESG disclosure is a critical element of sustainability reporting, encompassing environmental performance, social responsibility, and governance practices. Globally, the Global Reporting Initiative (GRI) standards guide ESG reporting, while in Indonesia, OJK Regulation No. 51/POJK.03/2017 governs sustainability reporting for financial institutions. Empirical evidence suggests that ESG disclosure enhances transparency and accountability, positively influencing investor perception. Nevertheless, findings regarding ESG's impact on financial performance and firm value remain inconsistent, highlighting the need for deeper investigation within Indonesia's banking sector (Adams, 2021; Le et al., 2022).

Financial performance is a key metric used to evaluate a company's success in achieving business objectives, reflecting efficiency and effectiveness in asset management to generate profits (Hery, 2021). Common measures include Return on Assets (ROA), which assesses the

firm's ability to generate net income from total assets, and Return on Equity (ROE), indicating how effectively equity investments generate net profits. Firm value represents the market's perception of a company's business success and future potential (Brigham & Houston, 2019). Metrics such as Tobin's Q, the ratio of market value to book value of assets, and Price-to-Book Value (PBV), comparing market price to book equity, are commonly used to assess firm value. High Tobin's Q or PBV indicates positive market assessment of growth prospects, while low values may signal underperformance.

Prior research has established that green accounting integrates environmental information into corporate decision-making and reporting, enabling ecological impacts to be measured and monetized (Hörisch et al., 2020; Sundarasen, 2024). Techniques such as carbon accounting, material flow cost accounting, and environmental liability assessment provide signals of the actual costs of environmental damage (Schaltegger & Csutora, 2012). ESG disclosure offers systematic reporting of environmental, social, and governance performance, reducing information asymmetry and potentially influencing capital costs and investment decisions (Ahmad et al., 2023; Krueger, 2024). Integration of green accounting and ESG disclosure can create synergistic information benefits, enhancing the credibility of sustainability signals to the market and stakeholders (Le et al., 2022). However, these benefits manifest only when disclosures are substantive rather than superficial, as greenwashing can negate market premiums (Adams, 2021).

Empirical studies suggest that comprehensive environmental disclosure improves bank valuation because investors reward transparency and long-term risk management (Birindelli et al., 2025). Nonetheless, implementation of green accounting and sustainability reporting may incur initial costs, potentially reducing short-term accounting profitability, as observed in temporary declines in ROA and ROE following adoption (Gupta & Kashiramka, 2025). In Indonesia, compliance and depth of reporting vary widely across banks despite regulatory mandates, creating opportunities for greenwashing and reducing disclosure credibility (Kartiko & Indradewi, 2024). This emphasizes the need to include credibility indicators such as external assurance and to account for moderating variables like bank size and ownership structure when examining the causal relationship between green accounting, ESG disclosure, and financial outcomes.

The conceptual framework of this study posits that green accounting and ESG disclosure are two critical elements driving sustainable business practices, yielding environmental and societal benefits while affecting financial performance. Green accounting is expected to enhance financial efficiency, reduce operational risks, and provide positive signals for ROA, ROE, Tobin's Q, and PBV. Simultaneously, ESG disclosure serves as a transparency mechanism, enhancing legitimacy and corporate reputation, with anticipated positive effects on both financial performance and firm value. Based on theoretical foundations, prior research, and logical arguments, the conceptual framework of this study illustrates that: 1) Green Accounting influences Financial Performance; 2) Green Accounting influences Firm Value; 3) ESG Disclosure influences Financial Performance; 4) ESG Disclosure influences Firm Value.

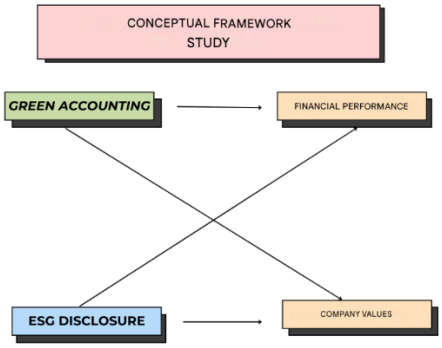

Figure 1. Conceptual Framework of the Study

METHOD

This study applies a quantitative causal-comparative design to examine the influence of Green Accounting and ESG Disclosure on financial performance and firm value. Descriptive quantitative analysis complements the model by describing data characteristics such as mean, minimum, maximum, and standard deviation, ensuring a comprehensive overview of variable distribution.

The research sample consists of publicly listed banks in Indonesia during 2022–2024, selected through purposive sampling. Eligible banks were required to publish complete annual and/or sustainability reports and provide accessible financial and stock market data. Secondary quantitative data were obtained from annual and sustainability reports, consolidated financial statements, the Indonesia Stock Exchange (IDX) website, Investing.com, and official company sources.

Green Accounting (X1) represents environmental accounting practices disclosed in sustainability reports, scored through a checklist of environmental initiatives and compiled into a GA_Score index (0–100). ESG Disclosure (X2) measures the comprehensiveness of sustainability reporting according to GRI and OJK Regulation No. 51/POJK.03/2017. Financial Performance (Y1) is proxied by ROA and ROE, while Firm Value (Y2) is measured by Tobin's Q and PBV. Control variables include firm size (SIZE), leverage (LEV), and growth (GROWTH).

Data were analyzed using Stata software. Descriptive statistics, classical assumption tests (multicollinearity, heteroskedasticity, and autocorrelation), and panel data regression analyses were conducted. The Fixed Effect and Random Effect models were compared using the Hausman test to identify the most appropriate model specification. The regression models evaluate the simultaneous influence of Green Accounting and ESG Disclosure on ROA and Tobin's Q, providing empirical evidence of the financial implications of sustainability practices in the Indonesian banking sector.

RESULTS AND DISCUSSION

Results

1. Descriptive Statistics

Table 1 presents the descriptive statistics of the research variables for the period 2022–2024. Green Accounting practices show a positive trend, increasing from a mean of 1.00 in 2022 to 1.91 in 2024, indicating a gradual adoption of environmentally friendly accounting in Indonesian banks. ESG Disclosure experienced a significant rise in 2023 (mean = 2.54) but declined in 2024 (mean = 0.77), reflecting inconsistencies in ESG practices across banks.

Financial performance proxied by ROA remained relatively low throughout the period, with some banks experiencing losses, averaging from 0.026 in 2022 to 0.0137 in 2024. Firm value measured by Tobin's Q and PBV showed considerable fluctuation with wide variations, suggesting substantial differences in market perception among banks. Overall, the descriptive statistics indicate that while sustainability practices tend to increase, their impact on profitability and firm value remains inconsistent.

Table 1. Descriptive Statistics of Research Variables (2022–2024)

Variable	Year	Mean	Std. Dev.	Min	Max
GREENACC	2022	1.00	1.16	0	4
ESG	2022	0.61	0.30	0	1
ROA	2022	0.026	0.082	-0.0627	0.54
ROE	2022	0.047	0.165	-0.8258	0.2421
TOBINSQ	2022	23.69	155.00	0.00016	1063.69
PBV	2022	83.91	564.62	0.00013	3872.36
GREENACC	2023	1.38	1.61	0	6

ESG	2023	2.54	12.54	0	86.67
ROA	2023	0.0149	0.021	-0.0771	0.0634
ROE	2023	0.055	0.124	-0.6138	0.2731
TOBINSQ	2023	22.11	144.89	0.0001	994.25
PBV	2023	70.59	474.29	0.00011	3252.95
GREENACC	2024	1.91	1.83	0	6
ESG	2024	0.77	0.24	0.0667	1
ROA	2024	0.0137	0.0198	-0.0755	0.0633
ROE	2024	0.0335	0.243	-1.546	0.246
TOBINSQ	2024	20.99	137.98	0.0094	946.84
PBV	2024	66.91	449.44	0.000015	3082.56

2. Classical Assumption Test and Model Selection

The classical assumption tests and model selection were conducted to ensure that the panel regression model meets the BLUE (Best Linear Unbiased Estimator) criteria and to select the most appropriate model according to the data characteristics. Based on the results presented in Table 2, the model does not suffer from multicollinearity, as indicated by a Mean VIF of 1.07 (<10). However, the Modified Wald Test shows heteroskedasticity (Prob = 0.0000), and the Wooldridge Test indicates autocorrelation (Prob = 0.0023). Therefore, the regression analysis was conducted using the robust clustered standard error method to ensure valid estimation results.

Table 2. Classical Assumption Tests

Test Type	Test Statistic	Probability/Value
Multicollinearity (VIF)	Mean VIF = 1.07	-
Heteroskedasticity (Modified Wald Test)	χ^2 (47) = 11,665,329.85	0.0000
Autocorrelation (Wooldridge Test)	F (1,92) = 9.85	0.0023

Table 3 presents the panel regression model selection results. The Chow test shows Prob > F = 0.0633 (>0.05), indicating that the Common Effect Model (CEM) is more appropriate than the Fixed Effect Model. The Hausman test (Prob = 0.8770) also shows no significant difference between the Fixed Effect and Random Effect models. Furthermore, the Lagrange Multiplier Test (Prob = 0.0594) supports the use of the Common Effect Model over the Random Effect Model.

Considering these three tests, the best model for this study is the Common Effect Model (CEM). This model was then used as the basis for the panel regression analysis to examine the influence of Green Accounting and ESG Disclosure on financial performance (ROA) in the banking sector.

Table 3. Panel Regression Model Selection

Test Type	Test Statistic	Probability/Value	Selected Model
Chow (F Test)	F(46,92) = 1.46	0.0633	Common Effect
Hausman	χ^2 (2) = 0.26	0.8770	Random Effect
Lagrange Multiplier (LM)	Chi-bar^2(01) = 2.43	0.0594	Common Effect

Discussion

1. Regression Results

Table 4 summarizes the panel regression results.

Table 4. Panel Regression Results

Model	Variable	Coefficient	Std. Error	t-Statistic	p-Value	R^2	Note
Model 1 GA : ROA	GreenAcc X1	0.0011327	0.0026677	0.42	0.672	0.0013	Not Significant

Model 2 ESG:Tobin's Q	ESGX2	0.0002006	0.0006076	0.33	0.742	0.0021	Not Significant
Model 3 GA+ESG:ROA	GreenAcc X1	0.0009018	0.0013386	0.67	0.502	0.0021	Not Significant
	ESGX2	0.0002006	0.0000675	2.97	0.003		Significant Positive
Model 4 GA+ESG:Tobin's Q	GreenAcc X1	–0.0141854	0.1281866	–0.11	0.912	0.0007	Not Significant
	ESGX2	–0.0075816	0.0072997	–1.04	0.301		Not Significant

a. Model 1: Green Accounting → ROA

Green Accounting (GreenAccX1) shows a positive but insignificant effect on ROA ($p = 0.672$). The low R^2 (0.0013) indicates that only 0.13% of variations in financial performance are explained by Green Accounting. This suggests that green accounting practices in Indonesian banks are primarily administrative, with minimal impact on profitability.

b. Model 2: ESG Disclosure → Tobin's Q

ESG Disclosure (ESGX2) also shows no significant effect on firm value ($p = 0.742$, $R^2 = 0.0021$). Market valuation does not yet fully reflect ESG practices, as investors focus on traditional financial indicators.

c. Model 3: Green Accounting + ESG → ROA

Simultaneous analysis shows Green Accounting remains insignificant ($p = 0.502$), while ESG Disclosure has a significant positive effect on ROA ($p = 0.003$). Increased ESG transparency improves stakeholder trust and corporate reputation, positively influencing financial performance.

d. Model 4: Green Accounting + ESG → Tobin's Q

Both Green Accounting and ESG Disclosure remain insignificant regarding firm value ($p = 0.912$ and 0.301). R^2 is very low (0.0007), highlighting that external market factors, rather than internal sustainability practices, largely determine firm value.

Overall, the results of the four models indicate that green accounting practices have not yet shown a significant impact on either financial performance or firm value. Conversely, ESG disclosure begins to show a positive influence on financial performance (Model 3), although it has not yet affected firm value (Model 4).

These findings align with Stakeholder Theory and Legitimacy Theory, which suggest that companies that are transparent in their sustainability activities will gain social support and a positive reputation, ultimately strengthening long-term performance. However, the implementation of ESG and green accounting in Indonesia is still at an early stage, so their impact on financial and market outcomes is not yet optimal.

The more transparent ESG disclosures observed in this study have practical implications for operational performance in banks, even though the effect size is relatively small. The findings suggest that improving the measurement and presentation quality of sustainability information—including indicator clarification, integrating ESG metrics into operational KPIs, and linking disclosure results to management incentive mechanisms—can enhance asset efficiency and improve short- to medium-term performance. Nevertheless, given the low explanatory power of the empirical model (small R^2) and technical issues such as outliers and autocorrelation, these implications should be interpreted cautiously: the real benefits of sustainability practices are likely cumulative or may emerge after improvements in measurement, verification, and longer observation periods.

At the market and policy level, the lack of significant impact of GA/ESG on Tobin's Q implies that sustainability information has not yet been consistently translated into valuation premiums by investors during the sample period. This emphasizes the need for standardized reporting and external assurance mechanisms to enhance data credibility and comparability so that sustainability signals can be distinguished from market noise. For policymakers, these findings support regulatory initiatives to promote standardized disclosure formats and independent verification; for researchers, the results highlight the importance of study designs that address lag effects, data transformation to handle outliers, and incorporating moderating variables such as assurance and governance quality to reveal clearer causal relationships between sustainability practices and firm value.

Table 5. Hypothesis Testing

Model	Hypothesis	Coefficient	p-Value	Result
1	H_1: Green Accounting → ROA	0.0011327	0.672	Rejected
2	H_2: ESG Disclosure → Tobin's Q	0.0002006	0.742	Rejected
3	H_3: Green Accounting + ESG → ROA	0.0011 / 0.0002	0.502 / 0.003	H_{3a} rejected, H_{3b} accepted
4	H_4: Green Accounting + ESG → Tobin's Q	-0.0141854 / 0.0002	0.912 / 0.301	Rejected

2. Interpretation and Implications

The study findings indicate that Green Accounting (GA) has a positive but insignificant effect on Return on Assets (ROA). The coefficient value of 0.0011327 with $p = 0.672$ (>0.05) suggests that the implementation of green accounting has not yet contributed meaningfully to improving bank profitability in Indonesia. This may be due to GA practices still being primarily oriented toward regulatory compliance rather than as a strategic instrument for cost efficiency or financial innovation (Djasuli & Maulidia, 2025). Environmental reporting activities, such as emission audits and energy efficiency measures, are still considered additional burdens that do not generate direct economic value. These findings are consistent with prior studies (Zulkifli & Haron, 2023) that found green accounting did not significantly affect profitability in the financial sector, but differ from studies (Nguyen & Tran, 2022; Yusoff & Darus, 2019) showing positive effects in the manufacturing industry. This difference indicates that the impact of green accounting tends to be more pronounced in sectors with direct environmental activities.

Meanwhile, Environmental, Social, and Governance (ESG) disclosure also does not significantly affect firm value as measured by Tobin's Q ($p = 0.742$). This indicates that the Indonesian capital market has not fully considered ESG disclosure as a major factor in determining stock valuation (Herwanda et al., 2025). Investors still tend to focus on traditional financial indicators such as profit, dividends, and asset growth. This aligns with research (Alsaifi et al., 2020; Pham & Doan, 2022) showing that ESG is not a key determinant of firm value in developing countries, but contradicts studies (Broadstock et al., 2021; Fatemi et al., 2018) finding a positive relationship between ESG and market value in developed countries. These differences suggest that the effectiveness of ESG disclosure depends heavily on capital market maturity and investor awareness of sustainability issues.

In simultaneous testing, Green Accounting remains insignificant on ROA ($p = 0.502$), while ESG disclosure shows a positive and significant effect on ROA ($p = 0.003$). This implies that increased transparency and ESG reporting positively affect bank profitability. Sustainability information disclosure enhances public trust, corporate reputation, and customer loyalty, which ultimately strengthens financial performance. These findings reinforce Stakeholder Theory and Legitimacy Theory, emphasizing the importance of trust relationships between firms and stakeholders. The results are also consistent with studies (Friede et al., 2015; Kotsantonis et al., 2016) showing that ESG reporting improves operational efficiency and corporate reputation.

However, regression results on Tobin's Q show that neither Green Accounting nor ESG disclosure significantly affect firm value (p = 0.912 and 0.301). This indicates that the capital market has not yet fully responded to sustainability information as a signal of long-term economic value. The limited ESG reporting standards in Indonesia result in high interbank variability, making it difficult for investors to assess the consistency and quality of disclosures. These findings support studies (Effendi et al., 2022; Hermawan & Gunardi, 2019) indicating that sustainability reporting in Indonesia remains compliance-based rather than a business strategy that creates added value.

Overall, this research demonstrates that sustainability begins to positively impact internal financial performance, but has not yet influenced market perception. This can be explained through Signaling Theory, where positive signals from ESG reporting have not been effectively translated by investors due to weak assurance mechanisms and non-standardized reporting. Thus, the results strengthen empirical evidence that sustainability contributes to long-term efficiency and reputation but still requires improvements in reporting systems to be recognized by the capital market.

These findings also provide implications for the financial sector and regulators. For banks, a more integrated sustainability strategy with core business activities is needed so that the implementation of Green Accounting and ESG disclosure is not merely administrative. For regulators, such as the Financial Services Authority (OJK), these findings provide a crucial basis for strengthening sustainable finance policies through standardized reporting, enhanced supervision quality, and provision of independent assurance mechanisms. Consequently, sustainability not only serves as a legitimacy tool but also as a source of competitive advantage and long-term economic value for the Indonesian banking sector.

CONCLUSION

The study concludes that the implementation of Green Accounting does not have a significant effect on financial performance (ROA) or market valuation (Tobin's Q), while ESG disclosure shows a positive and significant association with ROA when tested jointly with Green Accounting. However, neither Green Accounting nor ESG disclosure exerts a significant impact on Tobin's Q. Descriptive findings indicate an upward trend in Green Accounting practices alongside variability in ESG disclosure, with relatively weak profitability and firm valuation, compounded by econometric issues such as heteroskedasticity, autocorrelation, and outliers, which necessitate cautious interpretation.

From a practical perspective, banks are encouraged to enhance the quality and consistency of ESG measurement and disclosure by integrating ESG metrics into KPIs and management incentives, while adopting standardized reporting formats and external assurance mechanisms. For future research, it is recommended to examine lagged effects over extended observation periods, incorporate credibility variables (assurance), governance/size/ownership moderators, apply robust procedures such as data transformation and outlier-resistant estimators, and adopt research designs that address endogeneity through instrumental variables or quasi-experimental approaches.

REFERENCES

Adams, C. A. (2021). Sustainability Reporting and Accountability: Developments and Future Directions. *Accounting, Auditing & Accountability Journal*, *34*(9), 2272–2290. https://doi.org/10.1108/AAAJ-03-2021-5174

Ahmad, N., Li, H., & Raza, S. (2023). Does ESG Disclosure Enhance Firm Value? Evidence from Emerging Markets. *Sustainability*, *15*(4), 1782.

Alsaifi, K., Elnahass, M., & Salama, A. (2020). Market Response to Firms' Environmental, Social and Governance Disclosures: Empirical Evidence from the Banking Industry. *Journal of Business Ethics*, *163*(3), 611–639. https://doi.org/10.1007/s10551-018-4059-

4
Birindelli, G., Miazza, A., & Palea, V. (2025). The Influence of External Contextual and Firm-Specific Stakeholder Voices on Banks' Greenwashing: Effective Monitoring or an Incentive to Deceive? *Business Strategy and the Environment*. https://doi.org/10.1002/bse.70151

Brigham, E. F., & Houston, J. F. (2019). *Fundamentals of Financial Management* (Fifteenth). Cengage Learning.

Broadstock, D. C., Chan, K., Cheng, L. T. W., & Wang, X. (2021). The Role of ESG Performance During Times of Financial Crisis: Evidence from COVID-19 in China. *Finance Research Letters*, *38*, 101716. https://doi.org/10.1016/j.frl.2020.101716

Chytis, E. (2024). Corporate Sustainability and ESG Performance: New Insights from European Firms. *Journal of Business Ethics*, *189*(2), 245–263.

Djasuli, M., & Maulidia, Z. (2025). Persepsi Auditor terhadap Pemanfaatan Decision Tree dalam Evaluasi Kinerja Pengawasan Inspektorat Kabupaten Bangkalan. *EKOMA : Jurnal Ekonomi, Manajemen, Akuntansi*, *4*(5), 7704–7710. https://doi.org/10.56799/ekoma.v4i5.9515

Effendi, M. I., Darmawan, M., & Aulia, F. (2022). ESG Disclosure and Its Impact on Firm Performance: Evidence from Indonesia's Banking Sector. *Jurnal Akuntansi Dan Keuangan Indonesia*, *19*(2), 145–162. https://doi.org/10.21002/jaki.v19i2.145

Fatemi, A., Glaum, M., & Kaiser, S. (2018). ESG Performance and Firm Value: The Moderating Role of Disclosure. *Global Finance Journal*, *38*, 45–64. https://doi.org/10.1016/j.gfj.2017.03.001

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Pitman.

Friede, G., Busch, T., & Bassen, A. (2015). ESG and Financial Performance: Aggregated Evidence from More Than 2,000 Empirical Studies. *Journal of Sustainable Finance & Investment*, *5*(4), 210–233. https://doi.org/10.1080/20430795.2015.1118917

Gupta, R., & Kashiramka, S. (2025). The Effects of ESG and Institutional Quality on Financial Stability: Evidence from GCC Banks. *ProQuest Open Access*. https://search.proquest.com/openview/da947bc5ee5e6dea8bd47eee0a7c4174/1?pq-origsite=gscholar&cbl=816338

Hermawan, A., & Gunardi, A. (2019). Sustainability Reporting and Firm Value: The Role of Corporate Governance and Government Ownership in Indonesia. *Sustainability Accounting, Management and Policy Journal*, *10*(4), 620–638. https://doi.org/10.1108/SAMPJ-04-2018-0090

Herwanda, R. P., Aulia, M. C., Febyandhani, A. C., & Djasuli, M. (2025). Revealing the Reasons for the Implementation of PKB and BBNKB Options to Increase Regional Taxes. *Jurnal Maneksi*, *14*(2), 559–567. https://doi.org/10.31959/jm.v14i2.2971

Hery. (2021). *Analisis Laporan Keuangan*. PT Grasindo.

Hörisch, J., Schaltegger, S., & Freeman, R. E. (2020). Integrating Stakeholder Theory and Sustainability Accounting: A Conceptual Synthesis. *Journal of Business Ethics*, *162*(2), 281–298. https://doi.org/10.1007/s10551-019-04112-y

Kartiko, N. D., & Indradewi, A. A. (2024). The Urgency of Green Banking Regulations in Indonesia in the Implementation of Sustainable Development. *Asian Economic and Law Review*, *5*(2). https://doi.org/10.25041/aelr.v5i2.3604

Kotsantonis, S., Pinney, C., & Serafeim, G. (2016). ESG Integration in Investment Management: Myths and Realities. *Journal of Applied Corporate Finance*, *28*(2), 10–16. https://doi.org/10.1111/jacf.12169

Krueger, P. (2024). ESG and Corporate Financial Performance: A Meta-Analytic Review. *Journal of Sustainable Finance \& Investment*.

Le, T. D., Do, H. T. T., Nguyen, T. P., & Nguyen, H. T. (2022). Environmental, Social, and Governance (ESG) Disclosure and Firm Performance: Evidence from Emerging

Markets. *Sustainability*, *14*(5), 2713. https://doi.org/10.3390/su14052713

Nguyen, H. T., & Tran, T. M. (2022). Green Accounting and Firm Profitability: Evidence from Emerging Economies. *Sustainability*, *14*(21), 14162. https://doi.org/10.3390/su142114162

Pham, H. S. T., & Doan, T. N. (2022). ESG Disclosure and Firm Value: Empirical Evidence from Emerging Markets. *Sustainability*, *14*(6), 3552. https://doi.org/10.3390/su14063552

Puspitasari, A., & Firmansyah, A. (2025). Sustainable Finance and Green Banking Disclosure: Unlocking Firm Value Potential. *Riset: Jurnal Ilmiah Akuntansi Dan Keuangan*. http://ejournal.ibik.ac.id/index.php/riset/article/view/2591

Schaltegger, S., & Csutora, M. (2012). Carbon Accounting for Sustainability and Management: Status Quo and Challenges. *Journal of Cleaner Production*, *36*, 1–16. https://doi.org/10.1016/j.jclepro.2012.06.024

Silalahi, D., Silalahi, H., Barus, B., & Sitompul, G. T. (2023). Governance, Regulation, and Green Banking Disclosure: An Empirical Study of Indonesian Banks. *Jurnal Ilmiah Akuntansi Kesatuan (JIAKES)*. https://jurnal.ibik.ac.id/index.php/jiakes/article/view/2844

Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *Academy of Management Review*, *20*(3), 571–610.

Sundarasen, S. D. (2024). Green Accounting Practices and Sustainability Performance in the Banking Sector: Evidence from Emerging Economies. *Sustainability Accounting, Management and Policy Journal*.

Yusoff, H., & Darus, F. (2019). The Influence of Environmental Accounting on Corporate Performance: Evidence from the Manufacturing Sector in Malaysia. *Journal of Cleaner Production*, *237*, 117–127. https://doi.org/10.1016/j.jclepro.2019.117127

Zulkifli, M., & Haron, H. (2023). Environmental Accounting Practices and Their Impact on Financial Performance: Evidence from Malaysian Financial Institutions. *Asian Journal of Accounting Research*, *8*(2), 145–161. https://doi.org/10.1108/AJAR-04-2022-0061