THE EFFECT OF GREEN ACCOUNTING AND CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION ON THE PROFITABILITY OF MINING COMPANIES

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Abstract

This study aims to examine the impact of corporate social responsibility (CSR) and green accounting implementation on the profitability of mining companies operating in Indonesia. The sample population for this research comprised mining companies listed on the Indonesia Stock Exchange from 2012 to 2021. For the data collection, the approach of purposeful sampling was selected. The study's sample comprised 210 observations, which represented the entire population that had been acquired. The results of the hypotheses test suggest that the significance values of the CSR and green accounting variables do not correlate with the profitability variable. However, there are potential limitations to this research that warrant mention, including restricted sample size and an absence of control over additional variables that could impact the organization's profitability. Green accounting and CSR practices continue to be crucial for ensuring environmental and social sustainability in the mining sector based on the legitimacy theory as explained by Deegan (2002). The study's value is derived from its examination of a critical sector, specifically the mining industry, which is widely recognized for its substantial impact on economic expansion.

Keywords: Green Accounting, Corporate Social Responsibility, Profitability

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1. INTRODUCTION

Profitability is one of the primary objectives of establishing a business. The corporation will maintain an adequate level of cash flow to sustain its entire range of operational endeavors. Nevertheless, the degree of corporate profitability may be impacted by a multitude of factors, including the recording factor of green accounting and the social performance of the organization. Green

accounting is a method by which the environmental impacts of an event are integrated into financial statements (Toke & Kalpande, 2022). Over time, green accounting has evolved into a crucial instrument for businesses seeking to mitigate the risks associated with sustainable development and its impact on financial statements (Khan & Gupta, 2023). Deb et al. (2022) suggest that organizations should explore diverse environmental management approaches in order to integrate environmental sustainability principles into their strategic management practices. Given that this is not their primary objective, examining the environment through the lens of business is not likely to result in sustainable solutions to mitigate environmental risks (Wachira & Wang'ombe, 2019).

Given the dual role of businesses as primary generators of societal value and substantial contributors to environmental degradation resulting from economic operations, it is critical that they furnish precise environmental information disclosure (Liu & Bai, 2022). Efficient market theory posits that the stock market considers a comprehensive range of information, encompassing financial and non-financial data, in its assessment of firms. This evaluation is based on a variety of signals that potentially impact a company's profitability and sustainability (Kumar & Shetty, 2018). To achieve continuous and sustainable improvements in environmental performance, organizations must effectively deploy and utilize all available resources (human, technical, and financial) (Solovida & Latan, 2017). In light of heightened public scrutiny and regulatory obligations, corporations are compelled to expand their corporate responsibilities to encompass environmental and social factors across their entire operational framework. This is imperative in order for organizations to persist in satisfying the escalating regulatory obligations and public scrutiny. Ensuring competitiveness is imperative for businesses operating in the contemporary global economy.

As a consequence, it is crucial that businesses incorporate environmental and social considerations into each aspect of their activities (Deb et al., 2022). To ensure adherence to green accounting regulations, sustain current revenue levels, and enhance environmental performance, it is so important to incorporate innovative concepts into the product development process (Toke & Kalpande, 2022). Although it is true that business owners often overlook social performance when conducting business operations, the fact that this is a common misconception does not alter the fact that it constitutes a fallacy of judgment. In order to sustain its operations and navigate the liquidity crisis, the organization prefers to evade responsibilities and engagements associated with social responsibility (Kumar et al., 2024). When examining the notion of sustainability, it is critical to do so in the context of social responsibility, a pivotal concept in business ethics concerning both internal and external stakeholders (Rendtorff, 2019).

Dedication to corporate social responsibility (CSR) enhances reputation, strengthens stakeholder relationships, and improves corporate performance (Chakroun et al., 2022). The ultimate objective of each organization ought to be the resolution of societal challenges, environmental conservation, and pollution prevention (Chakroun et al., 2020). As a result, this paper will devote its entirety to discussing the ways in which the implementation of CSR and green accounting can enhance the financial performance of an organization. Environmentally conscious businesses place a greater emphasis on their future performance prospects in order to generate positive investor sentiment (Kamaliah, 2020).

An investment in socially responsible CSR is associated with greater profitability, lower risk, and greater stability, according to this finding (Moudud-Ul-Huq, 2022). By decreasing non-financial performance, such as employee commitment and satisfaction, customer trust and loyalty, enhanced stakeholder relationships, cost reduction, and various innovations, CSR practices are what fuel financial performance, including profitability. Additionally, CSR practices improve relationships with stakeholders (Chapagain, 2022). A competitive advantage in the domains of investor attraction and risk management strategies can potentially be acquired by an organization that exhibits robust performance in the realm of CSR (Ho et al., 2019).

The accountability of marketing actions towards society and the environment is a significant factor to be taken into account when assessing them from the perspective of customers (Sharma et al., 2021). This article therefore provides a comprehensive analysis of the company's CSR performance and green accounting, as well as their impact on profitability. We procure mining firms that are publicly traded on the Indonesia Stock Exchange. The mining industry must incorporate CSR performance and the adoption of green accounting practices into its performance reporting due to its significant economic impact. Implementing this strategy could potentially contribute to the sustained financial health and prosperity of the organization (Mahmuda & Muktadir-Al-Mukit, 2023).

Numerous prior studies have produced contradictory results regarding the relationship between CSR and green accounting and their impact on profitability. The literature presents positive, negative, or no correlations between CSR and profitability. As an illustration, a study conducted by Bellamy et al. (2023) revealed that during the period of 2017–2021, the profitability of 30 companies listed on the Indonesia Stock Exchange that were participants in the Corporate Performance and Environmental Management Rating Assessment Program (i.e., PROPER, in Indonesian) was not significantly impacted by green accounting and CSR. Similarly, Tjoa and Widianingsih (2022) did not find a positive correlation between green accounting and profit growth in prominent sectors listed on the Indonesia Stock Exchange. Furthermore, empirical evidence from a study conducted by Rajak (2022) supports the notion that green accounting does not exert any discernible impact on profitability metrics.

Conversely, an investigation into case studies conducted in emerging economies (Alam & Tariq, 2022) establishes a positive correlation between CSR and profitability, as measured by return on assets (hereafter, ROA). Undoubtedly, CSR influences financial performance by enhancing the reputation of the organization, which in turn stimulates sales growth (Ben Saad & Belkacem, 2022). Oppositely,

according to research conducted in India, CSR might negatively affect profits (Sharma & Aggarwal, 2022).

Pan et al. (2014) utilized the ROA metric as a means of assessing profitability in their study, aiming to ascertain the influence of CSR on financial performance. The impact of independent directors on profitability is also evident in the moderating effect of CSR. Specifically, the presence of independent directors affects profitability when CSR acts as a moderating variable. The mining sector in China has been seen to experience a favorable influence on the profitability of mineral firms as a result of the adoption and implementation of CSR initiatives.

The study conducted by Putri et al. (2019) examined the effects of adopting green accounting and environmental performance on profitability, as measured by return on assets (ROA) and return on equity (ROE). The findings of the study indicate that the implementation of green accounting and environmental performance has a noteworthy influence on profitability. There exists a positive relationship between a company's level of green accounting implementation and its environmental performance score, leading to an increase in the company's profitability as indicated by ROA and ROE. According to a study conducted by Tisna (2020), the relationship between environmental performance and environmental expenses, which serve as indicators of green accounting, has a significant impact on corporate profitability. This impact is measured through the utilization of Tobin's Q formula. Nevertheless, when considered in isolation, the utilization of green accounting as a measure of environmental performance does not demonstrate any impact on financial gains. The findings indicate that while a corporation may benefit from collective environmental cost proxies, individual environmental cost proxies have a notable and adverse impact on company profits.

Furthermore, a study conducted by Sumiati et. al. (2022) examined the relationship between the adoption of green accounting practices and environmental performance on company profits. The findings of the study revealed that the implementation of green accounting practices was found to have a statistically significant negative effect on company profits, as measured by the ROE. On the other hand, the study did not find a significant impact of environmental performance on company profits, as measured by the ROE. This phenomenon occurs as organizations incur more expenses in their endeavors to adopt green accounting and enhance environmental performance, hence impeding their ability to augment corporate profitability. According to the findings of Egbunike and Okoro (2018), their study revealed a lack of statistically significant correlation between green accounting and corporate profitability. This lack of correlation was observed regardless of the measurement method employed, including the ROE ratio and Tobin's Q formula.

Based on the described context and conflicting results from the previous studies, the following research questions can be identified:

RQ1: Does green accounting influence profitability?

RQ2: Does corporate social responsibility influence profitability?

There are six distinct sections in the work. The introduction is contained in Section 1. The literature review of the theory and previous studies on similar topics is the focus of Section 2. In Section 3, the research methodology and data analysis are detailed. The results are elaborated upon in Section 4, the discussion is presented in Section 5, and the paper concludes in Section 6.

2. LITERATURE

2.1. Literature review

According to legitimacy theory as explained by Deegan (2002) industries that pose environmental health risks are deemed more susceptible to additional pressure to acquire social and environmental accreditation in order to continue operations (Maqbool, 2019). According to the legitimacy theory, the way in which a company is perceived by the general public can be impacted by its management (Deegan, 2002; Hosain, 2020). Legitimacy theory is conceptualized as a framework for orienting perspectives, according to which organizations have the capacity to impact and are in turn impacted by the society in which they operate (Agyemang et al., 2021).

Legitimacy, according to Deegan (2002), refers to the overarching perception or presumption that the conduct of a particular entity is acceptable or desirable within a socially constructed framework consisting of standards, values, beliefs, and definitions. Legitimacy theory posits that for an organization to attain legitimacy, it must conform to the societal norms and expectations in which it operates. When the objectives of the organization are congruent with those of society, it successfully pursues the social compact and acquires legitimacy (Kapoor & Sandhu, 2010).

The theory of legitimacy emphasizes the significance of corporate responsibility in addressing societal issues while also looking out for their own interests (Ganda, 2018). The field of environmental accounting has experienced a surge in popularity since 2000, as an increasing number of individuals recognize its capacity to safeguard the environment while simultaneously bolstering national and corporate economies (Elhossade et al., 2020). According to the legitimacy theory, an organization's actions must align with the prevailing social norms and values of the environment in which it operates (Wachira & Wang'ombe, 2019).

A company can be considered to be operating in a socially computable manner if, in accordance with the stakeholder theory, it develops and provides goods and services with the exclusive purpose of augmenting shareholder value (Kapoor & Sandhu, 2010). Chauhan and Amit (2014) as well as Hosain (2020) said that CSR is an integral component of how businesses are conducted. Businesses engage in voluntary financial, environmental, social, and moral investments within their communities in order to evade legal responsibility for their conduct that affects public consumption and the environment.

Furthermore, in addition to legitimacy, the fundamental tenet of stakeholder theory is that there is no practical differentiation between the interests of the business as an entity and

the interests of the diverse groups and individuals that constitute it (Parmar et al., 2010). Stakeholder theory posits that stakeholders constitute an integral component that is inextricably linked to the raison *d'être* of a specific enterprise and play a role in the realization of the company's objectives (Lange & Bundy, 2018). In other words, stakeholders are defined as individuals or groups with vested interests in a business entity, the very existence of which is essential for the organization's success. Stakeholder theory elucidates and forecasts the actions that organizations ought to undertake, considering the impact of interests that were hitherto intangible, including but not limited to local communities, the media, and others.

CSR and green accounting are two essential concepts in sustainable business practices. Carbon neutrality (i.e., CSR) emphasizes the social and environmental responsibility of a company in its business operations, whereas green accounting emphasizes the documentation and measurement of the environmental impact of business activities. These two ideas are interconnected and have the potential to impact the enterprise's profitability, particularly ROA. The ROA is a financial indicator utilized to evaluate the profitability of an organization's operations (Riyadh et al., 2022).

In recent years, external verification of environmentally responsible financial disclosures has gained widespread acceptance across industries, particularly on a global scale (Awawdeh et al., 2022). Accounting serves as a mechanism through which organizations can communicate relevant information regarding their external environment to consumers (Agyemang et al., 2021). Green accounting is an environmental impact-considering approach to evaluating the performance of businesses (Rounaghi, 2019). Environmental accounting aims to assist in the determination and equitable distribution of environmental costs in order to facilitate the development of viable solutions (Deb et al., 2022). In stakeholder theory, the sustainability of an organization is profoundly impacted by the policies implemented by its stakeholders. Certain mineral companies in China have ceased operations as a result of substantial environmental contamination and inadequate safety protocols (Pan et al., 2014).

As per stakeholder theory, stakeholders bear the obligation and intention of ensuring that the organization cultivates confidence and acquires a favorable reputation within the community. CSR promotes and incentivizes managers to engage in ethical behavior. This endorsement positively impacts the reputation of the organization and, consequently, may indirectly enhance its value and mitigate financial risks. According to Xue et al. (2023) and Syamni et al. (2018), posit that the execution of CSR not only signifies the company's profitability but also functions as a means of communication with its stakeholders. A multitude of diverse stakeholders, each with their own set of objectives, coexist within the realm of CSR. This coexistence introduces the possibility of conflict (Raghubir et al., 2010). In stakeholder theory, the sustainability of an organization is profoundly impacted by the policies implemented by its stakeholders. Investors will have a more favorable perception of businesses that engage in CSR initiatives (Hermawan et al., 2023).

2.2. Hypotheses development

2.2.1. Green accounting and profitability

Green accounting offers a novel approach within the field of accounting, highlighting that the accounting cycle, encompassing the identification, recognition, measurement, and presentation of information, should not solely concentrate on financial objects and transactions, but also encompass social and environmental objects and transactions (Lako, 2018). Green accounting refers to the practice of integrating the ecological budget with the operational resources of a corporation (Ningsih & Rachmawati, 2017). The implementation of green accounting has the potential to enhance environmental conservation efforts, effectively manage expenses, allocate resources towards sustainable technologies, and encourage the adoption of eco-friendly industrial methods.

The notion of environmental performance pertains to the extent of environmental harm resulting from company activities and environmental conservation efforts. The adoption of corporate green accounting is associated with the assessment and management of environmental performance (Putri et al., 2019). The reduction of ecological damage is directly proportional to the improvement of environmental performance, and conversely, the increase in ecological damage is inversely proportional to the decline in environmental performance. The company's commitment to environmental protection is evident by its participation in PROPER, which serves as a measure of its environmental performance. PROPER is an environmental protection project implemented by the Ministry of Environment, as stipulated in Regulation of the Minister of Environment of the Republic of Indonesia number 03 of 2014. The assessment aims to promote the use of environmental management practices inside enterprises. The assessment ranking known as PROPER comprises five distinct colors, namely gold, green, blue, red, and black. Prior to attributing economic growth to a nation, that nation must have a definite environmental policy and dependable monitoring and reporting systems (Toke & Kalpande, 2022).

It has been discovered that ecological accounting and financial success are correlated in both positive and negative ways. A robust correlation has been observed between the profitability of businesses and the implementation of environmentally responsible accounting practices within the 18 companies listed on the Bombay Stock Exchange (Nandini et al., 2020). Furthermore, a research investigation conducted by Bellamy et al. (2023) unveiled that the financial gains of thirty corporations enlisted on the Indonesia Stock Exchange, who actively engaged in the PROPER initiative, did not experience any substantial influence from the implementation of green accounting and CSR practices throughout the time spanning from 2017 to 2021. In a similar vein, the study conducted by Tjoa and Widianingsih (2022) yielded results that did not demonstrate a favorable association between green accounting and profit development within important industries listed on the Indonesia Stock Exchange. In addition, the study conducted by Rajak (2022) provides actual evidence

that supports the idea that green accounting does not have a noticeable effect on measures of profitability.

Based on the above arguments, the first hypothesis of this study states:

H1: There is a considerable impact of green accounting on a company's profitability.

2.2.2. Corporate social responsibility and profitability

CSR is widely acknowledged as a fundamental obligation of enterprises to fulfill the societal and stakeholder expectations pertaining to the environmental, social, and economic dimensions (Suyono & Farooque, 2018). A study examining case studies in emerging economies (Alam & Tariq, 2022) demonstrates that CSR is positively correlated with profitability, as assessed by ROA. Indeed, CSR exerts an effect on financial performance through the enhancement of the organization's reputation, subsequently leading to a surge in revenue (Ben Saad & Belkacem, 2022). Despite this, research conducted in India (Sharma & Aggarwal, 2022) indicates that CSR has an adverse effect on profitability.

Pan et al. (2014) utilized the ROA metric as a means of assessing profitability in order to examine the influence of CSR on financial performance. The impact of independent directors on profitability is also evident in the moderating role of CSR. In this scenario, the presence of independent directors affects profitability when CSR acts as a moderating variable. The implementation of CSR policies in the mining sector has been observed to have a favorable influence on the profitability of mineral firms in China. In a recent study conducted by Moudud-Ul-Huq (2022), it was shown that investing in socially responsible CSR initiatives is positively correlated with increased profitability, reduced risk, and enhanced stability. This finding supports the notion that such investments can yield favorable financial outcomes (Moudud-Ul-Huq, 2022).

In a separate investigation, Bellamy et al. (2023) conducted a study that unveiled that the financial performance of 30 corporations enlisted on the Indonesia Stock Exchange, who were actively engaged in the PROPER initiative, did not experience any substantial influence from the implementation of green accounting and CSR practices, over the duration of 2017–2021. In a similar vein, Tjoa and Widianingsih (2022) observed a lack of a positive link between green accounting and profit development within important industries that are listed on the Indonesia Stock Exchange. Moreover, the proposition that green accounting has no significant effect on measures of profitability is substantiated by empirical findings from research conducted by Rajak (2022) and Platonova et al. (2018).

Based on the aforementioned reasoning, the second hypothesis of this study is formulated as follows:

H2: CSR influences significantly on a company's profitability.

3. RESEARCH METHODOLOGY

3.1. Research design

This study employs a quantitative technique to assess the link among variables and to test the hypotheses based on the existent theories. The research sample consisted of mining companies that were publicly listed on the Indonesia Stock Exchange during the years 2012–2021. The purposive sampling method was chosen in order to collect data for this study. A total of 62 mining firms currently listed on the Indonesia Stock Exchange (IDX) were examined, and 21 of them were selected as a sample based on their adherence to the study criteria, i.e., providing complete annual reports or sustainability reports during 2012–2021 periods. Therefore, there are 210 observations during 10 years (i.e., 2012–2021) that were included in the analysis.

3.2. Variables measurement

This study measures *profitability* by using return on total assets (i.e., net income divided by total assets).

The study assesses the implementation of *green accounting* (*GA*) through the allocation of environmental costs by companies, employing a dummy variable approach. Specifically, a value of 1 is assigned to companies that allocate environmental costs, while a value of 0 is assigned to those who do not.

The estimation of the *CSR* disclosure index is conducted in accordance with the rules provided by the Global Reporting Initiative (GRI). However, this study measures CSR by using the allocation of social cost by a company with a dummy variable where if the company allocates social cost is given 1, otherwise 0.

3.3. Data analysis

The study involved the analysis of 210 observations collected over a span of 10 years (2012–2021) from 21 mining companies as a sample. The statistical technique employed for the analysis was ordinary least squares (OLS), and the data was processed using Stata 17 software. The regression equation utilized in this investigation is stated in the following manner:

$$PROF = \beta_0 + \beta_1 GA + \beta_2 CSR + \varepsilon \quad (1)$$

where, *PROF* = profitability, measured by ROA; β_0 = constant; $\beta_1 - \beta_2$ = regression coefficient; *GA* = green accounting; *CSR* = corporate social responsibility; ε = error.

4. RESULTS

4.1. Descriptive statistics

Table 1 below displays the results of descriptive statistics.

The aforementioned findings demonstrate that the average profitability which is measured by ROA is 3.871429, with a minimum value of -81 and a maximum value of 73.

Table 1. Descriptive statistics

Variable	*Obs*	*Mean*	*Std. Dev.*	*Min*	*Max*
PROF	210	3.871429	15.97479	-81	73
GA	210	0.8714286	0.3355248	0	1
CSR	210	0.9142857	0.2806106	0	1

Source: Authors' calculation.

The mean green accounting (GA) score of a sample consisting of 210 observations was found to be 87%, with the lowest recorded value being 0 and the highest recorded value being 1. Furthermore, the variable of CSR encompasses a spectrum of values ranging from 0 to 1, where 0 represents the lowest level and 1 signifies the maximum level. The average value of the data set is 91%.

4.2. Correlation test

The correlation test result is presented in Table 2. It indicates that there were no correlation coefficients observed among the selected variables that reached or exceeded a value of 0.8. This implies that there is a weak association between the variables under investigation in this study.

Table 2. Correlation matrices

Variable	*PROF*	*GA*	*CSR*
PROF	1.0000		
GA	0.1722	1.0000	
CSR	0.1640	0.7464	1.0000

Source: Authors' calculation.

4.3. Hypotheses test

The purpose of the hypothesis test is to establish the relationship between the independent variables and the dependent variables.

Table 3. Output of t-test with Stata 17 software

PROF	*Coefficient*	*Std. Err.*	*z*	*P > |z|*	*95% conf.*	*Interval*
GA	4.558521	4.440667	1.03	0.305	-4.145026	13.26207
CSR	-0.1798198	5.713237	-0.03	0.975	-11.37756	11.01792
CONST	0.0634097	4.570583	0.01	0.989	-8.894772	9.021591

Source: Authors' calculation.

Based on the data presented in Table 3, the outcomes of the hypothesis test performed utilizing Stata 17 software indicate that green accounting (GA) and corporate social responsibility (CSR) exhibit significance values of 0.305 and 0.975, respectively, both of which exceed the threshold of 0.05. This implies that neither GA nor CSR has a significant impact on profitability.

5. DISCUSSION

Based on the established significance levels, this study draws the conclusion that the two independent variables, namely green accounting and CSR, do not exert a statistically significant impact on the profitability of mining companies listed on the Indonesian Stock Exchange during the period spanning from 2012 to 2021. These findings do not provide sufficient evidence to support the concepts of legitimacy theory as described by Deegan (2002). According to Deegan (2002), organizations have the ability to influence and be influenced by the society in which they operate. When an organization's objectives align with those of society, it can effectively fulfill the social contract and gain legitimacy.

From the findings of the first hypothesis, this study presents a contrasting perspective to the prior research undertaken by Putri et al. (2019) and Budiono and Dura (2021) regarding the relationship between green accounting and profitability, suggesting that there may not be a positive association between the two variables. The results of this study are inconsistent with the findings of Tisna (2020), which suggested a negative link between green accounting and corporate profitability. In line with the findings of Sumiati et al. (2022), it is evident that the adoption of green accounting techniques has a statistically significant adverse impact on corporate earnings, as assessed through the ROE.

Nevertheless, the findings of this study are consistent with the research carried out by Rajak (2022), which indicates that green accounting does not exert any significant impact on the profitability of companies. Similarly, a study conducted in Indonesia by Tjoa and Widianingsih (2022) found no significant impact of green accounting on profitability. The findings of Bellamy et al. (2023) align with the present argument since they observed no statistically significant association between the adoption of green accounting practices and the profitability of a sample of 30 companies listed on the Indonesia Stock Exchange. These companies were participants in the Corporate Performance and Environmental Management Rating Assessment Program. The findings of Egbunike and Okoro (2018) align with the observation that there is no statistically significant association between green accounting and corporate profitability.

In a similar vein, the results of the second hypothesis indicate that there is no discernible impact of corporate social performance on the profitability of mining firms operating in Indonesia. This study does not provide evidence to support the assertions of legitimacy theory and stakeholder theory. These theories propose that when a corporation conducts its operations properly, it will gain public trust or legitimacy from all stakeholders, ultimately resulting in increased financial returns. The findings presented in this study contradict the research undertaken by Kapoor and Sandhu (2010), which demonstrated a favorable relationship between CSR and profitability. Similarly, Maqbool's (2019) research findings indicate that CSR has a notable and favorable impact on profitability. Furthermore, Platonova et al. (2018) and Chapagain (2022) did a study that revealed a positive impact of CSR on the variable of profitability. Furthermore, this aligns with the findings of Moudud-Ul-Huq (2022), who also saw a similar trend. Furthermore, the findings of Alam and Tariq (2022), and Ben Saad and Belkacem (2022) align with the present argument, since they have demonstrated a significant positive relationship between CSR and financial performance. In contrast, findings from a study conducted in India indicate that CSR may have a detrimental impact on financial profitability (Sharma & Aggarwal, 2022).

Nevertheless, the results of this study are consistent with prior research conducted by Bellamy et al. (2023) and Pan et al. (2014), which also failed to identify a statistically significant relationship between CSR activities and profitability.

6. CONCLUSION

Numerous research conducted across various regions has yielded the finding that the implementation of green accounting and CSR policies is associated with a favorable effect on a company's profitability. Nevertheless, it has been demonstrated through several studies that the introduction of green accounting and corporate social responsibility initiatives may not consistently yield favorable financial outcomes for companies. The effectiveness of such practices is contingent upon the specific nature of the initiatives undertaken and the unique attributes of the business in question.

Based on the statistical tests conducted, this study concludes that there is no statistically significant influence of green accounting and CSR on profitability. Nevertheless, it is imperative to acknowledge that the outcomes of this investigation are undeniably contingent upon contextual variables, including the specific nature of the undertaken procedure and the distinctive attributes of the company's own industry. Hence, it is imperative for organizations to take into account these issues while incorporating green accounting and CSR initiatives. An effective environmental plan necessitates the implementation of robust reporting mechanisms to promptly communicate environmental issues to organizational executives, thereby mitigating any future concerns.

However, it is important to acknowledge that this study may possess certain constraints, such as a limited number of samples or an absence of control over extraneous variables that impact the financial performance of the organization. Hence, it is important to validate these findings by subsequent study and experimentation involving additional variables that may exert an influence on the organization's financial performance.

Within the mining business, the adoption of green accounting and CSR practices holds significant significance in safeguarding environmental and social sustainability. Furthermore, the findings of this study can serve as valuable insights for mining enterprises in formulating effective business strategies and informed investment choices.

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