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The Influence of Green Accounting, Corporate Social Responsibility, and Intellectual Capital Implementation on Financial Performance of Energy Sector Companies Listed on the Indonesia Stock Exchange in 2017-2023

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ABSTRACT

This study aims to test and analyze the effect of green accounting, corporate social responsibility performance, and intellectual capital on financial performance with a proxy of net profit margin in energy sector companies listed on the Indonesia Stock Exchange in 2017-2023.

This type of research is quantitative descriptive study, using purposive sampling technique as a sample selection technique. The number of samples used was 9 with the number of observations because 63, then the data was processed with eviews 12.

The results of the statistical test show that green accounting has a negative but insignificant effect on net profit margin. Furthermore, Corporate Social Responsibility, intellectual capital has a positive but insignificant effect on net profit margin, and compliance with regulations have a significant positive effect on net profit margin.

Keywords: Green Accounting, Corporate Social Responsibility, Intellectual Capital, Financial Performance.

INTRODUCTION

The development of technology in the modern era is currently faced with various environmental problems such as environmental pollution, even to the point of environmental damage caused by irresponsible humans and a lack of awareness of the importance of protecting the environment and caused by poor environmental management by companies. In addition, poor environmental management by companies also contributes to this damage. The impact of poor environmental management is not only limited to the physical environment, but also has an impact on the company's financial performance (Novita & Yudanto, 2023). One way to assess a company's performance is to see whether the company's financial performance is good or not (Muktiana, et al., 2023). Financial performance is the determination of certain measures that can be used as a measure of the success of a company or organization in generating profits (Nguyen, et al., 2023), which is one of the main indicators in reflecting the health of the company, especially in the company's ability to generate profits,

maintain liquidity, and run sustainable business operations. (Noy, 2023).

The Energy Sector is an industry that focuses on the production, distribution, and sale of energy in various forms, such as oil and gas, coal, oil, gas and coal support, alternative energy equipment and other alternative fuels. In Indonesia, the Energy Sector has a large role because it has abundant energy resources, especially oil, natural gas, and coal. However, the phenomenon in 2023 shows that the Energy Sector has declining financial performance when viewed based on the company's average net profit as seen in the following graph.

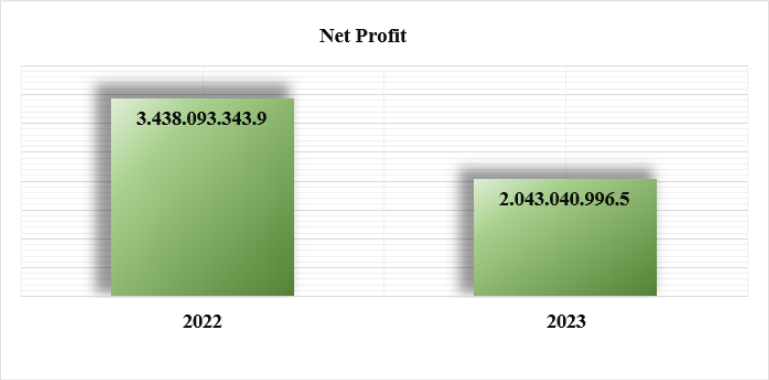


Figure 1.1 IDX Energy Sector Net Profit Phenomenon in 2022-2023

In business practice, the decline can be caused by operational costs incurred by the company, where these costs continue to increase every year, including environmental management costs, including green accounting costs and corporate CSR. In line with research (Agyemang, et al., 2024; Ruhiyat & Kurniawan, 2024; Wardianda & Wiyono, 2023; Efria, et al., 2023) which states that Green accounting is an accounting approach that aims to integrate environmental aspects into traditional financial reporting (Gonzalez & Peña-Vinces, 2023). Through this method, companies not only record financial profits and losses but also consider the environmental impact of their business activities. In the application of green accounting, costs related to the environment such as pollution, carbon emissions, waste management, use of natural resources, and sustainability initiatives such as recycling or energy conservation, are calculated and reported systematically. In addition to the implementation of green accounting, one of the variables that is thought to affect financial performance is the implementation of Corporate Social Responsibility (CSR) (Dattijo, et al., 2024; Putri, et al., 2024; Saputra, et al., 2024; Adamkaite, et al., 2023).

CSR is an approach where companies actively engage in socially responsible practices, taking into account the social, economic, and environmental impacts of their business activities (Somachandra, et al., 2023). Through CSR, companies strive to make a positive contribution to the community and the surrounding environment. By implementing CSR, companies can improve relationships with stakeholders, including employees, the community, and consumers. CSR can also improve the company's reputation, thereby increase customer loyalty and attracting investors who are increasingly concerned about sustainability and social responsibility issues. So that the implementation of CSR can provide financial benefits, such as reducing legal risk and increasing operational efficiency (Fosu, et al., 2024). In corporate practice, intellectual capital also has a significant influence on financial performance (Agustin & Sari, 2024; Putri, et al., 2024; Laksmiwati, et al., 2023; Siregar, 2023). Intellectual capital is an intangible

asset owned by a company, including knowledge, expertise, and innovation inherent in employees, business processes, and the company's relationships with external parties (Lores, et al., 2023). The components of intellectual capital generally include human capital, structural capital, and relational capital. In practice, the higher the value of intellectual capital, the better the company's performance. In business practice, the higher the level of intellectual capital owned by a company, the greater its ability to create added value through innovation and efficiency. Companies with higher intellectual capital are generally able to adapt quickly to market changes, increase productivity, and produce better financial performance (Jaqueline & Moxotó, 2024). Conversely, companies with low levels of intellectual capital may face difficulties in competing effectively and improving their financial performance. These reasons are the urgency as well as the gap phenomenon of this research, so the researcher prepared a research plan with the title "The Effect of Implementing Green Accounting, Corporate Social Responsibility and Intellectual Capital on Financial Performance in Energy Sector Companies Listed on the IDX in 2017-2023".

LITERATURE REVIEW

Stakeholder Theory

This theory provides a broad conceptual framework on how companies should be accountable to various stakeholders, not only shareholders, but also society, the environment, and others. Stakeholder theory explains that companies not only operate to achieve their own economic goals, but are also responsible for providing benefits to various parties who have interests or are involved in the company's operations (Freeman, et al., 2023). This principle reflects that the interests of diverse stakeholders must be integrated into the company's strategic decision-making to create sustainable value. One effective way to achieve this balance is to implement green accounting, corporate social responsibility (CSR), and intellectual capital. Companies that can manage intellectual capital well will be more adaptive to market changes and stakeholder demands, which ultimately improves long-term financial performance. This can drive the company's competitive advantage, thereby opening up greater opportunities to gain financial benefits from activities (investment, sales, and funding). By implementing this strategy, the company not only improves its image in the eyes of stakeholders, but also builds a foundation for sustainable growth.

Legitimacy theory

Legitimacy theory is a theory that explains how companies try to gain and maintain legitimacy or approval from the surrounding community. So legitimacy refers to the perception that a company's actions are in accordance with the values, norms, and social expectations that apply in society. This theory emphasizes that companies are not only responsible to shareholders or capital owners, but also to the public at large, including the government, customers, employees, and the general public. To maintain this legitimacy, companies need to show that the activities carried out by the company continue to support social interests and do not harm the environment or certain community groups. One of them is by implementing a sustainable and socially responsible business through CSR and the submission of sustainability reports. The implementation of CSR and sustainability reports are the company's efforts to convey a positive signal, which aims to obtain positive legitimacy from stakeholders. In addition, to continue to obtain legitimacy, the company must be able to implement green accounting, namely a reporting system that integrates environmental aspects in the calculation and disclosure of the company's finances. The main goal is to measure and report the environmental impact of the company's operational

activities, as well as efforts made to reduce these impacts. Where green accounting helps companies in the process of transparency regarding the use of natural resources, waste management, and other environmental impacts.

Signalling Theory

This theory focuses on how companies signal to the market and stakeholders through certain actions or policies to show that the company has good and sustainable performance. In this case, Intellectual Capital, CSR, and Green Accounting can be seen as positive signals to investors that the company has innovative and socially responsible resources, which ultimately have an impact on financial performance. Signaling theory shows how the company must signal to users of financial statements. Information essentially presents all information or descriptions from past conditions to future projections for the survival of a company and has an impact on the capital market (Chen, et al., 2023). This information is generally considered good news and is expected to encourage a positive reaction from the market. Conversely, if the company chooses not to disclose information, or if the information provided is considered negative, investors will consider it a bad signal, which has the potential to lower the company's stock price.

Financial Performance

In general, financial performance measures the extent to which a company is able to achieve its financial goals, such as profitability growth, operational efficiency, and sustainable financial performance. Financial performance is the result or achievement that can be achieved by a company during a certain period, which reflects the overall financial condition of the company (Coelho, et al., 2023). Where financial performance is very necessary for stakeholders such as management, shareholders, and investors because it reflects the health and prospects of the company in the future. The company's stable financial performance is an attraction for investors to invest capital in the company, so maintaining stable financial performance is one of the goals that must be achieved by the company (Abukari, et al., 2023). In this study, financial performance is proxied by the net profit margin value obtained by the company in the annual period. The net profit margin calculation formula in this study is:

NPM = (Net Profit / Total Revenue) x 100%

Green Accounting

Green accounting is an accounting approach that emphasizes recording and reporting environmental information, as well as how business decisions can positively affect the environment. The implementation of green accounting can increase the transparency and accountability of companies in terms of environmental impact, thereby improving the company's reputation in the eyes of stakeholders (Akpan & Nkata, 2023). This creates added value for the company and increases investor and consumer confidence. Thus, in the long term, green accounting practices can lead to cost savings, better risk management, and increased operational efficiency (Gonzalez & Peña-Vinces, 2023). Green accounting in this study is measured using the following formula:

Green Accounting = Total Environmental Cost/ Net Profit

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a company's commitment to run its business by considering the overall social, environmental, and economic impacts (Somachandra, et al., 2023). CSR includes various initiatives aimed at improving people's welfare, preserving the environment, and making a positive contribution to the communities in which the company operates. Involvement in CSR can improve a company's reputation,

strengthen relationships with stakeholders, and drive long-term growth (Emeka-Okoli, et al., 2024). CSR is not just about fulfilling legal responsibilities, but also about ethical and social responsibilities to all parties interested in the company, including employees, customers, and the general public (Fosu, et al., 2024). The higher the company's commitment to CSR, the greater the positive impact on the company's financial performance. Companies that are actively involved in CSR activities tend to gain more trust from the community, which can ultimately increase customer loyalty and the company's value in the market.

CSR also plays a role in reducing reputational risk and minimizing potential conflicts with regulators or the community, thereby creating operational and financial stability for the company. So companies that demonstrate high social responsibility tend to produce better financial performance in the long term. Previous research conducted by Dattijo, et al., (2024); and Putri, et al., (2024) successfully proved that CSR has a significant influence on financial performance. Likewise, previous research conducted by Saputra, et al., (2024); and Adamkaite, et al., (2023) found that CSR has a significant influence on the company's financial performance. The CSR measurement dimension in this study uses the global ESG (environmental, social, governance) performance rating by Morningstar Sustain Analytics.

Intellectual Capital

Intellectual capital is an intangible asset consisting of knowledge, skills, and abilities possessed by employees, as well as relationships with customers, internal processes, and innovations owned by the company (Lores, et al., 2023). Good intellectual capital management plays an important role in supporting the company's strategic decision-making and improving operational efficiency. Intellectual capital is divided into three main components: human capital, structural capital, and relational capital. By improving the management of these components, companies can strengthen innovation and competitive advantage which has an impact on better financial performance. Good management of intellectual capital can serve to increase internal productivity and innovation, as well as strengthen external relations with stakeholders, thereby creating sustainable long-term value for the company.

The positive impact of intellectual capital on financial performance lies in the company's ability to strengthen stakeholder trust and improve the company's image, thereby contributing to improving the company's operational quality and financial performance in the long term (Jaqueline & Moxotó, 2024). Previous research conducted by Agustin & Sari (2024); and Putri, et al., (2024) successfully proved that intellectual capital has a significant influence on financial performance. Likewise, previous research conducted by Laksmiwati, et al., (2023); and Siregar (2023) found that intellectual capital has a significant influence on the company's financial performance. Intellectual capital in this study is measured using the equation:

Intellectual Capital = VAICTM (VACA + VAHU + STVA)

RESEARCH FRAMEWORK & HYPOTHESIS

Research Framework

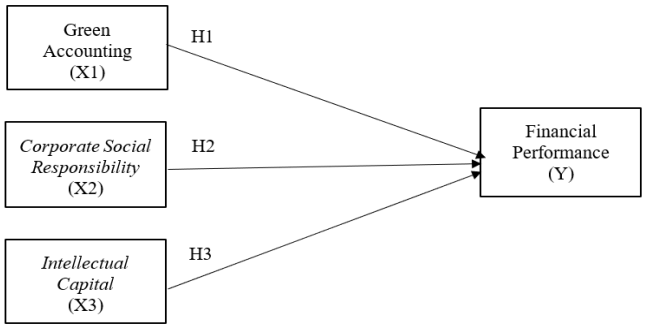


Figure 2: Conceptual Framework

Hypothesis

H1: Green Accounting has a positive effect on Financial Performance

H2 : Corporate Social Responsibility has a positive effect on Financial Performance

H3 : Intellectual Capital has a positive effect on Financial Performance

MATERIALS & METHODS

This study is causal associative research, which is a type of research that aims to identify the cause-and-effect relationship between various variables (Sugiyono, 2020). This study uses a quantitative approach based on a deductive-inductive approach. This study aims to test the effect of the application of green accounting, corporate social responsibility, intellectual capital and compliance with regulations (through the publication of sustainability reports) on financial performance in the Energy Sector listed on the Indonesia Stock Exchange. The observations in this study were 238 data units, namely 34 companies × 7 years of research (2017-2023). This research was conducted through a documentation study by collecting supporting data from various literatures, journals and reference books to obtain an overview of the problems studied and collect secondary data in the form of panel data from financial reports and websites of each company. In analyzing the effect of the implementation of green accounting, corporate social responsibility, and intellectual capital on financial performance proxied through the company's net profit margin, with Panel Data Regression Analysis, with an analysis tool in the form of Eviews 12 software.

STATISTICAL ANALYSIS

Descriptive Statistical Analysis

Descriptive statistical analysis is used to determine the characteristics of the sample used and describe the variables in the study. Descriptive statistical analysis consists of the number of samples, range, minimum value, maximum value (Ghozali, 2016). Descriptive statistics describe data so that information is clearer and easier to understand. The analysis is carried out to identify the variables to be tested in each hypothesis, how the profile and distribution of these variables are.

Model Selection Test Analysis.

1. **Chow Test.** Which choice is more accurate between the fixed effect model or the common effect model can be determined by running the Chow test.
2. **Hausman Test.** Which choice is most suitable between fixed effect model or random effect model for panel data regression can be determined by utilizing statistical test called Hausman test.
3. **Lagrange Multiplier Test.** Which choice is most appropriate between random effect model or common effect model for panel data regression can be determined by utilizing statistical method called Lagrange Multiplier test.

Classical Assumption Test

The most appropriate choice between the Fixed Effect Model (FEM) or the Common Effect Model (CEM) can be decided by running a classical assumption test. The classical assumption test does not need to be run when the Random Effect Model (REM)

is the selected model because the only equation that meets the classical assumptions is the equation that applies the Generalized Least Square (GLS) method (Priyatno, 2023). Determination of FEM and CEM uses Ordinary Least Square (OLS), while the estimation model in Eviews uses the GLS method, especially the REM model. In this study, the results of the selection of the estimation method will determine whether or not a classical assumption test is needed. The classical assumption test does not need to be carried out if REM is determined as the best estimation method for the regression equation (Sari and Muliyani, 2019).

Hypothesis Testing

1. **Multiple Linear Regression Analysis of Panel Data.** This study uses panel data regression analysis to determine and obtain evidence related to the hypothesis of the influence received by the net profit margin variable (Y), from the independent variables, namely green accounting (X1), corporate social responsibility (X2) and intellectual capital (X3). In addition, through this analysis, the significance value of each independent variable on the dependent variable studied will also be obtained. The significance of the influence of independent variables on dependent variables can be determined by the following criteria:
   a. If the significance value > 0.05, then partially the independent variable does not have a significant effect on the dependent variable.
   b. If the significance value ≤ 0.05 then partially the independent variable has a significant effect on the dependent variable.
2. **Partial Test (t-test).** The t-statistic test basically shows how far the influence of one independent explanatory variable individually explains the variation of the dependent variable. This test is used to see the direction of the influence of the green accounting variable (X1), corporate social responsibility (X2) and intellectual capital (X3) on the net profit margin variable (Y).

RESULT

Descriptive Statistical Analysis Result

The researcher presents the results of descriptive tests to explain the characteristics of each variable in this study.

Figure 3: Descriptive Statistical Analysis Result

	GA_X1	CSR_X2	IC_X3	NPM_Y
	GA_X1	CSR_X2	IC_X3	NPM_Y
Mean	0.121771	38.56095	21.95399	0.094833
Median	0.033500	38.30000	22.08260	0.094200
Maximum	1.930700	54.00000	22.97440	0.812700
Minimum	-0.084700	20.20000	20.74670	-1.376600
Std. Dev.	0.286257	12.13332	0.644329	0.315558
Skewness	4.682868	-0.126764	-0.506526	-2.574305
Kurtosis	27.90650	1.608808	2.282356	13.31618
Jarque-Bera	1858.633	5.249191	4.045881	348.9460
Probability	0.000000	0.072469	0.132266	0.000000
Sum	7.671600	2429.340	1383.101	5.974500
Sum Sq. Dev.	5.080459	9127.482	25.73992	6.173772
Observations	63	63	63	63

Source: Data processing by the author, with eviews 12

The results of the descriptive test are:

a. The lowest green accounting value (X1) is -0.0847, which indicates that there is a sample company that spends the lowest green accounting costs of 8.4% of the total net profit generated. Although the value in the descriptive test results is negative, this does not mean that the realized green accounting is negative. The maximum value of the sample

company's green accounting is 1.9307, which means that there is a sample company that spends the highest green accounting costs during the annual period with costs of 190% of the company's profit. And the average value of green accounting issued by the sample company is 0.1217, which indicates that the average green accounting capability of the company is 120% each year.

b. The lowest CSR value (X2) is 20.20, which indicates that the lowest ESG risk performance rating given by the Morningstar Sustainability Institute by the sample company is 20.20, which indicates that the company is at low risk. The maximum CSR performance value is 54.00, which indicates that there are companies that have dangerous ESG risk values. The average value obtained is 38.56, which indicates that the average company has a high ESG risk.
c. The lowest intellectual capital value (X3) is 20.7467, which shows that there is a sample company that spends the lowest intellectual capital costs of 20.74% of the profit value generated in one period. The maximum intellectual capital value of the sample company is 22.9744, which shows that there is a sample company that spends the largest intellectual capital costs of 22.97% of the profit value generated in one period. Furthermore, the average value of intellectual capital issued by the sample company is 21.9539, which shows that the company's ability to allocate intellectual capital is 21.95% of the profit value generated in one period.
d. The lowest net profit margin (Y) value is -1.3766, which shows that there is a sample company that experiences a loss of 137% in the annual period. The maximum net profit margin value of the sample company is 0.8127, which means that there is a sample company that is able to obtain the highest annual net profit margin during the annual period of 81%. And the average value of the annual net profit margin obtained by the sample companies is 0.0948, which shows that the average ability of the company to generate net profit margin is 9.4%.

Model Selection Test Analysis Result

Chow Test Result

In this study, the results of the Chow test show that the chi-square probability value obtained is 0.0269 < 0.05, so the selected model is the fixed effect model.

Figure 4: Chow Test Result

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.017628	(8,51)	0.0628
Cross-section Chi-square	17.323084	8	0.0269

Source: Data processing by the author, with eviews 12

Hausman Test Results

The results of the Hausman test in this study indicate that the random cross section value obtained is 0.0119 <0.05, so the selected model is the fixed effect model.

Figure 5: Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	10.970365	3	0.0119

Source: Data processing by the author, with eviews 12

Lagrange Multiplier (LM) Test Results

The results of the LM test in this study showed that the Breusch Pagan value obtained was 0.6677 > 0.05, so the selected model was the common effect model.

Figure 6: Lagrange Multiplier (LM) Test Results

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.184324 (0.6677)	1.231156 (0.2672)	1.415480 (0.2341)
Honda	0.429329 (0.3338)	-1.109575 (0.8664)	-0.481006 (0.6847)
King-Wu	0.429329 (0.3338)	-1.109575 (0.8664)	-0.557698 (0.7115)
Standardized Honda	1.278698 (0.1005)	-0.944104 (0.8274)	-3.409053 (0.9997)
Standardized King-Wu	1.278698 (0.1005)	-0.944104 (0.8274)	-3.461541 (0.9997)
Gourieroux, et al.	--	--	0.184324 (0.5618)

Source: Data processing by the author, with eviews 12

Classical Assumption Test Results

Multicollinearity Test Results

<0.085, then the value of green accounting (X1) to intellectual capital (X3) is 0.0811 <0.85, and the value of CSR (X2) to intellectual capital (X3) is -0.1198 <0.85, so it can be stated that each variable is free from multicollinearity symptoms.

Figure 7: Multicollinearity Test Results

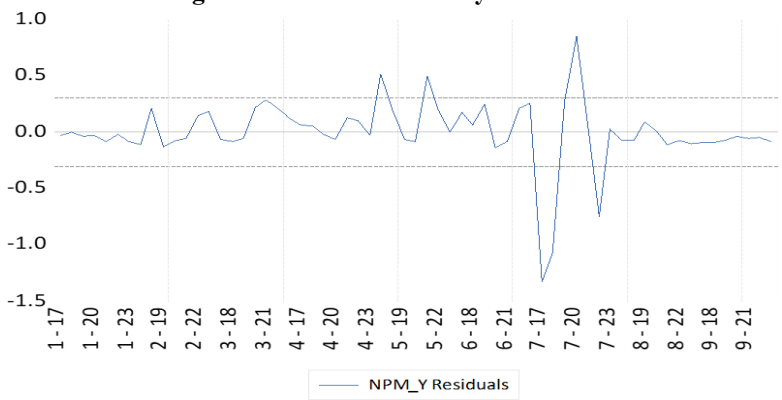
	Correlation		
	GA_X1	CSR_X2	IC_X3
	GA_X1	CSR_X2	IC_X3
GA_X1	1.000000	0.334617	0.081149
CSR_X2	0.334617	1.000000	-0.119863
IC_X3	0.081149	-0.119863	1.000000

Source: Data processing by the author, with eviews 12

Heteroscedasticity Test Results

The results of the heteroscedasticity test in this study indicate that the blue graph in this study does not exceed the value limit (5.0) and does not exceed the value below (-5.0), so it can be said that all variables are free from heteroscedasticity symptoms.

Figure 8: Heteroscedasticity Test Results



Source: Data processing by the author, with eviews 12

Panel Data Regression Test Results

This study uses panel data regression analysis to determine and obtain evidence related to the extent of the influence received by the net profit margin variable (Y), from the independent variables, namely green accounting (X1), corporate social responsibility (X2) and intellectual capital (X3). The results of the equation obtained in the panel data linear regression analysis are as follows:

NPM_Y = -3.1837 - 0.1322 * GA_X1 + 0.0039 * CSR_X2 + 0.1432 * IC_X3

Figure 9: Panel Data Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.183758	1.378315	-2.309890	0.0244
GA_X1	-0.132283	0.146177	-0.904953	0.3692
CSR_X2	0.003910	0.003462	1.129441	0.2633
IC_X3	0.143204	0.061643	2.323128	0.0236

R-squared	0.094199	Mean dependent var	0.094833
Adjusted R-squared	0.048141	S.D. dependent var	0.315558
S.E. of regression	0.307869	Akaike info criterion	0.543101
Sum squared resid	5.592210	Schwarz criterion	0.679173
Log likelihood	-13.10768	Hannan-Quinn criter.	0.596619
F-statistic	2.045234	Durbin-Watson stat	1.124265
Prob(F-statistic)	0.117295		

Source: Data processing by the author, with eviews 12

With interpretation:

a. The regression coefficient value of X1 is -0.1322, which means that green accounting has a negative effect on the net profit margin (Y) variable. This can be interpreted that every increase of 1 in the green accounting value can affect the decrease in the net profit margin (Y) value by 0.1322.
b. The regression coefficient value of X2 is 0.0039, which means that CSR performance has a positive effect on the net profit margin (Y) variable. This can be interpreted that every increase of 1 in the CSR performance value can affect the increase in the net profit margin (Y) value by 0.0039.
c. The regression coefficient value of X3 is 0.1432, which means that intellectual capital has a positive effect on the net profit margin (Y) variable. This can be interpreted that every increase of 1 in the intellectual capital value can affect the decrease in the net profit margin (Y) value by 131.44.

With the results of the partial hypothesis test (t-test) obtained are as follows:

a. The standard coefficient of the influence of green accounting on net profit margin is -0.1322, with a t-statistic value of -0.9049, and a significance value of 0.36> 0.05. Therefore, it can be stated that the green accounting variable (X1) is partially proven to have a negative but insignificant effect on the net profit margin variable (Y). **Hypothesis 1 is rejected.**

1. The standard coefficient of the influence of CSR performance on net profit margin is 0.0039, with a t-statistic value of 1.1294, and a significance value of 0.26> 0.05. Therefore, it can be stated that the CSR performance variable (X2) is partially proven to have a positive but insignificant effect on the net profit margin variable (Y). H**ypothesis 2 is accepted.**
2. The standard coefficient of the influence of intellectual capital on net profit margin is 0.1432, with a t-statistic value of 2.3231, and a significance value of 0.02 <0.05. Therefore, it can be stated that the

intellectual capital variable (X3) is partially proven to have a significant positive effect on the net profit margin variable (Y). **Hypothesis 3 is accepted.**

DISCUSSION

1. The Effect of Green Accounting Implementation on Financial Performance

This finding shows that although there is a tendency that the higher the implementation of green accounting, the company's profitability tends to decrease. In the energy industry, the implementation of environmental accounting involves a large amount of expenditure for environmental audits, waste processing, pollution control, investment in environmentally friendly technology, and comprehensive sustainability reporting. These expenses will mostly be recorded as operating expenses that depress the company's net profit. Because NPM is an indicator of profitability calculated based on net profit against sales, a decrease in net profit due to environmental costs can cause a decrease in NPM, even though the company has carried out its environmental responsibilities.

These results are not in line with Stakeholder theory which states that companies that pay attention to environmental aspects show their commitment to the welfare of various other stakeholders can improve the company's image, attract investors who care about sustainability, and increase customer satisfaction, all of which can have a positive impact on financial performance. Although the company has made efforts to fulfill its social and environmental responsibilities to the community, regulators, and other external groups, there has not been a strong alignment with the interests of internal stakeholders such as profit-oriented shareholders. This imbalance between fulfilling social responsibility and achieving financial performance can cause profitability not to increase significantly. Green accounting activities have not been fully integrated into the company's value creation process. This causes the long-term benefits of environmental activities such as improved reputation, energy efficiency, and stakeholder loyalty to not be reflected in short-term financial reports.These results are in line with research by Agustin & Sari (2024); Ningsi, et al., (2024); Dania, et al., (2023) which stated that green accounting has a negative effect on the company's financial performance. However, compared to previous research conducted by Agyemang, et al., (2024); and Ruhiyat & Kurniawan (2024) which successfully proved that the implementation of green accounting has a significant positive effect on financial performance.

2. The Influence of Corporate Social Responsibility on Financial Performance

In practice, the implementation of ESG in many energy sector companies is still more administrative and reactive. Companies tend to run ESG programs to meet formal regulations and compliance, not as a core strategy in creating business efficiency or innovation. Such ESG implementation incurs additional costs such as environmental audits, sustainable reporting, and social investments that do not necessarily result in increased revenue in the short term. As a result, the positive impact on net profit margin has not been seen significantly. From the signaling theory perspective, ESG ratings should be a positive signal to the market that a company has good long-term prospects, is responsible, and is resistant to non-financial risks. However, this signal is only effective if it is accepted and believed by the market. If the market does not fully believe that a company with high ESG will also provide high returns, then the signal will not affect financial performance in the near future. CSR activities can also be seen as a positive signal to the market and investors that the company has good management and is committed to long-term sustainability.These

results are supported by the results of previous studies conducted by Dattijo, et al., (2024); and Putri, et al., (2024) who succeeded in proving that CSR has a significant positive influence on financial performance. Likewise, previous studies conducted by Saputra, et al., (2024); and Adamkaite, et al., (2023) found that CSR has a significant effect on the company's financial performance.

3. The Influence of Intellectual Capital on Financial Performance

Intellectual capital is seen as a strategic asset that allows companies to meet the expectations and interests of various stakeholders, including employees, customers, and the community. Good management of intellectual capital can serve to increase internal productivity and innovation, as well as strengthen external relationships with stakeholders, thereby creating sustainable long-term value for the company. The positive impact of intellectual capital on financial performance lies in the company's ability to strengthen stakeholder trust and improve the company's image, thereby contributing to improving the company's operational quality and financial performance in the long term (Jaqueline & Moxotó, 2024).

Strong human capital includes skilled workforce, competent management, and a culture of innovation that plays a role in increasing production efficiency, technology development, and better risk management. Structural capital such as information systems, efficient work processes, and knowledge management systems help accelerate decision-making and operational efficiency. Meanwhile, relational capital such as trusts from business partners, customer relations, and company reputation helps expand the market and strengthen customer loyalty. The combination of these three components creates real added value for the company. Increased productivity, efficiency, and innovation generated by intellectual capital contribute directly to increasing the company's net profit, which is ultimately reflected in the net profit margin ratio. Previous research conducted by Agustin & Sari (2024); and Putri, et al., (2024) successfully proved that intellectual capital has a significant influence on financial performance. Likewise, previous research conducted by Laksmiwati, et al., (2023); and Siregar (2023) found that intellectual capital has a significant influence on the company's financial performance.

CONCLUSION

Based on the results and discussions in the previous chapter, it can be concluded that:

1. **Hypothesis 1 is rejected**: green accounting has a negative but insignificant effect on net profit margin.
2. **Hypothesis 2 is accepted**: corporate social responsibility performance has a positive but insignificant effect on net profit margin.
3. **Hypothesis 3 is accepted**: intellectual capital has a positive and significant effect on net profit margin.

LIMINATIONS & RECOMMENDATION

This study still finds a gap in research findings that reject hypothesis 1, so there is a rejection of the theory used in the study. In this case, the researcher hopes that future researchers can re-analyze the green accounting variable related to its influence on net profit margin performance. In order to obtain answers related to the gap in this study, by developing methods or adding other variables.

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