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# GOOD CORPORATE GOVERNANCE AS A MODERATOR OF THE INFLUENCE OF GREEN ACCOUNTING AND CORPORATE SOCIAL RESPONSIBILITY ON FINANCIAL PERFORMANCE

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## ABSTRACT

Growing societal attention to environmental and social challenges has prompted mining companies to integrate green accounting and CSR into their sustainability frameworks. Nevertheless, empirical evidence regarding their financial implications remains inconclusive. This study investigates the effects of green accounting and CSR on financial performance proxied by ROA and examines the moderating role of GCG, using panel data from 18 mining companies listed on the Indonesia Stock Exchange over the period 2022–2024. Green accounting was measured using the PROPER rating, CSR disclosure was evaluated based on the GRI Standards 2021, and GCG was represented by the presence of independent commissioners and the audit committee. Data were analyzed through multiple regression and MRA. The results indicate that green accounting exerts a negative impact on ROA, whereas CSR contributes positively. The independent board of commissioners significantly moderates both relationships, attenuating the adverse effect of green accounting while dampening the positive effect of CSR. In contrast, the audit committee only moderates the link between green accounting and ROA, with no significant influence on the CSR and ROA relationship. These findings underscore that GCG mechanisms do not operate uniformly; rather, they shape the financial outcomes of sustainability initiatives in distinct and context-specific ways.

**Keywords: Green Accounting, Corporate Social Responsibility, Good Corporate Governance, Financial Performance**

## I. INTRODUCTION

In the modern era today this, awareness global society on the importance of sustainability environment Keep going increase (Qatrunnada, 2023). Issue social and environmental become highlight main in various discussions contemporary (Kholmi and Nafiza, 2022). Pressure on issues an increasingly complex environment urge push company No only chase profitability, but also consider impact social and ecological from activity his business (Amal and Kholmi, 2025). This encourage various industrial sectors, including mining that has a footprint significant environment to implement practice more business sustainable and environmentally friendly environment.

One real example of damage environment due to operations mining This activity occurred at PT Semen Baturaja (Persero), a State-Owned Enterprise located in Baturaja, Ogan Komering Ulu Regency, South Sumatra. limestone and soil mining Clay around the factory produce's cement dust which has the potential to pollute air as well as negative impact on the environment and health surrounding community (Yuda Pranata, 2025).

This research based on theory stakeholder's interests (stakeholder theory), which emphasizes that company mines must maintain its existence by fulfilling expectations community and stakeholders interest others. Trust from stakeholders interests can take the form of investment or collaboration which ultimately increase productivity and sales, thereby contributing to increased net profit. This increase in net profit then has a positive impact on Return on Assets (ROA). Thus, companies need to integrate environmental, social, and welfare considerations. Stakeholder's interest in every policy and decision-making process decision's, not just focus solely on increasing profits (Pandangan et al., 2021).

One of the response to these demands is the concept accountancy green According to, accounting green is system accounting that takes into account impact environment in the process of taking decision business. In context this, accounting green reflect effort company in manage footsteps ecologically in order to build public trust, stakeholders interests, and investors (Adikasiwi et al., 2024). Its application allows company measure, monitor and report impact environment from its operations, at the same time identify opportunities to reduce burden ecological and improving efficiency source power.

In line with accounting green, half answer social company (CSR) is also considered as an important instrument in fulfilling obligations company towards stakeholders interests. Fachri Ramadhan et al ., (2025) explained that CSR is a concept that requires the company meets the needs of stakeholder's interest in operate activity his business. Accountability This functioning as a voluntary mechanism to integrate issue environment and social into operation company as well as interactions with stakeholders interest (Kumala and Priantilianingtiasari, 2023) .

As balancer between interest companies and stakeholder's interests, good corporate governance ( GCG) plays a role role strategic in supervision and control GCG is believed to capable strengthen the effectiveness of implementation practice sustainability through structure solid supervision and accountability (Hasan et al., 2025). Silaban and Harefa, (2020) defines GCG as the system that regulates connection between role commissioners, directors, shareholders shares, and other related parties. More further, (Hasan et al., 2025) state that GCG is functioning as framework work that directs, manages, and supervises the way company to align with the goals that have been set set

## II. LITERATURE REVIEW

### 2.1 Theory Stakeholders Interest

Theory stakeholders Stakeholder theory was first put forward by R. Edward Freeman in 1984 in his book Strategic Management: A Stakeholder Approach. This state that company No only responsible answer to holder shares, but also to all parties affected or who have an interest in the activities company. According to (Kartika Wulandhari and Nera Marinda Machdar, 2024) approach This emphasize that the company's goals not solely chase performance economy, but also includes responsibility answer social and environmental impacts on the communities surrounding its operations. In context industry mining, theory This require company to maintain its existence by fulfilling expectations community and various stakeholders interest others. Trust from stakeholder's interests which can be tangible in the form of investment or partnership potential increase productivity and sales. These improvements ultimately impact on increasing net profit, which directly contributes to increasing the company's Return on Assets (ROA).

### 2.2 Green Accounting

Lestari et al ., (2025) define green accounting as system integrated accounting impact environment into the decision-making process decision business. In context this, accounting green become manifestation of company commitment in guard environment as effort build trust from community, stakeholders interests, and investors (Adikasiwi et al., 2024) . Its application allows companies to measure, monitor, and report impact ecological from activity its operations, while opening up opportunities to minimize footsteps environment and improve efficiency utilization source power. Research by Amal and Kholmi (2025) confirm that accountancy green has a role strategic in support continuity of company operations. Through increased efficiency costs and compliance with environmental regulations, practices this contributes to increased profitability as well as long-term financial stability long.

### 2.3 Corporate Social Responsibility

Fachri Ramadhan et al., (2025) argue that corporate social responsibility (CSR) is not merely an optional initiative but a fundamental obligation requiring companies to address and fulfill stakeholder needs throughout all business operations. (Kumala and Priantilianingtiasari, 2023) assert that CSR embodies a company's commitment to consumers, employees, shareholders, local communities, and the environment, integrated across all operational dimensions. Consistent CSR implementation fosters long-term operational stability, which in turn enhances profitability (Amanda et al., 2024) further emphasize that CSR should be viewed not only as a moral duty but also as a strategic tool for improving financial performance effectively and accurately.

### 2.4 Independent Board of Commissioners

The Independent Board of Commissioners plays a pivotal role in monitoring management performance and ensuring that the Board of Directors' decisions are aligned with the interests of both the company and its shareholders (Azizah et al ., 2025). However, it is not authorized to intervene in the company's day-to-day operational activities. As (Amin and Sunarjanto, 2023) emphasize, all members of the Board of Commissioners, including the Lead Commissioner possess equal authority and are not subject to hierarchical subordination among themselves.

### 2.5 Audit Committee

The Audit Committee is a body formed by the Board of Commissioners and in operate tasks, reporting, and his accountability to the council, in nature independent. In addition, this committee play a role as connector between external auditors and management company (Ardyanti, 2023) . The purpose of its formation is to monitor and supervise the company's operational progress. According to

(Pasaribu and Soeratin, 2024) the audit committee is responsible answer to ensure that operational activities are running in a way effective and in accordance with regulations, so that it can minimize practice management that prioritizes personal interests. This role is very important in promote transparency and accountability company.

### 2.6 The Impact of Green Accounting on Financial Performance

Green accounting allows company manage as well as report costs and impacts environment in a way more systematic. This approach push efficiency use source Power at a time lower risks related to damage environment. When the company demonstrate a real commitment to sustainability ecological, the belief of government, investors, and society tend increase factors that can ultimately strengthen financial performance in term long. Existing empirical studies affirm the beneficial role of green accounting in enhancing financial performance. Akinjobi (2024) in a South African case study, demonstrated that green accounting significantly improves Return on Equity (ROE), largely through more efficient waste management that minimizes regulatory fines and enhances operational productivity. Likewise, Amal and Kholmi (2025) identified a positive association between green accounting and financial outcomes in state-owned enterprises, attributing this effect to improved corporate reputation and easier access to financing, especially when environmental disclosures are transparent and embedded within long-term sustainability planning. These conclusions are further supported by Pribowo (2024) and Adikasiwi et al. (2024), who similarly found that adopting green accounting practices contributes positively to firms' financial results. Moreover, responsible environmental stewardship fosters stronger ties with stakeholders, which in turn bolsters financial resilience and overall organizational performance.

**$H_1$: Green Accounting has a positive impact on Financial Performance.**

### 2.7 The Impact of CSR on Financial Performance

Corporate Social Responsibility (CSR) plays a role as a mechanism for balancing the interests of various parties affected by the operation mining, including public local government and investors. In accordance with the theory stakeholder's interests, companies No only responsible answer on the creation of value for holders shares, but are also obliged to provide benefit social and environmental for the surrounding community. In context this, CSR becomes means strategic for companies to build communication and create positive impact beyond organizational boundaries. A number of previous studies have positive relationship between CSR and corporate financial performance. Hidayati and Rosidi (2024), for example, through analysis regression in companies manufacturing in Indonesia, found that CSR implementation significantly increases Return on Assets (ROA). The increase was mainly driven by community partnership programs that strengthen brand image and reduce potential conflict social and cost litigation. On the other hand, Pribowo (2024) researched the extractive sector and found that CSR initiatives, especially those oriented environment capable build goodwill with the community local, thus reducing level change employee turnover and increase operational efficiency, which ultimately has a positive impact on profitability. In addition, Afifah and Priantilianingtiasari (2024) highlighted context company state-

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owned mines and found significant correlation between CSR measured using GRI index with company financial performance.

**$H_2$: Corporate Social Responsibility has a positive effect on Financial Performance.**

### 2.8 Commissioner Independent Moderating the Effect of Green Accounting on the Financial Performance of Mining Companies in Indonesia

The existence of a board of commissioners independent functioning as a monitoring mechanism critical to ensure implementation accountancy green (green accounting) no only nature ceremonial, but truly directed to fulfill interest's stakeholder's interest external, such as society, government, and investors. According to Anggraini and Fidiana (2021), the greater the proportion commissioner independent in the council, the more effective supervision of management can be carried out. This strong supervision push company to manage cost environment in a way more efficient and minimize risk ecological, thus strengthening contribution accountancy green towards improving financial performance. Previous research findings also support this. role moderation of GCG, particularly through commissioners independent, in strengthen connection between accountancy Green and financial performance. Sunarjo et al. (2024), in study on the company manufacturing in Indonesia, shows that GCG significantly strengthens the influence of accounting green to Return on Assets (ROA), as per seen from coefficient positive interactions. This strengthening occurs through the application of strict internal controls, which ensure accuracy reporting environment and prevent data manipulation. Thus, supervision effective by the board of commissioners independent allows accountancy green operate as a mitigation instrument risk, good risk environment and reputation. This is ultimately increase stakeholder trust interests, encourage operational efficiency, as well as support stability long-term financial performance long company.

**$H_3$: Independent Commissioners moderate the positive influence of Green Accounting on Financial Performance.**

### 2.9 Commissioner Independent Moderating the Effect of Corporate Social Responsibility on the Financial Performance of Mining Companies in Indonesia

Strong and fair corporate governance mechanisms are needed to minimize potential conflict interests. In context this, existence commissioner independent plays an important role in supervise at a time direct implementation not quite enough answer social company (CSR) to be truly integrated into the core business strategy. This objective and independent oversight encourages increased transparency and accountability in implementation of CSR programs, so that initiatives social and environmental No only nature philanthropist, but rather able converted become mark real economy, such as reputation building company, increasing investor confidence, operational efficiency, and mitigation risk social and environmental. Sunarjo et al. (2024) found, in their analysis of Indonesian firms, that GCG acts as a significant moderating factor. Specifically, their results show that GCG amplifies the positive impact of CSR on Return on Equity (ROE), as confirmed by a statistically significant and positive interaction coefficient. This strengthening effect is largely attributable to GCG's focus on transparent disclosure practices, which help ensure that CSR activities are executed with genuine strategic intent rather than as mere compliance-driven formalities, thereby facilitating measurable financial returns. In light of the existing literature and the operational realities of Indonesia's mining sector, characterized by strict regulatory demands and elevated societal expectations, the implementation of robust GCG frameworks is critical. Such mechanisms enable CSR initiatives to transcend symbolic gestures and instead contribute meaningfully to financial resilience and long-term corporate stability.

**$H_4$: Independent Commissioners moderate the positive influence of Corporate Social Responsibility on Financial Performance.**

### 2.10 Audit Committee Moderates the Effect of Green Accounting on Financial Performance

The Audit Committee is an independent body formed by the Board of Commissioners to strengthen oversight in key areas such as financial reporting, risk management, internal audit, and corporate governance implementation (Honi et al., 2020). When acting as a moderating variable, the committee plays a crucial role in reframing green accounting—not as a mere cost burden, but as a strategic vehicle for long-term value creation across stakeholder groups. Through enhanced accountability and transparency, it facilitates the effective translation of sustainability initiatives into tangible financial outcomes, thereby amplifying their contribution to firm performance. Empirical support for this role is evident in Rahmawati and Kitrianti (2021), who demonstrate that the presence of an audit committee positively influences financial performance by improving the reliability of financial disclosures, reinforcing internal control systems, and ensuring regulatory compliance. Similarly, Aprila et al. (2022) find that a sufficiently sized audit committee enables more thorough and effective supervision, which enhances the quality of managerial decision-making and bolsters investor confidence. When oversight is robust, green accounting can significantly strengthen corporate reputation, attract sustained support from customers and investors, mitigate long-term operational risks, and ultimately drive higher profitability and market valuation.

**$H_5$: Audit Committee moderates the positive influence of Green Accounting on Financial Performance.**

### 2.11 Audit Committee Moderates the Influence of Corporate Social Responsibility on the Financial Performance of Mining Companies in Indonesia

Independent and competent audit committee plays an important role in prevent use CSR budget that is not efficient, thus ensuring that initiative social truly create mark strategic, not just operational expenses. In framework GCG. This reflects the company's commitment to responsibility answer social and environmental aspects in line with improving financial performance and interests of all stakeholder's interests (Silaban & Harefa, 2020). Silaban and Harefa's (2020) research found that positive and significant interaction between GCG and CSR, which indicates that GCG implementation strengthens the influence of CSR on financial performance, especially Return on Assets (ROA). The audit committee, as part from the GCG mechanism, it is predicted capable strengthen the relationship by increasing transparency and accountability CSR implementation in the eyes of the market and investors.

**$H_6$: Audit Committee moderates the positive influence of Corporate Social Responsibility on Financial Performance**

## III. RESEARCH METHOD

This research utilized a documentation-based data collection strategy, relying on publicly available annual reports, sustainability disclosures, and financial statements obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id) as well as the individual corporate websites of the selected sample companies.

This study applies a purposive sampling technique, in which companies are chosen according to pre-established criteria that directly correspond to the research objectives. According to Sugiyono (2019), such a sampling strategy is appropriate when full population coverage is impractical due to constraints related to time, scope, or available resources, and the selected sample is expected to reflect key characteristics of the broader population. In this research, 18 firms were deliberately selected based on specific eligibility conditions that align with the contextual and thematic focus of the study.

A multiple linear regression analysis was carried out to evaluate how Green Accounting and CSR affect corporate financial performance.

$$\gamma=\beta_0+\beta_1\chi_1+\beta_2\chi_2+\varepsilon$$

Where:

Y = Financial Performance
$\beta_0$ = intercept or constant
$\beta_1,\beta_2$ = coefficient regression for each independent variable
$\chi_1$ = Green Accounting (GA)
$\chi_2$ = Corporate Social Responsibility (CSR)
$\varepsilon$ = error term or residual

## IV. RESULT AND DISCUSSION

### 4.1 Analysis Multiple Linear Regression

The following are the results of the analysis test multiple linear regression

**Table 1.**
**Analysis Multiple Linear Regression**
**Coefficients**

| | B | Std. Error | t | Sig |
|---|---|---|---|---|
| (Constant) | 14,382 | 3,661 | 3,928 | 0 |
| Green Accounting | -9,439 | 1.02 | -9,257 | 0 |
| Corporate Social Responsibility | 27,189 | 8.65 | 3,143 | 0.003 |

Source: data processed by SPSS, (2026)

Based on results of Table 1, then the equation is obtained multiple linear regression as follows:

$$\mathbf{Y = 14,382 - 9,439\ X_1 + 27,189\ X_2}$$

The explanation of each component is as follows:

a. **Constant (a = 14.382)**
The constant reflects the predicted value of ROA when both Green Accounting and CSR are equal to zero. Its significance level ($p = 0.000 < 0.05$) indicates that the intercept is statistically significant.

b. **Green Accounting ($\beta_1 = -9.439$; $p = 0.000$)**
The negative coefficient suggests that, holding all else constant, a one-unit increase in Green Accounting implementation is associated with a decrease of 9.439 units in ROA. The p-value ($0.000 < 0.05$) confirms this effect is statistically significant.

c. **Corporate Social Responsibility ($\beta_2 = 27.189$; $p = 0.003$)**
The positive coefficient indicates that, ceteris paribus, a one-unit improvement in CSR implementation leads to an increase of 27.189 units in ROA. This relationship is statistically significant at the 5% level ($p = 0.003 < 0.05$).

### 4.2 Coefficient Determinancy (R) Analysis Regression

Statistical analysis of the model produces an $R^2$ value of 0.632, meaning that Green Accounting and Corporate Social Responsibility (CSR) together explain approximately 63.2% of the fluctuations in financial performance, proxied by Return on Assets (ROA). The remaining 36.8% of the variation is likely influenced by variables outside the scope of this study, such as macroeconomic conditions, managerial quality, or industry-specific dynamics. The Adjusted $R^2$ of 0.617 further supports the model's validity, indicating that the inclusion of multiple explanatory variables does not artificially inflate its fit. Additionally, the correlation coefficient ($R = 0.795$) points to a robust linear relationship between the combined effect of Green Accounting and CSR and the company's financial outcomes.

#### 1) Model Feasibility Test (F Test)

The $F_{test}$ yields a statistic of 42.865 and a p-value of 0.000 far beneath the conventional 0.05 significance level providing strong evidence that Green Accounting and Corporate Social Responsibility (CSR), when considered together, exert a significant joint influence on financial performance. This result affirms that the regression model is both appropriate and robust for analyzing how these two independent variables relate to the dependent variable, namely financial performance, as operationalized in this research.

#### 2) Hypothesis Test (t-Test)

The $t_{test}$ results indicate that the Green Accounting variable is associated with a $t_{statistic}$ of $-9.257$ and a p-value of 0.000 ($< 0.05$), demonstrating a statistically significant negative relationship with financial performance. This suggests that greater implementation of green accounting practices correlates with a decline in Return on Assets (ROA). Conversely, Corporate Social Responsibility (CSR) exhibits a positive t-statistic of 3.143 ($p = 0.003 < 0.05$), signifying a statistically significant and favorable effect on financial performance.

#### 3) Moderate Regression Analysis (MRA) Test Results

The following are the results of the analysis test Moderate Regression Analysis (MRA)

**Table 2.**
**Moderate Regression Analysis (MRA) Test Results**
**Coefficients**

| Variabel | B | Std. Error | Beta | t | Sig |
|---|---|---|---|---|---|
| (Constant) | 17.012 | 3.094 | | 5.498 | .000 |
| Green Accounting | -10.279 | 1.664 | -.913 | -6.177 | .000 |
| Corporate Social Responsibility | 36.740 | 9.633 | .385 | 3.814 | .000 |
| Green Accounting*Dewan Komisaris Independen | 13.671 | 4.395 | .438 | 3.110 | .003 |
| Green Accounting*Komite Audit | -2.403 | 1.131 | -.431 | -2.125 | .039 |
| Corporate Social Responsibility*Dewan Komisaris Independen | -104.188 | 21.131 | -.625 | -4.931 | .000 |
| Corporate Social Responsibility*Komite Audit | 9.801 | 6.036 | .297 | 1.624 | .111 |

Source: data processed by SPSS, (2026)

The findings from the Moderated Regression Analysis (MRA) lead to the following interpretations:

**a. Green Accounting × Independent Board of Commissioners**
The interaction term between Green Accounting and the Independent Board of Commissioners is positive and statistically significant ($B = 13.671$, $t = 3.110$, $p = 0.003$). This implies that independent board oversight mitigates the negative financial impact of green accounting, effectively functioning as a protective mechanism that softens its adverse consequences on firm performance.

**b. Green Accounting × Audit Committee**
A statistically significant negative interaction is observed between Green Accounting and the Audit Committee ($B = –2.403$, $t = –2.125$, $p = 0.039$). This indicates that the Audit Committee's supervision intensifies the unfavorable effect of green accounting on financial outcomes—likely due to heightened compliance requirements, stringent sustainability reporting standards, or elevated monitoring costs that strain short-term profitability.

**c. CSR × Independent Board of Commissioners**
The interaction coefficient for CSR and the Independent Board of Commissioners is negative and highly significant ($B = –104.188$, $t = –4.931$, $p < 0.001$), suggesting that rigorous oversight by independent commissioners dampens the financial benefits typically derived from CSR activities. This may reflect a governance style that prioritizes risk aversion or procedural compliance over strategic flexibility, thereby limiting the potential of CSR to generate economic value.

**d. CSR × Audit Committee**

The interaction between CSR and the Audit Committee yields a positive but statistically insignificant coefficient (B = 9.801, t = 1.624, p = 0.111). This result indicates that the Audit Committee does not significantly moderate the relationship between CSR and financial performance, implying limited involvement in shaping the financial outcomes of social responsibility initiatives.

**4.3 Coefficient Determination (R) Analysis Regression Moderation**

The Model Summary from the moderated regression analysis reports an R value of 0.883, an $R^2$ of 0.781, and an Adjusted $R^2$ of 0.752. This means that approximately 78.1% of the variability in financial performance (ROA) is accounted for by a model that includes Green Accounting, CSR, and their interaction effects with GCG mechanisms, the Independent Board of Commissioners and the Audit Committee. The Adjusted $R^2$ of 0.752 further indicates that the model maintains strong explanatory power even after adjusting for the inclusion of additional predictors. When compared to the baseline (unmoderated) regression model which yielded an $R^2$ of 0.632 and an Adjusted $R^2$ of 0.617, the moderated model shows a notable improvement of 14.9 percentage points in explained variance. This substantial gain underscores that incorporating GCG-based moderating variables significantly strengthens the model's ability to predict financial outcomes. More importantly, it highlights how corporate governance structures actively shape the financial implications of sustainability initiatives, rather than serving as passive oversight bodies

**4.4 Discussions**

**The impact of green accounting on financial performance**

Green accounting demonstrates a statistically significant adverse effect on financial performance, consistent with its negative regression coefficient. In the short run, this is largely attributable to non-revenue-generating outlays, such as those for sustainability reporting, green technology adoption, and regulatory compliance, which reduce net earnings and, ultimately, lower ROA.

Nevertheless, despite its short-term financial burden, implementing green accounting remains a strategic long-term investment. Such practices enhance corporate reputation, mitigate legal and regulatory risks, improve resource efficiency, and foster trust among stakeholder, key factors that can collectively translate into stronger financial performance over time.

**The influence of corporate social responsibility on financial performance**

This research reveals a statistically significant positive link between CSR implementation and financial performance. Firms with more transparent and substantive CSR reporting exhibit higher ROA, primarily because such practices bolster their credibility and public image, which in turn strengthens stakeholder confidence and long-term support.

This enhanced trust translates into tangible benefits, including greater customer loyalty, improved access to capital, and an increase in overall firm value. Consequently, CSR should not be viewed merely as a symbolic gesture or a minimal response to social expectations; rather, it functions as a strategic business tool that actively contributes to sustainable financial performance.

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**Board of Commissioners independent moderates the effect of green accounting on financial performance**

This study finds that the Independent Board of Commissioners plays a significant moderating role in the relationship between green accounting and financial performance. The positive and significant interaction coefficient indicates that the presence of an independent board mitigates the negative impact of green accounting on financial performance. In other words, stronger oversight by independent commissioners enhances the effectiveness of green accounting initiatives, enabling them to contribute more constructively to corporate financial outcomes rather than acting solely as a cost burden. This finding indicates that the board of commissioners independent help ensure that initiative environment No only nature formality, but integrated in a way strategically into corporate governance. Thus, the practice of green accounting can be aligned with expectations stakeholder's interests related to transparency, accountability, and sustainability, so that the benefits term length.

**Board of Commissioners independent moderating the influence of CSR on financial performance**

The results indicate that the Independent Board of Commissioners functions as a statistically significant moderator in the relationship between Corporate Social Responsibility (CSR) and corporate financial performance. However, the interaction coefficient is negative and highly significant, suggesting that rigorous oversight by independent commissioners attenuates the positive financial impact typically associated with CSR. This implies that intensive governance scrutiny may restrict managerial autonomy in shaping and executing CSR strategies, thereby reducing their capacity to translate social initiatives into tangible economic benefits.

This finding implies that although the purpose of supervision is to improve accountability, an approach that is too stiffness can be limiting room movement management in designing and adapting CSR programs that are responsive to needs local or market dynamics. As a result, the potential for CSR as means of value creation, through strengthening reputation, loyalty community, or access to funding no fully realized. Thus, the effectiveness of CSR is not only depend's on implementation, but also on balance between strategic oversight and autonomy management in manage initiative the social

**Audit committee moderates the effect of green accounting on financial performance**

While the Audit Committee serves a moderating role, its effect is counterproductive. intensified scrutiny exacerbates the negative association between green accounting and financial performance. This implies that stringent audit governance may inadvertently magnify the short-term financial burden of sustainability-related disclosures and compliance, further constraining profit margins.

This occurs because stringent audit supervision compels firms to adhere to higher standards of environmental reporting and regulatory compliance, leading to elevated short-term operational costs, such as external audits, sustainability certifications, and the preparation of detailed sustainability reports. Since these expenditures do not immediately yield direct financial returns, they tend to suppress net profit and reduce

Return on Assets (ROA). Thus, while the Audit Committee's role is intended to enhance transparency and accountability, its oversight when not accompanied by cost-efficient management strategies, can inadvertently become a financial burden. This is particularly evident in the context of sustainability practices, which are inherently long-term investments and may not generate immediate economic benefits.

**Audit committee moderates the influence of CSR on financial performance**

The results show that the Audit Committee does not function as a statistically significant moderator in the link between Corporate Social Responsibility (CSR) and corporate financial performance. In practical terms, both the mere presence of an audit committee and the degree of its supervisory activity have no substantial effect, either enhancing or weakening the financial outcomes associated with CSR initiatives. From a theoretical standpoint, the Audit Committee is expected to uphold transparency and accountability in CSR implementation, ensuring that social programs deliver genuine value to stakeholders. However, the empirical results suggest that its function remains predominantly focused on overseeing financial reporting and ensuring compliance with formal accounting requirements, rather than assessing the strategic, social, or reputational dimensions of CSR. As a result, despite the regular disclosure of CSR activities, the committee's involvement has not effectively bridged the gap between social contributions and quantifiable financial returns, leading to no discernible effect on financial performance

## V. CONCLUSION AND RECOMMENDATION

The findings show that green accounting negatively affects financial performance, whereas CSR has a positive and significant impact. The Independent Board of Commissioners acts as a quasi-moderator: it lessens the adverse effect of green accounting, supporting its long-term strategic value, but weakens CSR's financial benefits. In contrast, the Audit Committee exacerbates the negative impact of green accounting and does not significantly moderate the CSR–performance link. These results confirm that Good Corporate Governance (GCG) mechanisms are not neutral; they shape sustainability outcomes in distinct, context-specific ways within the mining sector.

Recommendations for companies should embed CSR and green accounting into core business strategy, not merely as compliance or reporting formalities, but as long-term value drivers. Future research should broaden the scope by incorporating control variables (e.g., firm size, leverage, macroeconomic conditions), extending the observation period, comparing across industries, or adopting mixed-method approaches to deepen understanding of the interplay between GCG, sustainability practices, and financial performance.

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