

**THE EFFECT OF GREEN INVESTMENT AND CORPORATE SOCIAL  
RESPONSIBILITY ON THE FINANCIAL PERFORMANCE OF MINING  
COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2020-  
2023**

**<sup>1</sup>Joni Kurniawan Gea**

Email: kurniawangea740@gmail.com

**<sup>2</sup>Dimita Hemalli Premasari Purba**

Email: dimitahppurba@gmail.com

**<sup>3</sup>Yosephine Natalitha Sembiring**

Email: yosephine.natalitha.sembiring@gmail.com

**<sup>4\*</sup>Arthur Simanjuntak**

Email: as\_smjt@rocketmail.com

**<sup>1,2,3,4</sup>Department of Accounting, Fakultas Ekonomi, Universitas Methodist Indonesia**

\*Correspondece Author: as\_smjt@rocketmail.com

**ABSTRACT**

*The purpose of this study is to analyze the effect of Green Investment and Corporate Social Responsibility factors on Company Value. The formulation of the research problem is whether Green Investment and Corporate Social Responsibility affect Financial Performance. The sample used was 12 companies. The data used in this study were obtained from the annual financial reports of Mining Sector companies in 2020-2023. The population of companies in this study consisted of 40 Mining sectors listed on the Indonesia Stock Exchange (IDX) in 2020-2023. A total of 10 samples were used in this study with sample selection using the purposive sampling method. The data analysis used was descriptive statistics, classical assumption tests and hypothesis testing with the regression method using SPSS 26. This study used a quantitative descriptive research design. The analysis technique used was multiple linear regression. The results showed that Green Investment has a positive effect on Financial Performance, Corporate Social Responsibility has no an effect on Financial Performance.*

*Keywords: Green Investment (PROPER), Corporate Social Responsibility, Financial Performance*

**ABSTRAK**

Tujuan dari penelitian ini adalah untuk menganalisis pengaruh dari faktor *Green Investment* dan *Corporate Social Responsibility* terhadap Kinerja Keuangan. Rumusan masalah penelitian tersebut yaitu apakah *Green Investment* dan *Corporate Social Responsibility* berpengaruh terhadap Kinerja Keuangan. Sampel yang digunakan sebanyak 12 perusahaan. Data yang digunakan dalam studi ini diperoleh dari laporan keuangan tahunan perusahaan Pertambangan tahun 2020-2023. Populasi perusahaan dalam penelitian ini terdiri dari 40 sektor Pertambangan yang terdaftar di Bursa Efek Indonesia (BEI) pada tahun 2020-2023. Total sebanyak 12 sampel digunakan dalam penelitian ini dengan pemilihan sampel menggunakan metode purposive sampling. Analisis data yang digunakan adalah statistik deskriptif, uji asumsi klasik dan uji hipotesis dengan metode regresi menggunakan SPSS 26. Penelitian ini menggunakan desain penelitian deskriptif kuantitatif. Teknik analisis yang digunakan yaitu regresi linier berganda. Hasil penelitian menunjukkan bahwa *Green Investment* berpengaruh positif terhadap Kinerja Keuangan, *Corporate Social Responsibility* tidak berpengaruh terhadap Kinerja Keuangan.

**Kata Kunci: *Green Investment* (PROPER), *Corporate Social Responsibility*, Kinerja Keuangan**

## I. INTRODUCTION

The mining industry is a crucial sector in the global economy, but it also faces various challenges, including fluctuating commodity prices, stringent environmental regulations, and the need to improve operational efficiency. Financial performance is a formal effort undertaken by a company to measure the success of an industry or issuer in generating profitability, thus enabling it to assess the company's prospects, growth, and potential for development, relying on its resources. Good financial performance can be considered if it has a current liquidity ratio, high profitability, high solvency, and a high activity ratio.

Financial performance is important to measure periodically because it reflects the company's health, management's ability to manage the company, and its ability to meet stakeholder expectations in the future. ROE reflects current financial performance as a prediction of future performance and prospects, related to the company's sustainability, ability to pay dividends, interest and principal, taxes, and other obligations in the coming period (Kusuma et al., 2021).

ROE provides an overview of management's ability to manage the resources entrusted to them to generate profits (Kasmir, 2018). Return on Equity (ROE) is an important indicator often used by investors and managers to assess a company's efficiency in generating profits from each dollar of equity held (Bahri et al., 2023). This metric demonstrates a company's ability to generate profits that will be returned as value to shareholders. As a barometer of a company's financial health, ROE provides an overview of the rate of return on assets under the company's control. Therefore, ROE can be a determining factor for investors in making decisions about investing in a company (Yanuar et al., 2021). ROE provides fundamental insight into how well a company manages its investments to generate growth.

Rizello (2022:2) defines green investment as a green financing base associated with projects or ventures that aim to have a positive impact on the environment or are used more generally to improve the overall ESG (Environmental, Social, and Governance) score of companies seeking funding through changes in business operations. According to Zhang and Berhe (2022), green investment is a concept of using green capital mobilized from the government or industry to invest in environmental goods and services such as protecting ecosystem diversity and losses from climate damage. Green investment activities are not only carried out by the government, but currently companies are also participating in addressing environmental issues.

The implementation of green investment is believed to enhance a company's reputation and value because investors believe that green investment will improve company performance, despite the high costs incurred for green investment activities. This statement is confirmed by research by Tanasya and Handayani (2020), which states that green investment can have a positive impact on profitability. The reason for this influence is that if a company implements a green investment strategy better, every activity carried out by the company will gain support from the community, which can impact the company's profitability. Furthermore, according to Yannan et al. (2022), financial performance can be significantly positively influenced by green investment.

Corporate Social Responsibility (CSR) is a company's or business corporate commitment to contribute to sustainable economic development by addressing corporate social responsibility and emphasizing a balance between economic, social, and environmental concerns. The term corporate social responsibility, which addresses environmental, social, and economic impacts, has gained significant attention over the past decade. However, perspectives on corporate social responsibility can vary across countries, depending on how it is integrated into existing social, political, financial, and institutional systems.

Corporate social responsibility can provide benefits such as improving a company's financial performance, enhancing its brand image, and increasing the attraction and retention of a qualified workforce. The function of corporate social responsibility aims to help companies achieve their social and ethical goals and prevent conflicts of interest between management, shareholders, and other parties. As an obligation, corporate social responsibility encourages companies to formulate policies, make

decisions, and act in accordance with the values and goals upheld by the community (Afrizal et al., 2020).

**Table 1**

**Average Green Investment, Corporate Social Responsibility, and Financial Performance Data for Mining Companies Listed on the Indonesia Stock Exchange in 2020-2023**

Variable	Year			
	2020	2021	2022	2023
<i>Green Investment</i>	3,33	3,33	3,42	3,42
<b>CSR</b>	0,24	0,27	0,28	0,32
<b>Financial Performance (ROE)</b>	0,31	0,21	0,35	0,12

Source: www.idx.co.id

From 2020 to 2023, the financial performance of mining companies listed on the Indonesian Stock Exchange experienced significant fluctuations. Return on Equity (ROE) fell from 0.31 in 2020 to 0.21 in 2021, then rose to 0.35 in 2022, before dropping sharply again to 0.12 in 2023. This phenomenon could indicate unstable company profitability, which could be influenced by external factors such as global commodity prices, environmental regulations, or internal operational efficiency.

Data shows that green investment trended upward during the 2020-2023 period. Starting from 3.33 in 2020 and 2021, it rose to 3.42 in 2022 and remained stable at that level in 2023. This trend reflects mining companies' growing awareness and commitment to environmentally friendly investments, likely driven by pressure from regulators, stakeholders, and market demands for sustainable business practices.

CSR shows an increasing trend from 0.24 in 2020 to 0.32 in 2023. This increase indicates that companies are increasingly enhancing their social responsibility activities, possibly as a form of adaptation to public expectations and regulations that require companies to contribute to the social environment. This phenomenon indicates a shift in the corporate paradigm from simply seeking profit to towards sustainable development. The phenomenon shown in the table illustrates that although there was an increase in green investment and corporate social responsibility (CSR) during the 2020–2023 period, this was not directly proportional to an increase in financial performance (Return on Equity). In fact, ROE experienced a significant decline in 2023 despite the increase in green investment and CSR activities.

## II. THEORETICAL BASIS

### Legitimacy Theory

Legitimacy Theory is a company management system oriented toward supporting the community, government, individuals, and community groups (Gray et al., 1996). Legitimacy Theory is considered important for companies because the public's legitimacy is a strategic factor for the company's future development.

### Financial Performance

According to Fahmi (2018), financial performance is an analysis conducted to determine the extent to which a company has implemented its financial management regulations properly and correctly. According to Kariyoto (2017), financial performance is a company's operational activities presented through financial figures, compiled in a well-organized and accurate manner, to provide a realistic picture of the company's condition. Financial performance represents the achievements achieved by management in carrying out its function as a company asset manager over a specific period (Parahdila et al., 2023).

Financial performance can be measured through financial statement analysis. Financial ratio analysis, such as the Profitability Ratio, Liquidity Ratio, Leverage Ratio (Solvency), and Activity Ratio, is the basis for assessing and analyzing a company's operational performance. Performance measures how efficient and effective a manager or company is, and how well they achieve their stated goals. A

company's financial performance is difficult to measure precisely and is more like an art form because it involves both subjective and objective aspects of the assessor. Financial performance represents the change in a company's results over time. Financial performance, defined as a company's ability to manage and control its resources, is typically calculated using ratios. Ratios in financial statement analysis are numbers that represent other elements in the financial statements (Febriansyah & Fahreza, 2020).

### Green Investment

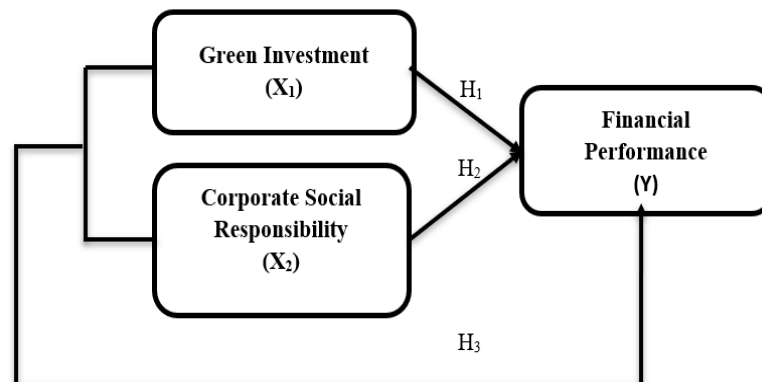
Green investment is a concept of using green capital mobilized by the government or industry to invest in environmental goods and services, such as protecting ecosystem diversity and mitigating the impacts of climate change (Zhang & Berhe, 2022). Meanwhile, according to (Ramadhani & Astuti, 2023), green investment is an investment concept or capital investment activity that emphasizes companies actively committing to preserving natural resources or implementing other environmentally responsible business practices. From the above expert explanations, it can be concluded that green investment, or green investment, which is included in green finance, represents a transformation of the financial industry toward more environmentally responsible businesses, aimed at reducing greenhouse gas emissions and air pollution from company activities.

### Corporate Social Responsibility

Said (2017) defines CSR as transparent business practices that adhere to shared values and norms for stakeholders. According to Fallah & Mojarrad (2019), CSR is the ethical behavior of stakeholders aimed at promoting higher living standards while simultaneously seeking profit. Corporate social responsibility (CSR) is a company's or business's commitment to contribute to sustainable economic development by emphasizing a balance between economic, social, and environmental aspects.

### Framework

A framework is a logical flow that explains the relationships between variables or concepts in a study. Based on the problem formulation, theoretical review, and previous research, the framework for this study is as follows:



**Figure 1. Thought Framework**

Suource: Data processed by researches 2025

### Research Hypothesis

#### The Effect of Green Investment on Financial Performance

In line with the legitimacy theory proposed by Dowling & Pfeffer (1975), when companies invest in environmentally friendly practices (green investments) that demonstrate a commitment to sustainability in line with societal values and norms, this can encourage a sustained and improved corporate image in the public eye, which in turn leads to increased customer and stakeholder loyalty, ultimately leading to improved financial performance (Akbar & Dewayanto, 2022).

Tanasya and Handayani (2020) stated that green investment can have a positive impact on

profitability. The reason for this influence is that if a company implements a green investment strategy effectively, every activity it undertakes will gain support from the public, thus impacting profitability. Furthermore, according to Yannan et al. (2022), green investment can significantly positively impact financial performance.

### **H1: Green Investment has a positive and significant impact on Financial Performance**

#### **The Effect of Corporate Social Responsibility on Financial Performance**

Based on Legitimacy Theory, Corporate Social Responsibility (CSR) serves as a tool for companies to gain, maintain, and enhance legitimacy in the eyes of investors, consumers, and business partners. Companies need to adapt to social norms, regulations, and stakeholder expectations to gain widespread acceptance and maintain sustainability. By implementing strong CSR, companies demonstrate a commitment to good governance, build a positive reputation, and create long-term relationships with stakeholders. In the context of legitimacy, CSR is not merely a communication strategy but also a mechanism that ensures the company remains accepted and supported by the external environment.

The greater the disclosure and implementation of CSR, the greater the legitimacy a company gains, which ultimately impacts financial stability and business sustainability. Furthermore, companies with strong legitimacy have the potential to achieve greater benefits, such as broader access to funding sources, increased investor confidence, and greater customer loyalty. In other words, through CSR, companies not only strive to provide social and environmental benefits but also strengthen their market position.

According to Hamdani (2016), a company can be considered responsible if it has a performance vision that not only generates profits but also improves the welfare of society and the environment. Research by Cindiyasari and Aisyah (2017), Simionescu and Dumitrescu (2018), and Silalahi and Ardini (2017) shows that corporate social responsibility has a significant positive effect on a company's financial performance. Based on the results of previous research, the research hypothesis can be formulated as follows:

### **H2: Corporate Social Responsibility has a positive and significant effect on Financial Performance**

#### **The Effect of Green Investment and Corporate Social Responsibility on Financial Performance**

Simultaneous research generally refers to a hypothesis or provisional view, where a theory seems forced. This can occur due to a weak theory and is not always formulated in the research. What is meant by simultaneous influence in this research is how green investment and corporate social responsibility, together or as a whole, can affect financial performance. Therefore, based on the explanation of the effects of the independent variables on the dependent variable described in the previous hypothesis, which is also supported by the research results mentioned above, the researcher draws the following hypothesis:

### **H3: Green Investment and Corporate Social Responsibility simultaneously have a significant effect on Financial Performance**

## **III. RESEARCH METHODS**

### **Population and Sample**

The population in this study was all mining companies listed on the Indonesia Stock Exchange during the 2020-2023 period, with a total of 40 issuers. The sampling technique used was purposive sampling. Purposive sampling is sampling based on specific criteria.

### **Data Type and Source**

The type of data used in this study is quantitative. Quantitative data used in this study includes financial reports and sustainability reports published by mining companies listed on the Indonesia Stock Exchange. The data sources used in this study are secondary data (Sarwono, 2018). Secondary data is information collected from existing sources. The researcher collected secondary data in the form of

financial reports, sustainability reports, and other research-related information obtained through the websites of each company, www.idx.com, during the 2020-2023 period.

### Data Collection Techniques

Data collection techniques in this study were conducted through documentation studies and literature reviews. The documentation study was conducted by collecting data obtained from the financial reports of mining companies, which were then compared, analyzed, and combined to form a systematic and coherent analysis result. This research was also conducted with a literature study, namely the collection of data or information with the same criteria and scope of the problem as this research, the references of which were obtained from books, theses, journals or by utilizing internet media to obtain the data needed in the research.

### Research Variables and Operational Definitions

#### Dependent Variable (Y)

The dependent variable is a variable influenced by the independent variable, also known as the independent variable (Arikunto, 2019). The dependent variable in this study is Financial Performance. Financial performance is a specific measure of a company's success in generating profits. In this study, financial performance is measured by Return on Equity (ROE). Return on Equity is used to measure financial performance because it is a comprehensive indicator, easy to understand, and can be applied to any company. The ROE formula is as follows:

$$\text{ROE} = (\text{Net Profit After Tax}) / \text{Equity} \times 100\%$$

#### Independent Variable (X)

An independent variable is a variable that influences or has an effect on other variables, generally in a prior chronological order. The independent variable is the variable measured and selected by the researcher to determine its relationship to an observed phenomenon. The independent variables in this study are Green Investment ( $X_1$ ) and Corporate Social Responsibility ( $X_2$ ).

#### Green Investment

The OECD (Organization for Economic Cooperation and Development) defines green investment as assets considered "green," such as corporate renewable energy, thematic green fund assets, or carbon credits. The measurement of green investment variables refers to research (Chen & Ma, 2021) in Ramadhani & Astuti (2023). The indicator used to measure green investment is the Program for Corporate Performance Rating in Environmental Management (PROPER). The PROPER score is as follows:

**Table 2. PROPER Level Score**

Color	Category	Score
Gold	Very Good	5
Green	Good	4
Blue	Quite	3
Red	Bad	2
Black	Very Bad	1

Source: Ministry of Environment and Forestry, 2002

### Corporate Social Responsibility

Corporate social responsibility is a company's moral obligation to its stakeholders, especially to the communities in which it operates. A company can be considered socially responsible if it has a vision for its operational performance that not only realizes corporate profits but also improves the welfare of the community and its social environment (Hamdani, 2016:174).

Corporate social responsibility is a company's commitment to contribute to sustainable economic development by paying attention to social responsibility and emphasizing the balance between economic, social, and environmental aspects (Murjana et al. 2021:82). Corporate social responsibility carried out by a company not only concerns the environment but also stakeholders such as employees, customers, creditors, communities, and shareholders.

According to Utami (2017), the CSR index is calculated as follows:

$$CSRI_j = \sum X_{ij} / n_j$$

CSRI<sub>j</sub> = Corporate Social Responsibility Disclosure Index of Company j

$\sum X_{ij}$  = Number of Disclosure Items I, Company j

$n_j$  = Number of Disclosure Items j = 91

#### IV. RESULTS AND DISCUSSION

Based on 12 samples of mining companies in the 2020-2023 period, the minimum, maximum, average, and standard deviation values for each variable used in the study can be determined. The following table presents the descriptive statistics.

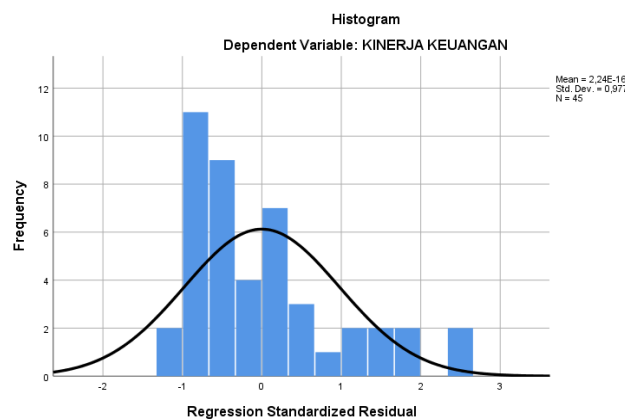
**Table 3. Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Green Investment	45	2,00	5,00	3,3333	,85280	,727
Corporate Social Responsibility	45	,08	,66	,2829	,17668	,031
Financial Performance	45	,00	,61	,1682	,15255	,023
Valid N (Listwise)	45					

Source: Data Processing Results, 2025 (Data processed using SPSS 26)

#### Normality Test

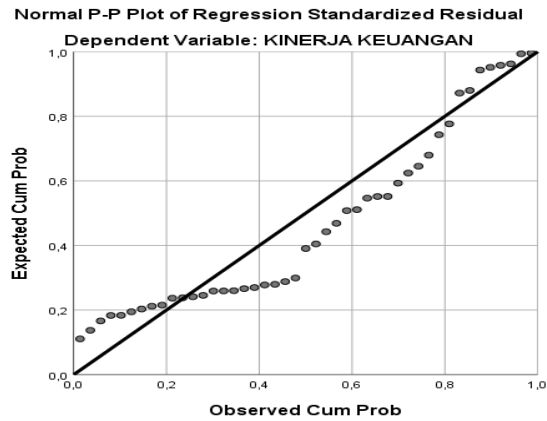
The normality test was conducted to determine whether the dependent and independent variables were normally distributed. If the data in the study were normally distributed, it met the criteria for a good regression model, and vice versa. To test for normality in this study, histogram graphs, probability plots, and the Kolmogorov-Smirnov test were used.



**Figure 2. Histogram Graph**

Source: Processed data, 2025 (Data processed using SPSS 26)

The results of normality can also be seen in the Probability Plot Graph. A normally distributed Probability Plot graph shows a pattern or points spread around the diagonal line or follow the diagonal line. The following figure shows a Probability Plot Graph:



**Figure 3. Probability Plot Graph**

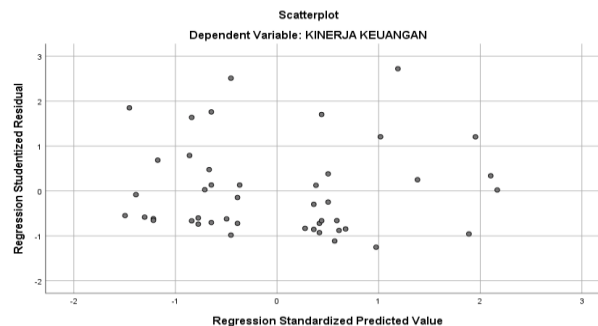
Source: Processed data, 2025 (Data processed using SPSS 26)

**Table 4. Results of the Kolmogorov-Smirnov normality test**

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		45
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	,14200798
Most Extreme Differences	Absolute	,194
	Positive	,194
	Negative	-,116
Test Statistic		,194
Asymp. Sig. (2-tailed)		,060 <sup>c</sup>
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

### Heteroscedasticity Test

Heteroscedasticity can be detected by observing the presence of a specific pattern in the scatterplot graph between SRESID on the Y-axis and ZPRED on the X-axis. A good model is obtained if the points on the scatterplot are randomly distributed and do not form a pattern. This means there is no heteroscedasticity in the regression model, making it suitable for use. The following figure shows the results of the heteroscedasticity test:



**Figure 4. Heteroscedasticity Test Results**

Source: Processed data, 2025 (Data processed using SPSS 26)

### Autocorrelation Test

To detect autocorrelation, the Durbin-Watson (DW) test can be used. Sunyoto and Danang (2013) conducted the following autocorrelation test in the Durbin-Watson (DW) test:

1. Positive autocorrelation occurs if the DW value is below -2 or DW below +2.
2. No autocorrelation occurs if the DW value is between -2 and +2 or  $-2 < DW < +2$ .
3. Negative autocorrelation occurs if the DW value is above 2 or  $DW > +2$ .

**Table 5. Autocorrelation Test Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,365 <sup>a</sup>	,133	,092	,14535	1,563

a. Predictors: (Constant), Corporate Social Responsibility, Green Investment  
b. Dependent Variable: Financial Performance

### Multicollinearity Test

To detect the presence or absence of multicollinearity, the tolerance value and the Variance Inflation Factor (VIF) value can be seen. The absence of correlation between independent variables is a prerequisite for a good regression model. A multicollinearity-free regression model is one with a VIF value  $<10$  and a tolerance value  $>0.1$ . The following table presents the results of the multicollinearity test:

**Table 6. Multicollinearity Test Results**

Model		Coefficients <sup>a</sup>					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
B	Std. Error	Beta						
1	(Constant)	-,103	,116		-,884	,382		
	Green Investment	,071	,028	,398	2,538	,015	,839	1,192
	Corporate Social Responsibility	,120	,135	,138	,883	,382	,839	1,192

a. Dependent Variable: Financial Performance

Source: Processed data, 2025 (Data processed using SPSS 26)

### Multiple Linear Regression Analysis

Regression analysis aims to measure the strength of the relationship between two or more variables and to indicate the direction of the relationship between the dependent variable and the independent variables used. The following table presents the results of the multiple linear regression analysis.

**Table 7. Multiple Linear Regression Analysis**

Model	Unstandardized Coefficients	
	B	Std. Error
(Constant)	-,103	,116
Green Investment	,071	,028
Corporate Social Responsibility	,120	,135

### Hypothesis Testing

The hypothesis tests used in this study include the individual parameter significance test (t-test), the simultaneous parameter significance test (F-test), and the coefficient of determination test (R<sup>2</sup>-test).

#### Partial Test (t-test)

The t-test is used to demonstrate the extent to which the individual independent variables explain the dependent variable. Testing is performed using ( $\alpha=5\%$ ) and/or t-count. The test criteria used are:

1. If  $t\text{-count} > t\text{-table}$  and the significance value is  $<0.05$ , then the independent variable has a positive and significant partial effect on the dependent variable.

- If  $t\text{-count} < t\text{-table}$  or the significance value is  $>0.05$ , then the independent variable has no partial effect and is not significant on the dependent variable.

**Table 8. Partial Test Results (t-test)**

Model		Coefficients <sup>a</sup>						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-,103	,116		-,884	,382		
	Green Investment	,071	,028	,398	2,538	,015	,839	1,192
	Corporate Social Responsibility	,120	,135	,138	,883	,382	,839	1,192

a. Dependent Variable: Financial Performance

Source: Processed data, 2025 (Data processed using SPSS 26)

### Simultaneous Test (F Test)

The F statistic test essentially indicates whether all independent variables entered into the model have a joint influence on the dependent variable. To test this hypothesis, the F statistic is used with the following decision-making criteria:

- If  $\text{sig} > 0.05$ , then the independent variable does not have a significant effect on the dependent variable, or the hypothesis is rejected.
- If  $\text{sig} < 0.05$ , then the independent variable has a significant effect on the dependent variable, or the hypothesis is accepted. (Indriani et al., 2025)

**Table 9. Simultaneous Test Results (F Test)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,137	2	,068	3,232	,049 <sup>b</sup>
	Residual	,887	42	,021		
	Total	1,024	44			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Corporate Social Responsibility, Green Investment

Source: Processed data, 2025 (Data processed using SPSS 26)

### Determination Test (R<sup>2</sup> Test)

The coefficient of determination ( $R^2$ ) measures the model's ability to explain variation in the dependent variable (Ghozali, 2006). The  $R^2$  value ranges from 0 to 1 ( $0 \leq R^2 \leq 1$ ). The larger the  $R^2$  (closer to 1), the better the results for the regression model. The closer it is to 0, the more the independent variables as a whole cannot explain the dependent variable. A small  $R^2$  value indicates that the independent variables' ability to explain variation in the dependent variable is very limited.

**Table 10. Determination Test Results (R<sup>2</sup>)**

Model Summary <sup>b</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Square Change	F Change	df1	df2		Sig. F Change
1	,365 <sup>a</sup>	,133	,092	,14535	,133	3,232	2	42	,049	1,563

a. Predictors: (Constant), Corporate Social Responsibility, Green Investment

b. Dependent Variable: Financial Performance

Source: Processed data, 2025 (Data processed using SPSS 26 application)

### Discussion of Research Results

#### The Effect of Green Investment on Financial Performance

Based on the results of the regression analysis shown in Table 8, it can be concluded that the first hypothesis (H1) supports Green Investment, which has a positive and significant effect on Financial

Performance. This means that Green Investment undertaken by a company has a significant impact on market or investor perceptions of the company, thereby significantly improving or deteriorating Financial Performance. Therefore, it can be concluded that Green Investment, as measured using PROPER, has a significant effect on Financial Performance.

#### **The Effect of Corporate Social Responsibility on Financial Performance**

Based on the results of the regression analysis shown in Table 9, it can be concluded that the first hypothesis (H2), which states that Corporate Social Responsibility has no effect on Financial Performance, is rejected. This means that the implementation of CSR programs by companies does not lead to a significant increase or decrease in the company's financial indicators. In other words, regardless of the form and scale of the CSR program, it is considered not to have a strong enough impact to significantly affect the company's financial condition. This view may arise from the assumption that CSR functions primarily as a social activity or a form of moral and legal compliance, which does not directly contribute to revenue generation or cost reduction.

#### **The Effect of Green Investment and Corporate Social Responsibility on Financial Performance**

Based on the results of the simultaneous test (F-Test) in Table 9, it can be concluded that the third hypothesis (H3) states that Green Investment and Corporate Social Responsibility simultaneously influence Financial Performance. This means that Green Investment and Corporate Social Responsibility jointly influence Financial Performance. When analyzed together, these two factors significantly contribute to the increase or decrease in Financial Performance. This suggests that the combination of a company's environmental stewardship and its investment in sustainability can influence how the market or investors assess the company as a whole. Thus, Hypothesis 3 is accepted. The Adjusted R-Square indicates that Green Investment and Corporate Social Responsibility explain 9.2% of the Financial Performance variable, thus concluding that this research variable plays a small role in Financial Performance, with the remaining 90.8% influenced by other research variables.

## **V. CONCLUSIONS AND SUGGESTIONS**

### **Conclusion**

Based on the analysis of the influence of Green Investment and Corporate Social Responsibility on Financial Performance, the following conclusions can be drawn:

1. The Green Investment variable partially has a positive and significant effect on the Financial Performance of the Mining Sector listed on the Indonesia Stock Exchange. Therefore, the first hypothesis of this study is accepted.
2. The Corporate Social Responsibility variable partially has no effect on the Financial Performance of the Mining Sector listed on the Indonesia Stock Exchange. Therefore, the second hypothesis of this study is rejected.
3. The Green Investment and Corporate Social Responsibility variables simultaneously have a significant effect on the Financial Performance of the Mining Sector listed on the Indonesia Stock Exchange. Therefore, the third hypothesis of this study is accepted.
4. The Green Investment and Corporate Social Responsibility variables explain 9.2% of the Financial Performance variable, with the remaining 90.8% being influenced by other variables not included in the research regression model.

### **Suggestions**

Based on the explanation in the previous chapter, the researcher explained that the purpose of this study was to re-examine the influence of Green Investment and Corporate Social Responsibility variables on Financial Performance (2020-2023). The results of this study's analysis have been summarized in the previous explanation. Therefore, the following suggestions can be given for future research:

1. Future researchers can increase the observation period, for example, to five years or more, to hopefully improve the research results.

2. Future researchers may add other variables suspected of influencing Financial Performance, such as Solvency, Company Size, Leverage, and so on. This is expected to be beneficial for other parties, especially investors, in making decisions.

#### **BIBLIOGRAPHY**

- Afrizal, A., Nugroho, A., & Pratiwi, D. (2020). *Tanggung Jawab sosial perusahaan*. Jakarta: Mitra Wacana Media.
- Akbar, K. F., & Dewayanto, T. (2022). Analisis Pengaruh Corporate Social Responsibility Terhadap Kinerja Keuangan Perusahaan Dengan Efek Moderasi Manajemen Laba. *Diponegoro Journal of Accounting*, 11(1), 1–14. <http://ejournal->
- Bahri, Y. M., Komariah, K., & Jhoansyah, D. (2023). Analisis Return on Asset Return On Equity Debt To Asset Ratio Debt To Equity Ratio Terhadap Return Saham (Study Pt. XI Axiata Tbk Yang Terdaftar Di Bursa Efek Indonesia Periode 2014 2021). *Journal of Economic, Bussines and Accounting (COSTING)*, 7(1), 1735-1745. <https://doi.org/10.31539/costing.v7i1.6850>
- Fahmi, I. (2018). *Analisis Kinerja Keuangan: Panduan bagi Akademisi, Manajer, dan Investor dan Menganalisis Bisnis dari Aspek Keuangan*. Bandung: Alfabeta.
- Fallah, M. A., & Mojarrad, F. (2019). Corporate Governance Effects on Corporate Social Responsibility Disclosure: Empirical Evidence from HeavyPollution Industries in Iran. *Social Responsibility Journal*, 15(2), 208–225. <https://doi.org/10.1108/SRJ-04-2017-0072>
- Febriansyah, E., & Fahreza, R. (2020). Pengaruh Pengungkapan Akuntansi Lingkungan dan Mekanisme Good Corporate Governance Terhadap Kinerja Keuangan (Studi Empiris pada Perusahaan yang Terdaftar di Bursa Efek Indonesia). *Jurnal Pasar Modal Dan Bisnis*, 2(2). <https://doi.org/10.37194/jpmb.v2i2.44>
- Gaol, M. M. L., Ginting, M. C., Situmorang, D. R., & Sagala, L. (2025). The Role of Corporate Social Responsibility Disclosure as A Mediating Variable for The Influence of Green Accounting on The Financial Performance of Plantation Companies Listed on The Indonesia Stock Exchange for the 2021-2023 Period. *Jurnal Ilmiah Accusi*, 7(1), 55-68
- Ghozali. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25 Edisi ke-9*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hamdani. (2016). *Good Corporate Governance: Tinjauan Etika Dalam Praktik Bisnis*. Jakarta: Mitra Wacana Media.
- Hutajulu, R., Purba, D. H., Sagala, L., & Pasaribu, D. (2025). The Effect of Environmental Performance, Environmental Cost and Environmental Disclosure on Financial Performance of Energy Sector Companies Listed on The Indonesia Stock Exchange 2021-2023. *Jurnal Ilmiah Accusi*, 7(2), 279-291
- Kariyoto. (2017). *Analisa Laporan Keuangan*. Malang: Universitas Brawijaya Press (UB Press).
- Kasmir. (2018). *Analisis Laporan Keuangan edisi 1, cetakan ke-12*. Jakarta: Rajawali Pers.
- Kusuma, M., Assih, P., & Zuhroh, D. (2021). Pengukuran Kinerja Keuangan : Return on Equity ( ROE ) Dengan Atribusi Ekuitas. *Jurnal Ilmiah ManajemenDanBisnis*, 22(2), 17. <https://doi.org/10.30596/jimb.v22i2.7935>
- Martina, S., & Girsang, C. I. (2025). An Analysis of The Influence of Digital Accounting System Integration and Financial Literacy on The Financial Performance of MSMEs In the Era of Industry 4.0. *Jurnal Ilmiah Accusi*, 7(1), 135-144
- Parahdila, L., Mukhzarudfa, M., & Wiralestari, W. (2023). Pengaruh Kinerja Keuangan Dan Kinerja Lingkungan Terhadap Nilai Perusahaan Dengan Corporate Social Responsibility Sebagai Variabel Moderasi (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di BEI Tahun 2017-2019). *Jurnal Akuntansi & Keuangan* <https://doi.org/10.22437/jaku.v7i3.25156> Unja, 7(3), 168–179.
- Purba, D. S., Martina, S., & Ferdila, F. (2025). The Influence of Financial Literacy and Access to Capital on the Financial Performance of MSMEs in Pematang Siantar City. *Jurnal Ilmiah Accusi*, 7(1),

254-264

- Ramadhani, K., & Astuti, C. D. (2023). Pengaruh Green Strategy Dan Green Investment Terhadap Carbon Emission Disclosure Dengan Media Exposure Sebagai Variabel Pemoderasi. *Jurnal Informasi, Perpajakan, Akuntansi, Dan Keuangan Publik*, *18*(2), 323–338. <https://doi.org/10.25105/jipak.v18i2.17244>
- Rizello, A. (2022). *Green Investing: Changing Paradigms and Future Directions*. Catanzaro, Italy: Springer Nature Switzerland.
- Said, R. C. J. N. Z. M. S. (2017). Corporate Governance and Corporate Social Responsibility (CSR) Disclosure: The Moderating Role of Cultural Values. *Modern Organizational Governance*, *12*, 189–206. <https://doi.org/https://doi.org/10.1108/S2043-052320170000012013>
- Saragih, M., & Tarigan, V. (2025). Analysis Of Financial Performance of The Regional Revenue and Expenditure Budget in The Pematangsiantar Regional Regional Management and Revenue Agency for the 2021-2023 Period. *Jurnal Ilmiah Accusi*, *7*(2), 424-433
- Sarwono, J. (2018). *Metode Penelitian Kuantitatif & Kualitatif*. Yogyakarta: Pustaka Baru Press.
- Simanjuntak, G. Y., Sagala, F., Sagala, L., Situmorang, D. R., & Panjaitan, R. Y. (2024). The Role Of Foreign Ownership: The Influence Of Accounting Conservatism And Corporate Social Responsibility Disclosure. *Jurnal Ilmiah Accusi*, *6*(1), 13-19
- Simanjuntak, G. Y., Simanjuntak, A., Sagala, F., Ginting, M. C., & Sagala, L. (2024). The Influence Of Leverage, Corporate Governance And Capital Intensity On Tax Avoidance In Mining Companies Listed On The Indonesia Stock Exchange Year 2020–2023. *Jurnal Ilmiah Accusi*, *6*(2), 196-208
- Simbolon, R., Goh, T. S., Simanjuntak, A., & Elisabeth, D. M. (2025). The Impact of Capital Structure, Liquidity, And Firm Size on Financial Performance an Empirical Study of Technology Companies Listed on The Indonesia Stock Exchange (2020-2023). *Jurnal Ilmiah Accusi*, *7*(1), 180-187
- Sinaga, M. H., Tarigan, W. J., & Martina, S. (2025). Analysis Of the Influence of Financial Technology Peer-To-Peer (P2P) Lending and Payment Gateway on The Financial Performance of MSMES In Pematangsiantar City. *Jurnal Ilmiah Accusi*, *7*(2), 434-450
- Sriwiyanti, E., & Nasution, U. R. I. (2025). Analysis of Company Financial Performance Before and After Acquisition (Case Study of PT Garudafood Putra Putri Jaya Tbk on PT Mulia Boga Jaya Tbk). *Jurnal Ilmiah Accusi*, *7*(2), 511-520
- Sriwiyanti, E., & Saragih, R. F. N. (2024). Analisis Common Size Untuk Menilai Kinerja Keuangan PT Indosat Tbk. *Jurnal Ilmiah Accusi*, *6*(2), 341-348
- Tanasya, A., & Handayani, S. (2020). Green investment dan corporate governance terhadap nilai perusahaan: profitabilitas sebagai premediasi. *Jurnal Bisnis Dan Akuntansi*, *22*(2), 225–238. <https://doi.org/10.34208/jba.v22i2.727>
- Yannan, D., Ahmed, A. A. A., Kuo, T. H., Malik, H. A., Nassani, A. A., Haffar, M., Suksatan, W., & Iramofu, D. P. F. (2022). Impact of CSR, innovation, and green investment on sales growth: new evidence from manufacturing industries of China and Saudi Arabia. *Economic Research-Ekonomika Istrazivanja*, *35*(1), 4537–4556. <https://doi.org/10.1080/1331677X.2021.2015610>
- Yanuar, U. T., Sudaryo, Y., & (Efi), N. A. S. (2021). Analisis Pengaruh Return On Asset, Return On Equity, Dan Earning Per Share Terhadap Harga Saham. *Jurnal Indonesia Membangun*, *20*(3), 259–278. <https://doi.org/10.56956/jim.v20i03.66>
- Zhang, Y., & Berhe, H. M. (2022). The impact of green investment and green marketing on business performance: the mediation role of corporate social responsibility in ethiopia’s chinese textile companies. *Sustainability (Switzerland)*, *14*(7). <https://doi.org/10.3390/su14073883>