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The Effect of Green Accounting and Islamic Corporate Social Responsibility on Sustainability Performance in Manufacturing Companies Listed on the Jakarta Index (2020–2023)

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ABSTRACT
This study aims to evaluate the extent to which green accounting and Islamic Corporate Social Responsibility (ICSR) impact the achievement of sustainable performance in manufacturing companies listed on the Jakarta Islamic Index from 2020 to 2023. Green accounting is a financial reporting approach that incorporates environmental aspects, aiming to enhance corporate transparency and accountability in environmental preservation. On the other hand, ICSR reflects corporate social responsibility based on Islamic principles, which emphasizes the fulfillment of stakeholder rights and the preservation of ecosystem balance. This study employs multiple regression methods using secondary data obtained from annual reports and sustainability reports, and the results are tested using the EViews 10 tool. The results showed that Green Accounting has a negative impact on sustainability performance, while ICSR has a positive and significant effect. Simultaneously, both variables have a significant effect on the company's sustainability performance. These findings offer valuable insights into the integrative role of environmental reporting and Islamic-based social responsibility in promoting corporate sustainability. This study aims to make theoretical and practical contributions to the development of corporate sustainability strategies grounded in Islamic values in Indonesia.

Keywords: Green Accounting, Islamic Corporate Social Responsibility, Sustainability Performance.
JEL Code: Q56, Z12, Q01, L25, L60

I. Introduction

A company is an entity formed by individuals, groups, or other legal entities that carry out production and distribution activities to meet economic needs. In carrying out its operations, several factors affect the company's value. The value is not only influenced by financial performance, but also by environmental performance. Financial performance, as well as environmental performance. Firm value is often a key indicator for investors as it reflects the level of shareholder welfare. Among the factors that influence this value is the

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extent to which the company demonstrates environmental responsibility through its performance. One approach that can support corporate environmental transparency and accountability is green accounting. Green accounting is one approach that provides information on the positive and negative impacts of companies on the environment and human well-being (Ashari & Anggoro, 2020). Green accounting is a form of accounting that incorporates environmental aspects into financial reports. This activity is expected to enhance efficiency, mitigate legal risks, and bolster the company's competitiveness. (Joice Pesak & Miran, 2024). In addition, within the context of Islamic companies, the concept of Islamic Corporate Social Responsibility (ICSR) plays a crucial role in supporting company performance. ICSR is a corporate social responsibility initiative grounded in Islamic values, emphasizing a spiritual approach in its interactions with society. The basic principles of ICSR include obedience to Allah SWT, responsibility to fellow humans, and concern for the environment (Rizwanti et al., 2023). ICSR is also closely related to good corporate governance, which, from an Islamic perspective, prioritizes the values of honesty, integrity, accountability, and responsibility of all stakeholders (Suryani et al., 2024). Meanwhile, sustainability performance is a tangible form of the company's commitment to social responsibility. This performance is influenced by various company activities, both operational and non-operational (Desak Werastuti, 2021).

Mining companies, whose activities include exploration, production, processing, and sales of mining products, often face environmental issues such as waste and pollution. Waste that is not managed correctly has the potential to pollute the environment. Indonesian Environmental Statistics data show that water quality has fluctuated, with values of 53.53 in 2020, decreasing to 52.82 in 2021, and then increasing again to 53.88 in 2022. This decline is strongly suspected to be due to industrial activities, including mining. As another example of problems, PT Bukit Asam (Persero) Tbk faces several environmental issues, including liquid waste with very low pH levels (2-3) that exceed the threshold, as well as air pollution. Furthermore, companies that are members of the Jakarta Islamic Index (JII), representing the Islamic capital market in Indonesia, are a key focus for analysis. Companies that operate based on Islamic principles ideally have a strong orientation towards sustainability, encompassing both economic, social, and environmental aspects. However, various environmental issues, such as water pollution, land conflicts, and post-mining reclamation, are still prevalent in many companies listed in this index, as exemplified by the case of PT Bukit Asam Tbk. (Citra Fitrotul Aziza, 2024).

Previous research conducted (Ashari & Anggoro, 2020) found that the implementation of green accounting can improve business sustainability because it helps companies manage environmental costs and public transparency, in contrast to the results of research conducted by (Syafrina Qolbiatin Faizah et al., 2020), which showed that green accounting, when associated with environmental activities and environmentally friendly products, had no effect on financial performance (seen from net profit margin). This is due to the allocation of environmental costs, which are considered an expense that can reduce short-term profits. In the long run, it can increase the company's social legitimacy. Research conducted by Rizwanti et al. (2023) indicates that the application of sharia-based ICSR has a positive impact on sustainability performance, as it can enhance reputation and foster stakeholder trust. Meanwhile, research conducted by Uswatun Hasanah (2021) indicates that ICSR has a significant impact on a company's financial performance, as evidenced by the disclosure of social activities in accordance with Islamic law. In line with this, research by Nursasi & Malangkuçeçwara (2023) confirms that the application of green accounting and improvement in environmental performance have a significant impact on sustainable development. The research on the existence of profitability as a moderating variable also strengthens this relationship by providing the financial resources needed by companies to adopt sustainable technology.

Environmental issues resulting from company activities have also become a public concern, especially in the context of natural disasters such as floods and landslides, which are allegedly triggered by a lack of corporate environmental responsibility. Society now demands that companies not only prioritize capital owners but also consider the rights of employees, surrounding communities, and environmental preservation (Aliefiah et al., 2025). Failure in environmental planning by companies has become a symbol of the poor role of corporations in maintaining the balance of the ecosystem. Some previous studies also show inconsistent results. (Alfijri & Priyadi, 2022) Found that ICSR affects financial performance. (Junisar Fircarina, 2020) revealed that improving performance enables companies to distribute zakat and disclose their social responsibility optimally. In contrast, Luluk Ul Fatul Diroh (2023) stated that ICSR has no significant effect on ROA. In the context of green accounting, research by Hariadi and Nurwanda (2024) and Erlangga et al showed no significant effect on firm value. However, this result contradicts the findings of Salsabila & Widiatmoko (2022) and Sapulette & Limba (2021), which actually show a positive effect.

Based on these various research results, it appears that inconsistencies exist in both green accounting and ICSR variables. In addition, research that specifically addresses the Islamic perspective remains minimal, while most studies continue to focus on the conventional CSR approach and financial performance variables. This indicates a research gap that needs to be explored further, especially in the context of Islamic companies, which are still minimally studied specifically. The novelty in this study lies in its primary focus on environmental reporting and Islamic-based social responsibility. This research also focuses on Islamic companies in the Jakarta Islamic Index (JII), which is a topic that has been rarely explicitly studied. In addition, the use of the latest data for the 2020-2023 period makes this research relevant to current business and sustainability dynamics." This research is expected to provide a new perspective, demonstrating that, in addition to conventional CSR, the ICSR approach is also important in supporting the company's holistic sustainable performance.

II. Literature Review and Hypothesis Development

2.1. Legitimacy Theory

Legitimacy theory was developed by Dowling and Pfeffer (1975). From the perspective of legitimacy theory, a company will voluntarily report its activities if management considers that this is what investors and stakeholders expect. Companies typically strive to legitimize and maintain relationships within the broader social and political environment in which they operate (Jurnal et al., 2022). The primary focus of this theory is not on shareholders, but on the broader public, including governments and other stakeholders. Therefore, social legitimacy becomes one of the important assets for business sustainability. This theory is closely related to the concept of Corporate Social Responsibility (CSR) and intersects with the stakeholder approach, because it emphasizes the company's interaction with the surrounding community (Masrinda, 2024).

2.2. Stakeholder Theory

First proposed by R. Edward Freeman in 1984, stakeholder theory emphasizes that companies are not only responsible to the owners of capital, but also to all parties involved or affected by the company's activities. This theory provides room for management to include ethical and personal values in the strategic planning and decision-making process. In this case, the company is seen as a social entity that must fulfill the interests of all parties, both internal and external (Muhammad Rizki, 2024).

2.3. Green Accounting

Green accounting is an accounting approach that integrates environmental variables into the company's financial reporting system. This concept enables companies to systematically identify, measure, and report the environmental impact of all business activities (Soraya & Nurrochmah, 2024). This aligns with stakeholder theory, which prioritizes the interests of the environment and society as part of corporate responsibility. Companies typically seek to legitimize and maintain relationships within the broader social and political environment in which they operate. The primary focus of this theory is not on shareholders, but on the public at large, including the government. Stakeholder theory emphasizes that companies are not only responsible to the owners of capital, but also to all parties involved or affected by the company's activities.

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This theory provides room for management to incorporate ethical and personal values in the strategic planning and decision-making process. In this case, the company is seen as a social entity that must fulfill the interests of all parties, both internal and external. (Muhammad Rizki 2024)

$$\text{Environmental Activity Index } \frac{\text{Cost of CSR Activities}}{\text{Net Profit}}$$

Previous research conducted by Ashari & Anggoro found that the implementation of green accounting can improve business sustainability because it helps companies manage environmental costs and public transparency.

H1: Green Accounting has a significant effect on sustainability performance.

2.4. Islamic Corporate Social Responsibility

Islamic Corporate Social Responsibility (ICSR) is the implementation of the principles of goodness (amar ma'ruf), which aims to provide benefits to society and gain the pleasure of Allah SWT. ICSR is also closely related to legitimacy theory because companies are expected to demonstrate that their operations align with the social and religious values prevailing in society. The implementation of green accounting and ICSR is believed to be a key element in encouraging companies to act ethically, responsibly, and in a long-term oriented manner. (Sulfati et al. 2022) Therefore, social legitimacy becomes one of the most important forms of capital for business sustainability. This theory is closely related to the concept of Corporate Social Responsibility (CSR) and intersects with the stakeholder approach, as it focuses on the company's interactions with its surrounding community. (Masrinda 2024) Rizwanti et al. demonstrate that the application of Sharia-based ICSR can enhance reputation and stakeholder trust.

$$\frac{\text{Total number of items disclosed}}{\text{Disclosed items}} \text{x}100\%$$

H2: Islamic Corporate Social Responsibility has a significant effect on sustainability performance.

2.5. Sustainability Performance

Sustainability performance refers to the company's achievements in economic, social, and environmental aspects in a balanced manner. Frameworks such as the Triple Bottom Line (TBL), developed by Elkington (1998), emphasize that a company's success is not only measured by its profit, but also by its contributions to society (people) and the planet (environment). The implementation of green accounting and ICSR is considered a factor that supports the achievement of sustainable performance, as these two concepts encourage companies to act ethically, responsibly, and in a long-term-oriented manner. Several studies, such as Wahyuni & Lestari (2020) and Nurkhin et al. (2021), demonstrate a positive relationship between the application of green accounting and ICSR in enhancing company value and business sustainability.

$$\text{SRDI} = \frac{\text{Disclosed items}}{\text{Total number of items disclosed}}$$

Legitimacy theory posits that companies continually strive to ensure they operate within established norms and standards. It is in the society or environment where the company is located that they try to ensure that outsiders accept the company's activities. Without legitimacy, companies cannot survive, regardless of how well their financial performance is. Two theories, both legitimacy theory and stakeholder theory, are theories that explain the motivation of managers or organizations to disclose sustainability reports. If stakeholder theory is motivated by accountability to stakeholders, legitimacy theory uses the motivation to gain approval or acceptance from society. (Sari and Astari 2023) Research conducted by Haida & Wahyuningsih, as well as Ageng Widhy Anugrah, N.D., indicates a positive relationship between the application of these two approaches and an increase in company value and operational sustainability. (Haida and Wahyuningsih 2024) In addition, legitimacy theory also emphasizes that companies that can maintain public trust and social legitimacy will be more stable and able to survive in the long term. (Bagas Nur Rachman 2024) .

The hypothesis is an initial guess at formulating research problems, which are posed as questions. It is called an initial guess because the answer is still theoretical and has not been supported by empirical evidence obtained through the data collection process. Based on this, this study presents the following hypothesis:

H3: Green Accounting and Islamic Corporate Social Responsibility have a significant effect on performance.

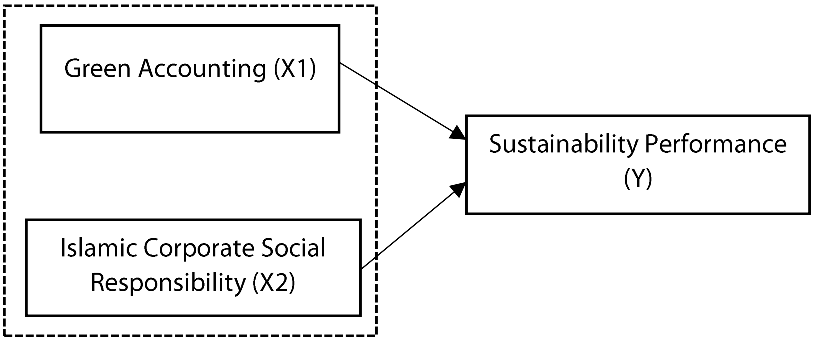

Figure 1. Thinking framework

The framework also briefly explains the symptoms that become the problem or object of research. The flow of thinking is typically based on previous theories and empirical experiences, which serve as the foundation for developing a framework that can inform framework thinking, ultimately leading to the formulation of a hypothesis (Tanasyah et al., 2022).

III. Research Method

This research method uses quantitative descriptive research methods. Quantitative research methods are research methods used to examine specific populations or samples using quantitative instruments and statistical data analysis to test hypotheses. Quantitative/statistical data analysis to test hypotheses. This data is usually obtained from previous research reports. Researchers can utilize existing secondary data sources such as journal articles, government publication sites, e-books, books, internal records, and other sources of information.

3.1. Population And Sample

This research method uses quantitative descriptive research methods. Quantitative research methods are research methods used to examine specific populations or samples using instruments and data analysis that are Quantitative/statistical in nature to test hypotheses. The population is comprised of all individuals, objects, and events that are the primary focus of investigators in a study. (Susanto et al. 2024) . While the sampling in this study uses a purposive sampling method, where the researcher ensures the citation of illustrations through a special identity method that matches the research objectives (Lenaini and Artikel 2021) . Which obtained 30 sample companies. The sample criteria used are as follows.

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a. There are 30 companies listed on the Jakarta Islamic Index (JII) during the period 2020-2023.
b. Manufacturing companies that do not use the rupiah currency (RP) during the 2020-2023 period as many as 6
c. Manufacturing companies that do not publish consecutive financial reports during the period 2020-2023 as many as 6
d. Companies that experienced losses during the consecutive period 2020-2023, namely 3

Based on the criteria determined above, the sampling used in this study consisted of 15 companies, with a research period spanning 4 years, from 2020 to 2023. Moreover, 60 sample data were obtained in this study. The following table lists the companies studied as samples. This study employs multiple regression analysis to predict how the situation (up or down) and the dependent variable will change when two or more independent variables are altered (increased or decreased in value).

3.2. Data Source

This study utilizes secondary data, specifically data obtained indirectly from the object or subject of research, as well as data collected from financial reports and sustainability reports (Veronica et al., 2022). The data analyzed in this study were obtained from the annual financial statements of manufacturing companies listed on the Jakarta Islamic Index (JII).

3.3. Data Analysis Technique

This research uses EViews 10 software.

a. Descriptive Analysis

In this study, descriptive statistical analysis was employed to examine the characteristics of the variables used. According to Sugiyono (2022: 226), descriptive analysis is used to analyze data by describing the data as it is, without attempting to draw general conclusions or make generalizations.

b. Classical Assumption Test

The classical assumption test is a fundamental step in regression analysis, used to ensure that the regression model meets the necessary statistical requirements, thereby ensuring that the results are valid and unbiased. This test generally includes four aspects: (1) the normality test, which examines whether the residuals or data distribution follow a regular pattern; (2) the multicollinearity test, which checks for correlations among independent variables to avoid distorted estimates; (3) the autocorrelation test, which identifies correlations between residuals over time to prevent systematic errors; and (4) the heteroscedasticity test, which detects whether the residuals have constant variance across observations. When all these assumptions are met, the regression model can be considered reliable and suitable for drawing accurate conclusions.

3.4. Multiple Linear Regression Test

Multiple Linear Regression Analysis is a statistical test used to determine the linear relationship between one or more independent variables and a dependent variable. The equation used is as follows: (Lutfi 2023)

$$Y = \alpha + \beta 1X1 + \beta 2X2 + e$$

Description:

Y = Company Value
α = Constant
β1 β2 = Regression coefficient
X1 = Green Accounting
X2 = ICSR
e = Error

The analysis involves several supporting tests, namely the t-test (partial test), which is used to determine the significance of each independent variable individually on the dependent variable; the F-test (simultaneous test), which examines whether all independent variables together significantly affect the dependent variable; and the coefficient of determination (R^2 test), which measures the extent to which the independent variables explain the variation in the dependent variable. When combined, these tests ensure that the regression model can be interpreted appropriately and provide meaningful conclusions about the relationships between variables.

IV. Results and Discussion

4.1. Statistica Results

a. Descriptive Statistical Test

In this study, descriptive statistics were employed to analyze the characteristics of the variables used. This analysis includes the calculation of the maximum, minimum, average, and standard deviation values. The following is a table related to the results of descriptive statistics:

Table 1. Descriptive Statistical Test

	X1	X2	Y
Mean	0.103118	0.498108	0.292857
Median	0.047815	0.479169	0.263736
Maximum	0.763944	0.583333	0.571429
Minimum	0.000358	0.416667	0.120879
Std. Dev.	0.151722	0.051421	0.103953
Skewness	2.889195	0.449952	0.624991
Kurtosis	11.33138	2.030236	3.032435
Jarque-Bera	257.0042	4.375671	3.908764
Probability	0.000000	0.112159	0.141652
Sum	6.187060	29.88647	17.57143
Sum Sq. Dev.	1.358158	0.156005	0.637562
Observations	60	60	60

In Table 1, there are three variables consisting of 2 independent variables (green accounting, Islamic corporate social responsibility) and one dependent variable (sustainability performance), with a total sample size of 15. The results of the descriptive statistical test indicate that the minimum value of the variable y (sustainability performance) is 0.120879, the maximum value is 0.571429, and the average value is 0.292857, with a standard deviation of 0.103953. While variable X1 (green accounting) has a minimum value of 0.000358, a maximum value of 0.571429, and an average value of 0.103118, while the standard deviation is 0.151722,

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and variable X2 (Islamic corporate social responsibility) has a minimum value of 0.416667, a maximum value of 0.583333, and an average value of 0.498108, while a standard deviation of 0.051421.

b. Normality Test

Testing the normality of this research uses the Kolmogorov-Smirnov method with a probability value of > 0.05, which means the research data is typically normally distributed.

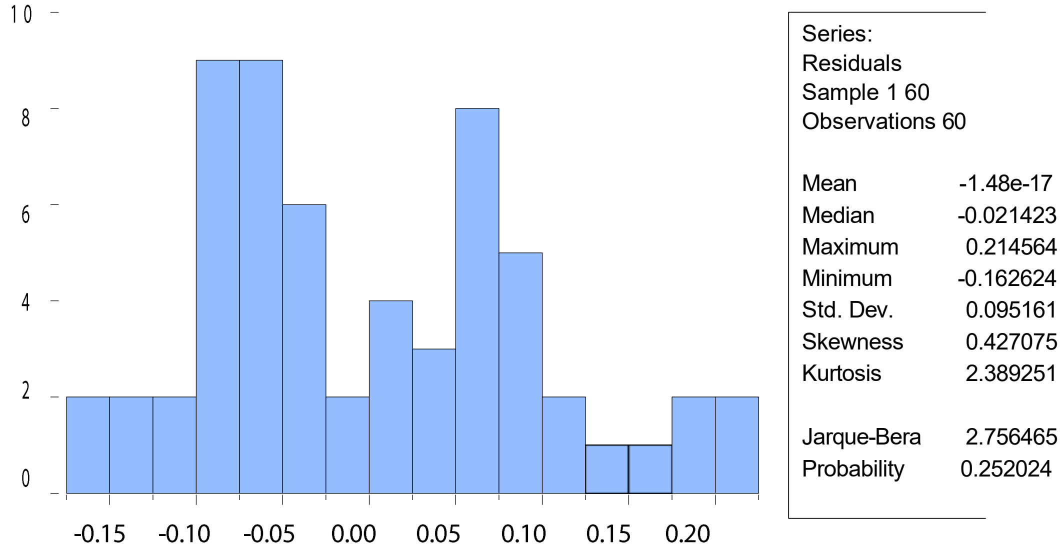

Figure 2. Normality test

Based on the test results in the figure above, the Jarque-Bera probability value is 0.252024, which is greater than 0.05; therefore, it can be concluded that the data is approximately normally distributed.

c. Multicollinearity test

The multicollinearity test aims to test whether there is a correlation between independent variables in the regression model. The multicollinearity test results can be seen as follows:

Table 3. Multicollinearity test

	Coefficient	**Uncentered**	**Centered**
Variable	Variance	VIF	VIF
C	0.015135	96.87990	NA
X1	0.007037	1.498538	1.019587
X2	0.061261	98.31283	1.019587

Based on the results of the multicollinearity test, the VIF value of the independent variable green accounting is 1.019587, and the ICSR is 1.019587, which means that the data shows that the dependent variable <10, so it can be stated that there is no multicollinearity problem.

d. Autocorrelation Test

The regression equation is considered good if it does not exhibit autocorrelation problems. If autocorrelation occurs, the equation is considered unreliable and unsuitable for prediction. Autocorrelation problems arise when there is a linear correlation between the confounding error in the current period and the confounding error in the previous period.

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Table 4. Autocorrelation Test

F-statistic	2.748762	Prob. F(2,54)	0.0730
Obs*R- squared	5.451553	Prob. Chi-Square(2)	0.0655

Based on the results of the autocorrelation test, the Prob. The Chi-Square value (0.0655) is greater than 0.05; therefore, it can be stated that there is no autocorrelation problem.

e. Heteroscedasticity Test

In the regression equation, it is essential to test whether the variance of the residuals between two observations is the same or not. If the residuals have the same variance, it is called homoscedasticity; if the variance differs, it is called heteroscedasticity.

Table 5. Heteroscedasticity Test

F-statistic	2.213727	Prob. F(5,54)	0.0661
Obs*R-squared	10.20642	Prob. Chi-Square(5)	0.0696
Scaled explained SS	6.398401	Prob. Chi-Square(5)	0.2694

Based on the results of heteroscedasticity, it can be concluded that the probability value of Obs * R-squared is 0.0696> 0.05, and it can be concluded that the value of the heteroscedasticity test has been fulfilled.

4.2. Multiple Linear Regression Test

Table 6. Multiple Linear Regression Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.008450	0.123024	0.068684	0.9455
X1	-0.211791	0.083885	-2.524765	0.0144
X2	0.614820	0.247509	2.484028	0.0160
R-squared	0.161986	Mean dependent var		0.292857
Adjusted R-squared	0.132582	S.D. dependent var		0.103953
S.E. of regression	0.096816	Akaike info criterion		-1.783292
Sum squared resid	0.534286	Schwarz criterion		-1.678575
Log likelihood	56.49877	Hannan-Quinn criterion.		-1.742332
F-statistic	5.508989	Durbin-Watson stat		0.840745
Prob(F-statistic)	0.006496			

Based on the linear regression results in the table above, it can be seen that the results of the green accounting and ICSR regression on sustainability performance are as follows:

$$Y = 0.00844973664711 - 0.211790847494*X1 + 0.614820313785*X2$$

R-square = 0.161986 F-statistic = 5.508989

4.3. Hypothesis Test

a. Partial Test (T)

This test is used to find the effect of each independent variable on the dependent variable. To find out whether the dependent variable affects the independent variable, if the probability value is <0.05, it affects the independent variable.

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Table 7. Partial test (T)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.008450	0.123024	0.068684	0.9455
X1	-0.211791	0.083885	-2.524765	0.0144
X2	0.614820	0.247509	2.484028	0.0160

Based on the research results for the green accounting variable, the probability value is 0.0144< 0.05; it can be concluded that green accounting has a positive effect on sustainability performance. Has a positive effect on sustainability performance. Based on the research results for the Islamic corporate social responsibility variable, the probability value (0.0160) is less than 0.05, indicating that Islamic corporate social responsibility (ICSR) has a positive effect on sustainability performance.

b. Simultaneous Test (F)

This test is used to determine whether the results of multiple model analyses are statistically significant or not, and to assess the overall or simultaneous effect of the independent variable on the dependent variable.

Table 8. Simultaneous Test (F)

F-statistic	5.508989
Prob (F-statistic)	0.006496

Based on the results of the F-test, this study obtained a Prob (F-statistic) value of 0.006496 < 0.05. It can be concluded that green accounting variables, ICSR, simultaneously affect sustainability performance.

c. Test Coefficient of Determination R

The coefficient of determination (R^2) is used to measure the extent to which the model can explain variations in the dependent variable.

Table 9. Test Coefficient of Determination R

R-square	0.161986
AdjustedR-square	0.132582

Based on the results in the table above, it is evident that the R-squared value is 0.161986.

4.4. Discussion

a. The Effect of Green Accounting on Sustainability Performance

Based on Table 7, the green accounting variable has a value of -0.211791 and a coefficient of -0.211791 with a probability value of 0.0144 (<0.05). This means that the alternative hypothesis (H1) is accepted and the null hypothesis is rejected. Thus, it can be concluded that green accounting hurts sustainability performance. Therefore, this result indicates that the higher the application of green accounting, the greater the potential for improving the company's sustainability performance. Green accounting is expected to strengthen sustainability performance and internalize environmental costs in corporate accounting, enabling more informed decisions in the future. Legitimacy theory emphasizes that companies must always be responsive to social and environmental changes that occur in society. The business world needs to prioritize environmental concerns because this can enhance the company's value. Furthermore, this finding aligns with Erwanto (n.d.-a). If a company implements green accounting effectively, its value will increase, allowing investors to have a favorable view and confidence in the company's existence.

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However, the results of this study contradict the findings (Elvina Yuliani, 2022) that the application of green accounting indicates companies care about the environment, as evidenced by the environmental costs disclosed in the company's environmental report. This disclosure demonstrates the company's commitment to business ethics and responsible resource management, which helps maintain its legitimacy in the community. Companies that pay attention to every aspect of their operations will have a positive impact on their company value. Although Green Accounting aims to support the principle of sustainability, obstacles remain, including the absence of standardized standards in environmental cost reporting. Therefore, to make green accounting an effective tool in improving company performance, more directed and structured environmental management is needed (Christy & Tjun Tjun, 2023).

The results showed that Green Accounting does not significantly affect sustainability performance in manufacturing companies listed on the Jakarta Islamic Index from 2020 to 2023. Moreover, according to Indonesian environmental statistics data, one of the mining companies shows that water levels fluctuate. Specifically, in 2020, the level was 53.53, decreased to around 52.82 in 2021, and then increased to 53.88 in 2023. These results suggest that green accounting necessitates policy strengthening, regulatory support, and management commitment to effectively play a role in promoting sustainable and environmentally responsible business practices. These findings confirm that the higher the application of green accounting, the more it will potentially reduce the company's sustainability performance.

b. The Effect of Islamic Corporate Social Responsibility (ICSR) on Sustainability Performance

Based on Table 7, the test of the ICSR variable yields a coefficient of 0.614820 with a probability value of 0.0160 (<0.05), indicating that the second hypothesis (H2) is accepted and the null hypothesis is rejected. These results indicate that ICSR has a positive effect on sustainability performance. The higher the ICSR, the higher the sustainability performance. This demonstrates that social responsibility based on Islamic values is not only a moral and spiritual obligation, but also a crucial factor that encourages companies to achieve economic, social, and environmental sustainability. The results of this study are related to the theory of social legitimacy as one of the important capitals for business sustainability. This theory is closely related to the concept of Corporate Social Responsibility (CSR) and intersects with the stakeholder approach, because it emphasizes the company's interaction with the surrounding community. The findings conducted by Rifan et al. (2024) indicate that ICSR is one of the strategic instruments for improving sustainability performance, not only in terms of corporate social responsibility, but also as a means of strengthening spiritual values and Islamic business ethics, which can create holistic long-term sustainability.

Naman contradicts the findings of Faradiz et al. (2024) that companies are not only related to business, but also to social activities that interact with the environment in which the company operates. However, companies that carry out CSR activities will undoubtedly reduce their net profit. Therefore, the higher the company's opportunity to carry out CSR activities, the more the company's profit for assets is reduced, which can negatively impact the company's financial performance. Investors consider companies with high ICSR activities to be more attentive to the company's prospects, which can positively impact the company's value. (Sulfati, n.d.)

The results showed that Islamic corporate social responsibility has a positive and significant effect on sustainability performance in manufacturing companies listed on the Jakarta Islamic Index in 2020-2023. one of the company samples, PT Bukit Asam (Persero) Tbk, faced many environmental problems, such as problems related to post-mining land reclamation that were not carried out according to procedures, causing land conflicts and the phenomenon of self-immolation. This condition highlights the weak implementation of CSR, particularly in the areas of waste management and community involvement. The company's failure to comply with environmental regulations is a significant concern that underscores the need for stricter oversight and a strong commitment to the principle of sustainability. This finding confirms that the higher the ICSR, the higher the sustainability performance. This demonstrates that social responsibility based on Islamic values is not only a moral and spiritual obligation, but also a crucial factor that encourages companies to achieve economic, social, and environmental sustainability.

c. Simultaneous Effect of Green Accounting and ICSR on Sustainability Performance

Based on the simultaneous test results (F-test) in multiple linear regression, the F-statistic probability value is 0.006496 (<0.05). This indicates that green accounting and ICSR have a positive impact on the company's sustainability performance simultaneously. This result aligns with the theory of Legitimacy, which suggests that companies must demonstrate their activities are in line with the values and norms prevailing in society. By implementing green accounting and ICSR, the company demonstrates its commitment to environmental preservation and social responsibility, grounded in Islamic values, thereby gaining legitimacy from the public.

Meanwhile, Stakeholder Theory explains that companies are not only responsible to shareholders, but also to all stakeholders. The implementation of green accounting and ICSR reflects the company's concern for the environment, society, and business ethics, ultimately increasing stakeholder trust and support, and encouraging the achievement of overall sustainability performance. In other words, integrating environmental aspects and Islamic-based social responsibility can encourage the more effective achievement of corporate sustainability goals. Companies cannot focus solely on one dimension (e.g., environmental or social), but must adopt a multidimensional approach in their sustainability strategy. Companies that consistently integrate green accounting and ICSR demonstrate a high commitment to the triple bottom line principle. This research aligns with Erwanto (n.d.-b), which demonstrates how the application of green accounting and corporate social responsibility disclosure impacts a company's value. Extensive disclosure of social and environmental responsibility will help attract more investors. The results showed that green accounting and Islamic corporate social responsibility have a positive and significant impact on sustainability performance in manufacturing companies listed on the Jakarta Islamic Index from 2020 to 2023.

V. Conclusion

Green accounting hurts sustainability performance. Islamic Corporate Social Responsibility has a positive and significant effect on sustainability performance. Meanwhile, green accounting and ICSR have a positive and significant effect on sustainability performance simultaneously. The research is limited to the JII manufacturing sector. Further research can employ mixed methods, expand the scope, and incorporate additional variables. Based on the above, for future research, it is recommended to delve deeper into the variables of ICSR and sustainability performance, as well as expand the scope of the research subjects to include Islamic companies. Additionally, the research period should be extended to provide a more comprehensive overview of the dynamics of green accounting and ICSR implementation over time.

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