Leverage, Ownership Concentration and Organisational Characteristics: Determinants of Green Accounting Disclosure in Indonesia

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ABSTRACT

Green accounting disclosure represents a mechanism through which firms demonstrate accountability to stakeholders on matters pertaining to sustainability. This study investigates the influence of leverage, ownership concentration, and firm-specific characteristics on the extent of green accounting disclosure. The analysis is underpinned by agency theory and stakeholder theory. The empirical context of this research is the manufacturing sector listed on the Indonesia Stock Exchange (IDX) over the 2020–2023 period. The study employs a purposive sampling approach, yielding a sample of 175 firms and 398 firm-year observations. Data analysis is conducted using the Random Effects Model (REM) framework, facilitated by STATA 17 statistical software. The findings indicate that firm characteristics are positively associated with green accounting disclosure. In contrast, the analysis reveals no statistically significant relationship between leverage or ownership concentration and green accounting disclosure.

Keywords: Green Accounting Disclosure; Leverage; Ownership Concentration; Firm Characteristics

Leverage, Konsentrasi Kepemilikan, dan Karakteristik Perusahaan: Determinan Pengungkapan Green Accounting di Indonesia

ABSTRAK

Pengungkapan green accounting merupakan mekanisme perusahaan dalam menunjukkan akuntabilitas kepada pemangku kepentingan terkait isu-isu keberlanjutan. Studi ini mengkaji pengaruh leverage, konsentrasi kepemilikan, dan karakteristik spesifik perusahaan terhadap tingkat pengungkapan green accounting. Analisis ini didasarkan pada teori agensi dan teori stakeholder. Konteks empiris penelitian ini adalah sektor manufaktur yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2020–2023. Penelitian ini menggunakan pendekatan sampling purposif, menghasilkan sampel 175 perusahaan dan 398 observasi tahun perusahaan. Analisis data dilakukan menggunakan kerangka kerja model efek acak (REM), dengan bantuan software statistik STATA 17. Temuan menunjukkan bahwa karakteristik perusahaan memiliki hubungan positif dengan pengungkapan green accounting. Di sisi lain, analisis tidak menemukan hubungan yang signifikan secara statistik antara leverage atau konsentrasi kepemilikan dengan pengungkapan green accounting.

Kata Kunci: Pengungkapan Green Accounting; Leverage; Konsentrasi Kepemilikan; Karakteristik Perusahaan

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INTRODUCTION

In recent years, companies have faced growing pressure to enhance transparency and accountability in relation to environmental and social performance. The emergence of the Triple Bottom Line concept has contributed to a paradigm shift in business, expanding its traditional profit orientation to include the 'people' and 'planet' dimensions of sustainability (Amalia et al., 2021). The manufacturing sector, in particular, is recognised as a major contributor to environmental degradation due to its intensive use of natural resources and the generation of emissions and waste throughout the production process. In 2022, several industrial sectors, including manufacturing, produced approximately 81.87 million tons of hazardous waste (KLHK, 2022), and accounted for 71.90 percent of total carbon emissions across all industries (BPS, 2024). Environmental harm caused by individual companies has also been documented. For instance, PT Toba Pulp Lestari has reportedly caused persistent water and air pollution in Parbulu Village, Toba Regency, disrupting the lives of residents for decades (Dirgantara, 2021). These challenges highlight the urgency for companies to enhance their sustainability performance, particularly through the disclosure of green accounting practices.

Green accounting, as described by Lako (2018), involves the integration of economic, environmental, and social dimensions into a comprehensive reporting process that supports both economic and non-economic decision-making. In Indonesia, regulatory initiatives have sought to institutionalise sustainability reporting. Under OJK Regulation No. 51/POJK.03/2017 and Circular Letter No. 16/SEOJK.04/2021, financial service institutions, issuers, and public companies are mandated to publish sustainability reports from 2020 onwards (OJK, 2017). Despite these mandates, adoption remains limited. Of the 196 manufacturing companies listed in 2020, only 25 issued sustainability reports (Pramastha & Sulistiyowati, 2025). This low level of compliance is attributed to the preceding voluntary nature of sustainability disclosures and the adjustment period associated with the transition to mandatory reporting. Furthermore, many firms perceive sustainability reporting as a cost burden rather than a strategic asset, given the resources required for its preparation (Oktaviani & Amanah, 2019).

Stakeholder theory posits that companies must address the expectations of all parties who affect or are affected by corporate operations in order to achieve long-term objectives (Freeman, 2010). In this context, green accounting disclosure serves as a strategic tool to foster stronger relationships with stakeholders and thereby sustain competitive advantage (Laskar, 2019). From the perspective of agency theory, such disclosure functions as a mechanism to reduce information asymmetry and align the interests of management (agents) with those of shareholders (principals). With investors increasingly incorporating sustainability considerations into their decision-making processes (Calabrese et al., 2021), it becomes imperative to examine the organisational factors that influence green accounting disclosure.

Among the various determinants of sustainability reporting, corporate governance mechanisms play a critical role. Good Corporate Governance (GCG) aims to align management decisions with shareholder interests and uphold transparency and accountability. It includes both internal mechanisms—such as

ownership structure—and external mechanisms—such as capital structure and market discipline (Kholis, 2014). This study examines leverage (a proxy for external governance), ownership concentration (as an internal mechanism), and company characteristics (specifically consumer-oriented industries) to assess their effect on green accounting disclosure.

This investigation builds on the work of Chang et al. (2024), who analysed the relationship between financing decisions, ownership concentration, and green accounting disclosure in Sub-Saharan African manufacturing firms from 2001 to 2022. Drawing from their framework, the present study uses similar independent variables but applies them to Indonesian manufacturing firms over the 2020–2023 period. Green accounting disclosure is measured using the Global Reporting Initiative (GRI) 2016 and GRI 2021 standards. In addition, this study introduces a firm characteristic variable—namely, whether the firm operates in a consumer-oriented industry—based on stakeholder theory's proposition that consumers exert significant influence over corporate sustainability practices. The aim of this study is to examine the extent to which leverage, ownership concentration, and company characteristics affect the level of green accounting disclosure.

Leverage reflects the extent of debt utilisation within a firm's capital structure. According to agency theory, high levels of debt may pressure firms to prioritise short-term financial performance to meet repayment obligations, potentially exacerbating conflicts between managers and shareholders. From a stakeholder perspective, creditors often place greater emphasis on financial stability than on environmental or social outcomes, reducing managerial incentives to engage in sustainability disclosure (Chang et al., 2024). Empirical studies have found a negative association between leverage and sustainability disclosure, suggesting that firms facing greater financial risk are less likely to allocate resources toward activities perceived as non-essential, such as green reporting (Fathurohman et al., 2022; Diantimala & Amril, 2018; Kipngetich et al., 2019; Abdulsalam & Babangida, 2020; Angela & Handoyo, 2021). These findings lead to the first hypothesis:

H_1: Leverage has a negative effect on green accounting disclosure.

Ownership concentration refers to the degree to which corporate shares are held by a small number of shareholders. Agency theory suggests that concentrated ownership can mitigate managerial opportunism by enhancing monitoring capacity. From a stakeholder theory perspective, dominant shareholders are also more likely to demand improved stakeholder relations, including through enhanced environmental reporting. Prior research supports this view, demonstrating a positive link between ownership concentration and sustainability disclosure (Susanto & Joshua, 2018; Sidiq et al., 2021; Dewi et al., 2021; Okudo & Amahalu, 2021; Chang et al., 2024). This leads to the second hypothesis:

H_2: Ownership concentration has a positive effect on green accounting disclosure.

Firm characteristics are another potential determinant of sustainability reporting. In this study, the focus is on consumer-oriented industries. Agency theory posits that close relationships with consumers can serve as an informal governance mechanism that constrains managerial discretion. Green disclosure, in this context, reduces information asymmetry and responds to heightened public expectations. Stakeholder theory similarly views consumer proximity as a driver

of sustainability practices, especially given rising societal demands for environmental accountability. Prior studies confirm that firms with strong consumer-facing operations tend to exhibit higher levels of sustainability reporting (Rudyanto & Siregar, 2018; Sellami et al., 2019; Suharyani et al., 2019; Lulu, 2021; Sriningsih & Wahyuningrum, 2022). These findings underpin the final hypothesis:

H_3: Company characteristics have a positive effect on green accounting disclosure.

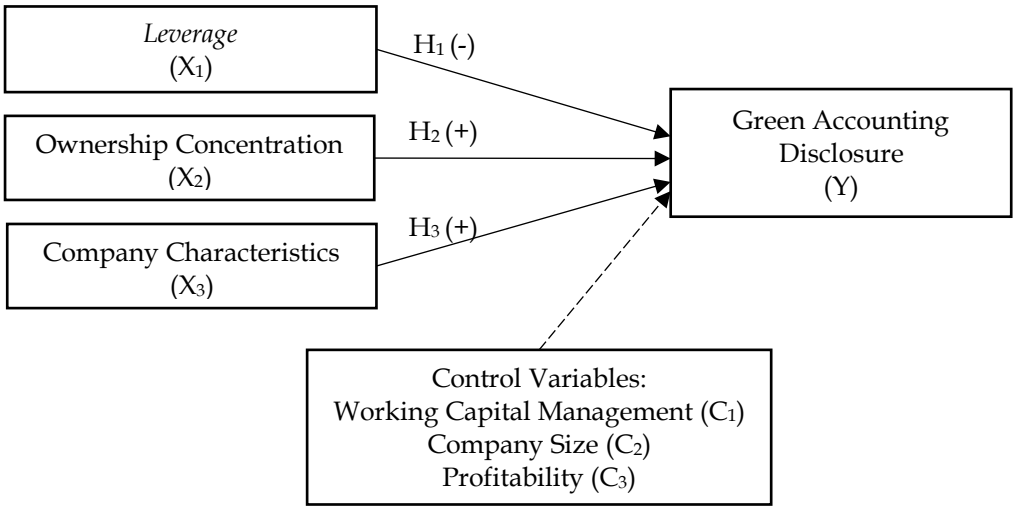

Figure 1. Research Model

Source: Research Data, 2025

RESEARCH METHODOLOGY

This study adopts a quantitative approach, employing a causal-associative research design to examine the relationships between green accounting disclosure and its potential determinants—namely, leverage, ownership concentration, and firm-specific characteristics. Data were collected through a documentary analysis of annual reports, financial statements, and sustainability reports published by the companies. These documents were obtained from the official websites of the respective firms and the Indonesia Stock Exchange (www.idx.co.id).

The research population comprises manufacturing firms listed on the Indonesia Stock Exchange (IDX) under the IDX-Industrial Classification (IDX-IC) during the 2020–2023 period, amounting to 240 companies. A purposive sampling method, based on non-probability sampling criteria, was employed to identify firms that disclosed the necessary variables for analysis. After excluding observations with outlier data, the final sample consists of 175 companies, yielding a total of 398 firm-year observations.

Table 1. Research Sample Selection Results

Information	Number of Observations				
	2020	2021	2022	2023	Total
Population: Manufacturing companies listed on the Indonesia Stock Exchange during the period 2020-2023.	194	212	223	240	869
Criteria: Manufacturing companies that do not publish annual reports or sustainability reports in accordance with the GRI Standards guidelines for the 2020-2023 period.	(32)	(123)	(141)	(163)	(459)
Number of Observations	162	89	82	77	410
Outlier Data	(8)	(1)	(2)	(1)	(12)
Total Research Observations	**154**	**88**	**80**	**76**	**398**

Source: Research Data, 2025

The dependent variable in this study is green accounting disclosure, with leverage, ownership concentration, and company characteristics serving as the primary independent variables. To account for other potential influences, the analysis includes three control variables: working capital management, firm size, and profitability.

Green accounting disclosure is measured using an index based on the Global Reporting Initiative (GRI) Standards, encompassing indicators related to economic, social, and environmental dimensions (Aryani et al., 2023; Ulupui et al., 2020). Sustainability and annual reports published between 2020 and 2022 are assessed using the GRI Standards 2016 framework, which comprises 77 disclosure indicators. Reports published in 2023 are evaluated using the updated GRI Standards 2021, which include 85 indicators.

$$GAD = \frac{\sum di}{N} \quad \text{..........} (1)$$

Leverage is proxied by the Debt to Equity Ratio (DER) referring to the approach used by Wiratno & Muaziz (2020). The DER ratio is used because this study focuses on the company’s funding structure.

$$DER = \frac{\text{Total liabilities}}{\text{Total equity}} \quad \text{..........} (2)$$

Ownership concentration is measured by the percentage of the largest shareholding in a company (Top 1), whether individual or institutional (Chang et al., 2024; Alwan, 2023). This measurement is used because it is in line with the share ownership structure in Indonesia, which is generally centralized (Claessens et al., 2000; Wulandari & Setiawan, 2023).

$$OC = \frac{\text{Largest ownership in the company's share structure}}{\text{Total outstanding shares}} \times 100\% \quad \text{..........} (3)$$

Company characteristics are measured using the Consumer Proximity Index (CPI), which is the ratio between customer-related disclosures consisting of GRI 416 and GRI 418 and the total required disclosures, which are three social indicators. This measurement follows the approach of Suharyani et al. (2019), Ruhiyat et al. (2022) and Darmawan & Idawati (2023) and is used based on the

recommendation of Wahyuningrum et al. (2023) to consider proxies in addition to dummy variables when measuring consumer-proximity industry variables.

$$CPI = \frac{\sum Xi}{N} \quad \text{..... (4)}$$

Working capital management is measured using working capital turnover (Aprilia & Samawati, 2023; Agusfianto et al., 2022) because it better reflects the efficiency of working capital in generating income.

$$\textit{Working Capital Turnover} = \frac{\text{Income}}{\text{Current Assets} - \text{Current Liabilities}} \quad \text{..... (5)}$$

The proxy for company size is the natural logarithm of total assets (Jaya, 2020). The natural logarithm is used to reduce fluctuations in the research data.

$$\text{Company Size} = (Ln) \text{ Total Assets} \quad \text{..... (6)}$$

Profitability is proxied by Return on Assets (Alwan, 2023; Chang et al., 2024) because this ratio is able to describe the level of efficiency of companies in using assets to earn profits (Herman & Saleh, 2017).

$$ROA = \frac{\text{Net Profit After Tax}}{\text{Total Assets}} \quad \text{..... (7)}$$

This study applies panel data regression analysis to understand the effect of leverage, ownership concentration, and company characteristics, as well as the effect of control variables such as working capital management, company size, and profitability on green accounting disclosure. The regression equation model can be described as follows.

$$Y_{it} = \alpha + \beta_1 X_{1\,it} + \beta_2 X_{2\,it} + \beta_3 X_{3\,it} + \beta_4 C_{1\,it} + \beta_5 C_{2\,it} + \beta_6 C_{3\,it} + e \quad \text{..... (8)}$$

Where:

Y	= Green Accounting Disclosure
α	= Constant
β_1 - β_6	= Regression Coefficient
X_1	= Leverage
X_2	= Ownership Concentration
X_3	= Company Characteristics
C_1	= Working Capital Management
C_2	= Company Size
C_3	= Profitability
e	= Error
t	= Period
i	= Company

RESULTS AND DISCUSSION

Panel data regression was used to obtain regression coefficient values and determine the effect of leverage, ownership concentration, and company characteristics on green accounting disclosure and control variables. The research data was processed using STATA 17 software. The results of the descriptive statistics test are presented in Table 2.

Table 2. Descriptive Statistics Test Results

	N	Min.	Max.	Mean	Std. dev.
Green Accounting Disclosure (Y)	398	0.051	0.647	0.278	0.171
Leverage (X_1)	398	-1.340	3.656	0.922	1.075
Ownership Concentration (X_2)	398	10.292	99.958	56.333	21.895
Company Characteristics (X_3)	398	0.000	1.000	0.284	0.298
Working Capital Management (C_1)	398	-9.545	22.939	3.649	6.937
Company Size (C_2)	398	24.941	32.859	28.681	1.686
Profitability (C_3)	398	-0.152	0.186	0.032	0.079

Source: Research Data, 2025

Table 2 presents the descriptive statistics for all variables used in this study. The green accounting disclosure variable ranges from 0.051 to 0.647, with a mean value of 0.278. This relatively low average, close to the minimum value, suggests that the overall level of sustainability disclosure among manufacturing firms remains limited. The standard deviation is smaller than the mean, indicating low variability in disclosure practices across the sample. This pattern reflects a general lack of commitment to transparent sustainability practices. Furthermore, the data reveal that companies tend to prioritise economic disclosures over social and environmental aspects in their sustainability reporting.

The leverage variable exhibits a minimum value of –1.340 and a maximum of 3.656, with an average of 0.922. Although this average is close to the lower bound, it remains below one, indicating that, on average, firms maintain a relatively healthy capital structure—where equity exceeds debt. The standard deviation exceeds the mean, suggesting substantial variation in leverage levels across firms. This result reflects the diverse financial strategies adopted within the manufacturing sector.

Ownership concentration ranges from 10.292 to 99.958, with an average of 56.333. This relatively high mean, approaching the upper limit, suggests that ownership is generally centralised, consistent with typical ownership patterns in Indonesia. The standard deviation is smaller than the mean, indicating a relatively even distribution of ownership concentration across the sample.

The company characteristics variable, which reflects whether a firm operates in a consumer-oriented industry, is a binary variable ranging from 0 to 1. The average value is 0.284, indicating that only a minority of the sample firms fall into this category. The standard deviation is larger than the mean, implying a high degree of variability. This suggests that most firms have yet to optimise their consumer engagement in sustainability reporting.

Working capital management shows considerable variation, with values ranging from –9.545 to 22.939 and a mean of 3.649. The standard deviation exceeds the average, reflecting substantial dispersion in how firms manage their short-term assets and liabilities. This result suggests that many firms have not yet optimised working capital practices.

Company size, measured by the natural logarithm of total assets, ranges from 24.941 to 32.859, with a mean value of 28.681. As the average is closer to the lower bound, the data suggest that a significant portion of the sample consists of small and medium-sized enterprises (SMEs). The relatively small standard deviation indicates a fairly even distribution across firms. The predominance of

SMEs in the sample may contribute to limited disclosure, as smaller firms often face resource constraints that hinder comprehensive sustainability reporting.

Profitability, measured by return on assets (ROA), ranges from –0.152 to 0.186, with a mean of 0.032. Although modest, this average is closer to the upper bound, suggesting that most firms generate positive, albeit limited, returns. The standard deviation exceeds the mean, indicating considerable variation in firms' ability to utilise assets effectively to generate profit.

To determine the most appropriate estimation model for the panel data regression, three tests were conducted: the Chow test, Hausman test, and Lagrange Multiplier test. The Chow test produced a Prob > F value of 0.0000 (< 0.05), indicating that the Fixed Effects Model (FEM) is preferred over the Pooled OLS model. However, the Hausman test returned a Prob > chi² value of 0.0616 (> 0.05), suggesting that the Random Effects Model (REM) is more suitable than FEM. Finally, the Lagrange Multiplier test produced a Prob > chibar² value of 0.000 (< 0.05), confirming that REM is more appropriate than Pooled OLS. Based on the combined results, this study proceeds using the Random Effects Model.

Classical assumption testing was also conducted. The autocorrelation test was omitted, as it is not commonly applied in panel data analysis (Basuki & Prawoto, 2016, p. 272). Normality was assessed using the Skewness–Kurtosis test, which yielded a Prob > chi² value of 0.0009 (< 0.05), indicating non-normality of residuals. Nonetheless, the Central Limit Theorem supports the validity of the regression model given the large sample size (n ≥ 30) (Gujarati, 2003, p. 110). Multicollinearity was tested using the Variance Inflation Factor (VIF), and the mean VIF value was below 10, indicating no multicollinearity concerns. Heteroscedasticity was assessed using the Breusch–Pagan Godfrey test, which returned a Prob > chi² value of 0.026 (< 0.05), suggesting the presence of heteroscedasticity. To address this issue, the analysis employs robust standard errors, following the approach of Tambun & Sitorus (2025).

The results of the panel data regression using the Random Effects Model are presented in Table 3.

Table 3. Panel Data Regression Analysis Results

Green Accounting Disclosure (Y)	Coefficient	Robust std. err.	z	P>|z|	[95% conf. interval]	
Leverage (X_1)	-0.010	0.006	-1.68	0.093	-0.023	0.001
Ownership Concentration (X_2)	0.0003	0.0003	0.92	0.357	-0.0003	0.001
Company Characteristics (X_3)	0.314	0.024	13.01	0.000	0.267	0.362
Working Capital Management (C_1)	0.0002	0.001	0.21	0.836	-0.002	0.002
Company Size (C_2)	0.031	0.004	6.82	0.000	0.022	0.041
Profitability (C_3)	0.109	0.087	1.25	0.212	-0.062	0.280
Constant	-0.746	0.132	-5.64	0.000	-1.006	-0.487
R-squared	0.473					
Wald chi²	363.85					
Prob > chi²	0.000					

Source: Research Data, 2025

Based on Table 3, the panel data regression equation is shown as follows.

$Y_{it} = -0.746 - 0.010X_{1it} + 0.0003X_{2it} + 0.314X_{3it} + 0.0002C_{1it} + 0.031C_{2it} + 0.109C_{3it} + e$

As shown in Table 3, the regression results indicate that the constant value of –0.746 suggests that in the absence of leverage, ownership concentration, company characteristics, working capital management, firm size, and profitability, the baseline level of green accounting disclosure would be negative. While this value holds limited interpretive significance, it establishes the regression intercept for the model.

The coefficient for leverage is –0.010, indicating that a one-unit increase in leverage is associated with a 0.010 decrease in green accounting disclosure, holding other variables constant. The coefficient for ownership concentration is 0.0003, suggesting a marginal positive association between concentrated ownership and green disclosure. Company characteristics yield a coefficient of 0.314, indicating a substantial positive relationship between consumer-oriented industry classification and the extent of green accounting disclosure. For the control variables, working capital management and profitability show coefficients of 0.0002 and 0.109, respectively, while firm size has a positive coefficient of 0.031.

The R-squared value of 0.473 indicates that approximately 47.3 percent of the variation in green accounting disclosure is explained by the independent and control variables in the model. The remaining 52.7 percent is attributable to other factors not captured in this analysis. The overall model is statistically significant, as evidenced by the Prob > chi² value of 0.000 (< 0.05), confirming the joint explanatory power of the included variables.

The z-statistic for leverage is –1.68 with a p-value of 0.093 (> 0.05), indicating that H1, which posits a negative effect of leverage on green accounting disclosure, is not supported. This finding suggests that capital structure, as measured by leverage, does not significantly influence the extent to which manufacturing firms disclose sustainability-related information.

A possible explanation lies in the behaviour of creditors, who may prioritise financial performance over environmental disclosure. As such, firms may not perceive pressure from lenders to adjust their disclosure practices. Moreover, even highly leveraged firms may choose to engage in green disclosure as a strategic move to enhance corporate image and comply with prevailing regulatory expectations, particularly the requirements outlined in POJK Regulation No. 51 of 2017.

These results are consistent with previous findings by Tobing et al. (2019); Maulia & Yanto (2020); Kristianingrum et al. (2022); Sastrawan & Wirajaya (2023); and Rijal et al. (2024), who found no significant effect of leverage on sustainability disclosure. However, the findings contradict studies by Angela & Handoyo (2021), who reported a negative relationship. The results also diverge from agency theory, which suggests that firms facing financial constraints may reduce non-essential expenditures, including disclosure-related activities, to preserve financial stability. Similarly, the findings are not aligned with stakeholder theory, which assumes that firms should consider the informational needs of creditors as key stakeholders.

The z-statistic for ownership concentration is 0.92 with a p-value of 0.357 (> 0.05), indicating that H2 is not supported. This implies that concentrated

ownership does not have a significant effect on the extent of green accounting disclosure among manufacturing firms.

This result suggests that controlling shareholders may prioritise financial returns, such as dividends and capital gains, over sustainability transparency. Disclosure practices are often perceived as incurring additional costs without directly contributing to short-term profitability (Oktaviani & Amanah, 2019). Consequently, firms with highly concentrated ownership structures may choose not to prioritise green reporting.

These findings are consistent with Aliniar & Wahyuni (2017); Ismail et al. (2018); Febriansyah (2021), and Kastuti & Sebrina (2023), but contradict the findings of Chang et al. (2024), who argue that majority shareholders can drive greater sustainability disclosure through enhanced oversight. From a theoretical perspective, the result contradicts agency theory, which posits that concentrated ownership reduces agency costs by improving monitoring (Jensen & Meckling, 1976). Similarly, the finding challenges stakeholder theory, as it suggests that majority investors may not act to align corporate disclosure practices with the expectations of broader stakeholder groups. This may reflect a lack of awareness or concern for sustainability among controlling shareholders, who focus more narrowly on economic interests (Aliniar & Wahyuni, 2017).

The z-statistic for company characteristics is 13.01 with a p-value of 0.000 (< 0.05), providing strong support for H3. This finding indicates that firms operating in consumer-oriented industries are significantly more likely to engage in green accounting disclosure.

This positive association may be attributed to the reputational pressures faced by companies with direct exposure to end-users. As firms in consumer-facing sectors tend to receive greater public scrutiny, they are incentivised to adopt more transparent and responsible environmental reporting practices (Zakaria et al., 2023). Moreover, these firms may view sustainability disclosure as a strategic tool for enhancing brand image and meeting consumer expectations.

The findings align with those of Dias et al. (2018); Rudyanto & Siregar (2018); Suharyani et al. (2019); Gupta & Kumar (2021), and Ruhiyat et al. (2022), all of whom documented a positive relationship between consumer orientation and sustainability reporting. They also support agency theory, which suggests that consumer scrutiny can act as an external governance mechanism, reducing managerial discretion and encouraging more transparent practices. In addition, the results corroborate stakeholder theory, which holds that firms respond to stakeholder pressures—particularly from consumers—by enhancing their accountability and sustainability disclosures, as found by Ngu & Amran (2018).

Among the control variables, firm size is found to have a significant positive effect on green accounting disclosure ($p < 0.05$), suggesting that larger firms are more likely to disclose sustainability information. This finding aligns with the expectation that larger firms have greater resources and are subject to higher public visibility, thereby increasing their incentive to be transparent.

In contrast, working capital management and profitability exhibit p-values of 0.836 and 0.212, respectively, indicating that neither variable has a statistically significant effect on green accounting disclosure. This suggests that short-term

liquidity management and profit generation capacity are not primary drivers of sustainability reporting practices in the observed sample.

CONCLUSION

The findings of this study reveal that leverage and ownership concentration do not significantly influence green accounting disclosure, a result that does not align with the propositions of agency theory and stakeholder theory. In contrast, company characteristics—specifically, a firm's engagement in consumer-oriented industries—are positively and significantly associated with green accounting disclosure, lending empirical support to both theoretical perspectives. These results suggest that creditors and controlling shareholders may place limited emphasis on sustainability issues, thereby exerting minimal influence on a firm's disclosure practices. Conversely, firms with strong consumer relationships appear more responsive to external expectations, particularly in relation to environmental transparency and accountability.

The analysis further indicates that manufacturing companies tend to disclose economic aspects more frequently than social or environmental components. This imbalance highlights the need for firms to adopt a more comprehensive approach to sustainability reporting that fully reflects the principles of the Triple Bottom Line. To this end, companies are encouraged to enhance the scope and depth of their green accounting disclosures—particularly in relation to social and environmental dimensions—as part of a broader strategy to improve stakeholder engagement and long-term value creation. For investors and creditors, the findings underscore the importance of incorporating non-financial information into assessments of firm performance, risk, and future prospects. The integration of sustainability metrics into investment and lending decisions may help align capital allocation with long-term environmental and social outcomes. This study is subject to several limitations. The analysis is confined to manufacturing firms listed on the Indonesia Stock Exchange during a specific observation period, which may limit the generalisability of the findings. Future research could extend the temporal scope of analysis or include firms from other industrial sectors to generate more robust and generalisable insights. Additionally, given that the explanatory power of the model is 47.3 percent, future studies are encouraged to incorporate additional explanatory variables or explore alternative measures of green accounting disclosure to further test the robustness of the findings.

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