Goodwood Accounting and Auditing Review (GAAR)
ISSN 2964-0652, Vol 4, No 1, 2025, 73-85 https://doi.org/10.35912/rambis.v4i1.5386

The Influence of Green accounting, Sustainability Report Disclosure and Environmental Performance on Firm Value

Amalia Cahya Azzahra[1] , Damayanti Damayanti[2] , Anita Kusuma Dewi[3*]
Lampung State Polytechnic, Lampung, Indonesia[1,2,3]
azzahra.aara06@gmail.com[1], damayanti@polinela.ac.id[2], anitakusumadewi@polinela.ac.id[3*]

Article History:
Received on August 19, 2025
Revision 1 on August 30, 2025
Revision 2 on September 22, 2025
Revision 3 on September 23, 2025
Approved on September 25, 2025

Abstract

Purpose: This study aims to examine the effect of green accounting, sustainability report disclosure, and environmental performance on firm value of companies listed on the Indonesia Stock Exchange (IDX) and registered as PROPER participants during 2019-2023.

Methodology/approach: a quantitative approach was employed using secondary data from annual reports, financial statements, and sustainability reports of the sample companies. Purposive sampling was applied, resulting in 30 companies that met the criteria. Data analysis was conducted through multiple linear regression with SPSS version 25.

Results/findings: The results indicate that green accounting and environmental performance have a positive and significant effect on firm value, while sustainability report disclosure shows a negative significant effect. Simultaneously, the three independent variables significantly affect firm value with an adjusted R^2 of 18.8%, suggesting that other variables outside the model explain the remaining variation.

Conclusions : The study concludes that environmentally based practices such as green accounting and strong environmental performance strengthen legitimacy and investor confidence. However, sustainability report disclosure has not yet been perceived as value-added information in the Indonesian context.

Limitations: The study is limited by the possibility that the effects of sustainability practices may not be visible in the short term. Companies are advised to improve environmental standards and separate environmental costs from CSR to enhance transparency.

Contribution: This research contributes to the accounting and sustainability literature by providing empirical evidence on the role of environmental practices in firm value. The findings are useful for companies, regulators, policymakers in strengthening sustainability practices and improving long-term corporate reputation.

Keywords: *Environmental Performance, Firm Value, Green Accounting, Sustainability Report Disclosure*.

How to Cite: Azzahra, A. C., Damayanti, D., Dewi, A. K. (2025). The Influence of Green accounting, Sustainability Report Disclosure and Environmental Performance on Firm Value. *Goodwood Accounting and Auditing Review,* 4(1), 73-85.

1. Introduction

The rapid acceleration of business evolution has created intense competition among business actors. Every company is required to maximize profits because high profits increase company value and attract investor interest (Lestari and Khomsiyah, 2023). However, in practice, companies often overexploit natural resources and neglect waste management. This condition can cause environmental damage that is detrimental to society. Consequently, companies can face lawsuits, stock price declines, and reputational damage, ultimately reducing their value (Okterianda et al., 2025). This overexploitation of nature can occur because companies face increasing demand and the desire of company owners to achieve large profits (Endiana et al., 2021). This suggests that there are other factors that influence a

company's value; a low company value often reflects weak financial performance or indifference to environmental and social aspects (Darmawan & Roba'in, 2022).

A company's value reflects how stakeholders assess its performance and potential (Maharani et al., 2024). Several studies have identified various elements that impact company value. For example, Simanjuntak and Nerpy Siahaan (2024) demonstrated that corporate profit or profitability, liquidity, and leverage influence company value. Other studies have also suggested that green innovation and eco-efficiency contribute to increasing company value (Dewi and Rahmianingsih, 2020). Furthermore, Putri et al. (2023) emphasized the role of corporate governance, ownership structure, managerial ownership, cash holdings, profit levels, and investment decisions as factors influencing company value. As global environmental awareness continues to grow, companies are now required to focus not only on profits but also on sustainable business practices, including supporting the 2060 net zero emission target.

The business world has undergone a drastic shift because of the Covid-19 pandemic. Data from the International Energy Agency (2020) show that global energy demand fell by 4% in 2020. During the lockdown period, air quality improved and carbon emissions decreased, making environmental issues a serious concern. The Financial Services Authority (OJK) showed an increase in the publication of sustainability reports in 2020 by 8%, or 54 companies out of 688 public companies listed *on* the Indonesian stock market. In the following year, 2021, the number of published sustainability reports *again* increased by 19%, or 135 companies out of a total of 709 companies. This shows that for companies today, sustainability is no longer merely a matter of regulatory compliance but also a core strategy for increasing company value due to the shifting business paradigm (Sari et al., 2024).

In this context, *green accounting*, *sustainability reporting*, and environmental performance are crucial tools for companies. *Green accounting* focuses not only on recording company profits but also on social and environmental costs (Lako and Sumaryanti, 2021). *Sustainability reports* are a form of corporate accountability that discloses performance information on economic, social, and environmental performance, in line with GRI standards (Anna and RT, 2019). Furthermore, the government plays a role through the PROPER program, which assesses companies' environmental performance, particularly in waste management and pollution prevention. The Ministry of Environment and Forestry (KLHK) implements this program (Parahdila et al., 2022).

This study seeks to understand how the implementation of *green accounting*, information disclosure through *sustainability reports*, and environmental performance can contribute to strengthening corporate value. Through this approach, a picture of the relationship between sustainability and financial performance can be seen, thus providing a more complete understanding of the role of non-financial factors in increasing investor confidence and maintaining a company's reputation (Latifah and Luhur, 2017). This phenomenon indicates the need to further examine how the implementation of *green accounting*, *sustainability report disclosure*, and environmental performance contribute to the company's value. Massive and uncontrolled exploitation of nature for the pursuit of short-term profits often causes environmental damage and weakens a company's reputation. This condition emphasizes that financial factors are not the sole determinants of company value but also the extent to which a company can interpret sustainable practices in its operational activities (Wardani and Sa'adah, 2020).

Environmental costs and proper ratings can be used to demonstrate the legitimacy of a company, both of which reflect how the company's operational activities align with prevailing norms in the community and whether they have complied with applicable environmental standard regulations. According to legitimacy theory, companies are part of a social system that must participate in community social activities (Erlangga et al., 2021). Stakeholders play a very important role in the establishment of a company and the sustainability of the company itself; therefore, all kinds of decisions made by the company must provide benefits to stakeholders. The disclosure of *sustainability reports* is a form of corporate accountability to the environment and society. Through the information in *the sustainability report,* management will provide transparent and comprehensive company data to stakeholders because

of the interrelated relationship between the company and stakeholders to achieve the company's vision (Pujiningsih, 2020).

Thus, *green accounting*, *sustainability reports*, and environmental performance are important factors that impact company value. However, conclusions from previous studies have shown varied and diverse findings; therefore, in-depth research is needed to empirically demonstrate how *green accounting, sustainability reports*, and environmental performance affect company value, especially for PROPER participating companies whose shares are traded on the Indonesian stock market or the IDX from 2019 to 2023 (Chika, Oshiogwemoh, & Promise, 2022; Chika, Promise, U, & Werikum, 2022).

2. Literature Review and Hypothesis Development

2.1 Legitimacy Theory

Legitimacy theory states that companies are part of a social system; therefore, their operational activities must align with societal values, norms, and expectations. Legitimacy emerges at the institutional level of an organization, where one of its primary functions is to gain legitimacy from the social environment (Dowling and Pfeffer, 1975). This means that, in addition to being profit-oriented, companies also have a responsibility to carry out their social role to maintain harmonious relations with society and the environment. Corporate legitimacy can influence a company's reputation and image, which ultimately impacts its value. Companies that align their activities with societal norms reduce the risk of social conflict and gain public trust (Delvia and Helmy, 2024). Delivering information to companies through annual reports is also a legitimacy strategy because these reports can align social expectations with the company's economic activities (Subroto and Endaryati, 2024).

2.2 Stakeholder Theory (Stakeholder Theory)

In 1984, Freeman introduced the *stakeholder theory*, which states that a company's responsibility extends not only to shareholders but also to all stakeholders, such as employees, suppliers, consumers, the community, and the government. Sevnia and Mulyani (2023) state that a company's success is greatly influenced by positive reciprocal relationships with its stakeholders. Stakeholder theory forms the basis for sustainability reporting practices, as it demonstrates transparency and corporate accountability to all stakeholders (Aprianti et al., 2023). Therefore, the disclosure of non-financial information can increase stakeholder trust, strengthen long-term relationships, and impact company value (Subroto and Endaryati, 2024).

2.3 Dependent Variable (Firm Value)

Investors view a company's ability to manage its assets and resources effectively, which constitutes its value (Saputra et al., 2023). Traditionally, a company's primary goal is to generate profits to increase the owner's wealth (Dzahabiyya et al., 2020). Firm value can be likened to the selling price of an item, reflecting the owner's net worth *(i.e., shareholder wealth).* Therefore, a decline in firm value indicates a decrease in the wealth of shareholders (Sugeng, 2017). Therefore, management has the primary responsibility to increase firm value by managing performance effectively, that is, by increasing revenue while reducing risk (Putri et al., 2023). Firm value serves as a benchmark for assessing whether a company can manage its business effectively, and investors often associate it with stock prices (Maryanti and Ayem, 2022).

2.4 Independent Variables

2.4.1 Implementation of Green Accounting

Green accounting was first introduced in the 1980s by Professor Peter Wood (Gupta, 2018). This concept aims to integrate accounting reporting, encompassing three important aspects: economic, social, and environmental *(the Triple Bottom Line)* (Pentiana, 2019). The basic principles of green accounting include sustainability, recognition of environmental assets and liabilities, cost-benefit measurement, information integration, and integrated reporting (Lako Sumaryanti, 2021). The goal of *green accounting* is to provide relevant information so that management, investors, governments, and the public can make sustainable decisions in economic and non-economic terms (Hadi, 2011).

2.4.2 Sustainability report disclosure

A sustainability report displays the economic, social, and environmental effects of a company's activities (Siregar and Safitri, 2019). The first *sustainability report* was published in the 1980s by a chemical company to improve its image after a problem tarnished it. This practice was eventually followed by other companies that considered sustainability reports important. This practice is in line with the regulations issued by the Financial Services Authority Number 51/POJK.03/2017, which requires companies to implement sustainable financial practices. The principles underlying the preparation of *a sustainability report* are divided into two: the principle of determining report content, which includes stakeholder involvement, sustainability context, materiality, and completeness. The second principle is the principle of determining the quality of the report, which contains balance *or* balance between positive and negative aspects, comparability *or* selecting and reporting information consistently, accuracy *or* accurate information, timeliness *or* routine reporting, clarity *or* information that is easy to understand and access, and reliability *or* the organization collects, records, compiles, analyzes, and presents data that will be compiled by the organization in making reports (Sukoharsono and Andayani, 2021).

2.4.3 Environmental Performance

Environmental performance refers to the ecological impacts resulting from business activities, where environmental conservation efforts undertaken by companies can increase the interest of shareholders and *stakeholders* in supporting the sustainability of the business (Okterianda et al., 2025). To address environmental issues, the government and stakeholders have taken various effective steps, one of which is the Corporate Performance Rating Program in Environmental Management (PROPER), which was implemented in 1995 by the Ministry of Environment and Forestry to evaluate companies' capacity in environmental management (Angelina and Enggar, 2021). This evaluation uses a color scale from black to gold, with the aim of encouraging companies to undertake environmentally friendly activities that have a positive impact on the company's reputation and sustainability, as stipulated in the Limited Liability Company Law No. 47 of 2017, companies must also carry out social and environmental responsibilities.

2.5 Hypothesis Development

2.5.1 The Impact of Green Accounting Implementation on Company Value

Legitimacy theory states that companies that align with societal values and norms gain broader social support (Dowling and Pfeffer, 1975). By disclosing environmental costs and investments, companies can enhance their image among stakeholders. This increases investor confidence and the company's long-term reputation, ultimately increasing the company's value (Hadiwibowo et al., 2023). Research by Margie and Melinda (2024) and Umami et al. (2024) supports the idea that *green accounting* has a significant impact on company value.

H1: *Green accounting* has a significant positive effect on company value.

2.5.2 The Influence of Sustainability Report Disclosure on Company Value

Based on Freeman's (1984) stakeholder theory, companies must prioritize all stakeholders, not just shareholders. By presenting sustainability reports, companies can demonstrate their responsibility, openness, and long-term commitment to environmental issues. Transparency published in sustainability reports can build trust among all stakeholders, strengthen relationships with investors, and help companies build a good reputation (Hapsari, 2023). This transparency is crucial for investors when evaluating a company’s potential. Siregar and Safitri (2019) demonstrated that *sustainability reports* have a significant impact on company value.

H2: *Sustainability reports* positively affect company value.

2.5.3 The Influence of Environmental Performance on Company Value

Environmental performance reflects a company's success in managing the ecological impact of its operations. Business entities that strive to preserve the environment, reduce waste, and comply with regulations receive positive reviews from both the government and the public (Sevnia and Mulyani, 2023). Legitimacy theory supports this view, as companies that align with social norms are more likely to be accepted by the public. Companies with good environmental performance can improve operational

efficiency, reduce the risk of fines or sanctions, and attract sustainability-oriented investors. Umami et al. (2024) and Khairiyani et al. (2019) show that good environmental performance positively impacts company value, as the public and investors perceive the company as more responsible and sustainable.
H3: Environmental performance significantly and positively affects company value.

2.5.4 The Influence of Green Accounting, Sustainability Reports and Environmental Performance on Corporate ValueCompany

The implementation of *green accounting* demonstrates a company's commitment to responsibly managing costs and environmental impacts. The disclosure of *sustainability reports* reflects a company's transparency and accountability to its stakeholders. Environmental performance provides concrete evidence that the company is implementing environmentally friendly practices, one measure of which is through the company's PROPER program. The combination of these three aspects strengthens public trust, enhances the reputation, and sends a positive signal to investors. Legitimacy and stakeholder theories support this view, highlighting the importance of social acceptance and support from stakeholders. Previous research also supports the combination of these three variables in increasing company value (Umami et al. 2024).
H4: *Green accounting*, *sustainability reports,* and environmental performance have a simultaneous effect on company value.

3. Research methodology

3.1 Types and approaches of research

This study uses a quantitative approach to examine causal relationships based on documentation studies (secondary data). The objective is to analyze the influence of *green accounting* (X1), *sustainability reports* (X2), and environmental performance (X3) on company value (Y) in PROPER-participating companies listed on the IDX for the 2019-2023 period.

3.2 Population and Sample

The population of this study includes all companies listed on the Indonesia Stock Exchange (IDX) and are proper participants during the 2019-2023 period, totaling 133 companies. This study uses a *purposive sampling technique*, a subset of *non-probability sampling techniques* that selects data based on specific criteria, such as a person's specific expertise or the availability of reports in certain years (Sugiyono, 2016). The following criteria were used in this study:

1. PROPER participating business entities whose shares are traded on the Indonesia Stock Exchange during the 2019-2023 period
2. PROPER participating business entities whose shares are traded on the IDX and released annual financial reports during the 2019-2023 period
3. PROPER participating business entities whose shares are traded on the IDX and have released sustainability reports *for* the 2019-2023 period

Based on these criteria, from a population of 133 companies, 30 companies were obtained that met the requirements as samples and were covered within a research period of five years, resulting in 150 research data being used as research material in this study.

3.3 Operational Research Variables

Table 1Operational Variables

Variables	Indicators / Formulas	scale
Company value (Y)	Tobin's Q = $\frac{(MVE + D)}{TA}$	Ratio
Green accounting (X1)	Dummy = 1= reveals environmental costs 0= does not disclose environmental costs	Nominal (Dummy)
Sustainability report (X2)	SRDI = $\frac{n}{k}$	Ratio

	N = number of items disclosed K = total items to be disclosed	
Environmental Performance (X3)	PROPER Score: Gold = 5 Green = 4 Blue = 3 Red = 2 Black = 1	Ordinal

Source: Dzahabiyya et al. (2020), Putri et al. (2023), Lako and Sumaryanti (2021), (Global Reporting Initiative, 2016), (Global Reporting Initiative, 2021), (PROPER, KLHK).

3.4 Analysis Test Design

The study will be conducted using IBM SPSS Statistics version 25. The first analysis will begin with a descriptive statistical test that will show the distribution of data, followed by a classical assumption test containing normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests, which will be continued with the aim of testing the validity and feasibility of research data. Next, the test continues to the multiple linear regression test, which is a test to determine the direction and magnitude of the impact between the independent and dependent variables. Finally, there is a hypothesis test consisting of three methods: the F test, which is carried out to see the influence of independent variables simultaneously or simultaneously on the dependent variable; the T test, which is carried out to test the influence of each independent variable separately on the dependent variable; and finally, the coefficient of determination test ($R2^{)}$ to test the extent to which the contribution of independent variables can explain the dependent variable.

4. Results and Discussion

4.1 Descriptive Statistics

The normality test is the first test in the classical assumption test, which aims to check whether the data has a normal distribution (Sugiyono, 2016). The statistical summary obtained for each variable included the minimum, maximum, average, and standard deviations. There are several variables used in this study, including the implementation of *green accounting* (X1), *sustainability report disclosure* (X2), and environmental performance (X3), which act as independent variables, and the dependent variable is Company Value (Y).

Table 2Descriptive Statistics Results

	N	Minimum	Maximum	Mean	Standard Deviation
Green accounting	97	0	1	0.73	0.445
Sustainability report	97	0.30	0.98	0.6023	0.18303
Environmental Performance	97	2	5	3.78	0.807
Company Values	97	0.65	1.44	1,0398	0.18848

Source: IBM SPSS 25 output results (Data processed, 2025)

4.2 Classical Assumption Test

4.2.1 Normality Test

The first classical assumption test is the normality test, which is conducted to assess whether power is normally distributed (Ghozali, 2021). The Kolmogorov-Smirnov test was used to test for normality. The data shows a Sig. > 0.05, indicating that residuals were normally distributed. This indicates that the regression model is suitable for use.

Table 3. One Sample Kolmogorov Smirnov

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		97
Normal Parameters [a,b]	Mean	0.0000000
	Standard Deviation	0.16713860
Most Extreme Differences	Absolute	0.074
	Positive	0.074
	Negative	-0.064
Test Statistics		0.074
Asymp. Sig. (2-tailed)		.200 [c,d]

Source: IBM SPSS 25 output results (Data processed, 2025)

Based on Table 3, the significance value shows a figure of 0.200 > 0.05; therefore, it can be said that the data are normally distributed, and the research can be continued.

4.2.2 Multicollinearity Test

The purpose of this test was to identify whether there was a strong correlation between the independent variables (Hamta, 2019). The results indicate that there are no symptoms of multicollinearity if the VIF value is below 10 and the tolerance value is above 0.10, so that each independent variable can be analyzed.

Table 4Multicollinearity Test Results

Coefficients [a]			
Model		Collinearity Statistics	
		Tolerance	VIF
	Green accounting	0.844	1,184
	Sustainability report	0.870	1,150
	Environmental Performance	0.937	1,067
a. Dependent Variable: Company Value			

Source: IBM SPSS 25 output results (Data processed, 2025)

As seen in Table 4, the variables of *green accounting*, *sustainability report,* and environmental performance all have tolerance figures above 0.10, and all VIF values are below 10. This means that these findings indicates that there is no multicollinearity problem, making the regression model in this study suitable for analysis.

4.2.3 Heteroscedasticity Test

This test was used to determine whether there was inequality in the residual variance. This heteroscedasticity test was conducted using the Glejser test (Basuki and Prawoto, 2016). The results did not find any symptoms of heteroscedasticity in this regression model because the significance value was greater than 0.05, which is in accordance with the required assumptions.

Table 5Heteroscedasticity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.112	0.055		2,033	0.045
	Green accounting	-0.035	0.023	-0.164	-1,514	0.134
	Sustainability report	-0.036	0.055	-0.070	-0.658	0.512

	Environmental Performance	0.019	0.012	0.165	1,601	0.113

Source: IBM SPSS 25 output results (Data processed, 2025)

4.2.4 Autocorrelation Test

The purpose of the autocorrelation test is to determine whether there is an autocorrelation deviation, namely, the relationship between one residual and another (Basuki and Prawoto, 2016). Autocorrelation was tested using the Durbin-Watson test. Because the DW value obtained lies between dU and 4-dU, it can be concluded that there is no autocorrelation problem.

Table 6Autocorrelation test results

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.462 [a]	0.214	0.188	0.16981	2,075

Source: IBM SPSS 25 output results (Data processed, 2025)

Based on Table 6, the value of the Durbin Watson is 2.075, which will be compared with the DW table with a confidence level of 5%. The three independent variables in this study had a total data of 97, then k = 3 and n = 97, and this study produced a dL value of 1.6063 and dU 1.7335. The results of the Durbin-Watson test show that the values obtained are in the range between dU and 4 - dU (1.7335 <2.075 <2.2665); thus, it is concluded that there is no positive or negative autocorrelation, and this study is free from autocorrelation.

4.3 Data Analysis Test

4.3.1 Multiple Regression Analysis

Multiple linear regression analysis was used to predict the value of the dependent variable and measure the direction and magnitude of the independent variable. The equation used in this study is as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$$

The results of the multiple linear regression analysis are presented in table below.

Table 7Results of Multiple Regression Analysis Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.948	0.101		9,358	0.000
	Green accounting	0.139	0.042	0.329	3,286	0.001
	Sustainability report	-0.427	0.102	-0.415	-4,210	0.000
	Environmental Performance	0.065	0.022	0.280	2,944	0.004

Source: IBM SPSS 25 output results (Data processed, 2025)

4.3.2 Coefficient of Determination Test (R^2)

The coefficient of determination test assesses the extent to which independent variables can influence the dependent variable (Sahir, 2021). A high coefficient of determination value, as its value approaches one, indicates the ability of the independent variable to explain the dependent variable.

Table 8Results of the Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.462 [a]	0.214	0.188	0.16981	2,075

Source: IBM SPSS 25 output results (Data processed, 2025)

4.3.3 Partial Test (T-Test)

The purpose of the partial test or t-test is to examine the impact of each independent variable on the dependent variable (Sahir, 2021). The basis for decision-making is that the hypothesis will be accepted if the significance value is less than 0.05, indicating an influence of the independent variable on the dependent variable.

Table 9Partial Test Results

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.948	0.101		9,358	0.000
	Green accounting	0.139	0.042	0.329	3,286	0.001
	Sustainability report	-0.427	0.102	-0.415	-4,210	0.000
	Environmental Performance	0.065	0.022	0.280	2,944	0.004

Source: IBM SPSS 25 output results (Data processed, 2025)

4.3.4 Simultaneous Test (F Test)

A simultaneous test was conducted to measure whether green accounting, sustainability reporting, and environmental performance affect company value. Decisions can be made based on the information presented in *ANOVA table.* The proposed hypothesis will be accepted if the significance value is less than 0.05, meaning that the independent variables collectively influence the dependent variable.

Table 10Simultaneous Test Table with ANOVA

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.728	3	0.243	8,420	.000 [b]
	Residual	2,682	93	0.029		
	Total	3,410	96			

Source: IBM SPSS 25 output results (Data processed, 2025)

4.4 Discussion

This study shows that the implementation of green accounting and environmental performance aligns with company values; in other words, it has a positive and significant effect on company value. Conversely, sustainability report disclosure *has* a significant and negative relationship with company value. This finding is consistent with legitimacy theory but contradicts the stakeholder theory. The implementation of *green accounting,* channeled through environmental costs and business entities with the highest PROPER ratings, such as gold and green, may also indicate that a company complies with applicable environmental standards (Sapulette and Limba, 2021).

The results of this study indicate that the implementation of *green accounting* has a significant positive impact, in line with the studies of Margie and Melinda (2024) and Anggraeni (2024), which prove that the implementation of *green accounting* is positively and significantly correlated with company value because the disclosure of ecological costs carried out by business entities shows the company's business

ethics in maintaining its legitimacy; this will improve the company's image in the eyes of investors and result in an impact on stock prices, which are closely related to company value. The results of the study related to environmental performance are also consistent with the findings of Umami et al. (2024) and Khairiyani et al. (2019), which prove that environmental performance is positively correlated with firm value. Environmental performance, which can be interpreted through the PROPER index, can have a positive impact if properly considered, and environmental standard regulations can be reflected through the color rating obtained by the company (Dita & Deasy, 2021).

In contrast, sustainability report disclosures show a significant negative relationship with company value, contradicting stakeholder theory. This is in line with the studies by Nisaih and Prijanto (2023) and Sari and Budiasih (2025), who argue that the impact of sustainability *reports* is not significantly perceived by investors, especially when compared to the company's profits or sales. Therefore, investors perceive the costs incurred by companies for *sustainability report disclosures* as wasteful, as they must incur operational costs without any perceived benefits for investors.

The results of the next study showed that the three independent variables simultaneously had a significant effect on the dependent variable because the significance value obtained was 0.000 < 0.050. This indicates that the final hypothesis is accepted. The adjusted R2 value [in] this study was 0.188 or 18.8%, which means that the independent variables in the study were only able to explain the company's value by 18.8%; most of the rest, namely 81.2%, was explained by other variables outside the study.

5. Conclusion

This study focuses on the relationship between the implementation of *green accounting, sustainability report* disclosure, environmental performance, and company value. This study targets PROPER-participating companies on the Indonesia Stock Exchange from 2019 to 2023. A positive and significant relationship was found between *green accounting,* environmental performance, and company value. In contrast, *sustainability report disclosure* has a negative and significant influence on company value. The three independent variables collectively were proven to significantly influence company value. The contribution of the influence of the independent variables was 18.8%, while the remaining 81.2% came from factors not analyzed in the study model. Thus, the research objective of determining the influence of these variables on company value has been achieved and provides empirical evidence that sustainability practices still require quality improvement to provide optimal benefits for companies and stakeholders.

Limitations and Further Studies

There are several limitations to the results of this study, especially because sustainability does not immediately show short-term impacts on company value. Therefore, companies should maintain and improve environmental standards to maintain public trust in the long term. In addition, companies need to increase effectiveness and transparency by separating environmental costs from CSR costs to identify the magnitude of environmental investments more accurately. As a suggestion for future reviewers, it is advisable to add other research elements, including moderating or intervening variables such as investor perceptions and company reputation, so that the study not only answers the question of "whether" sustainability practices have an effect, but also "how" and "why" this effect occurs.

Acknowledgment

The author expresses his gratitude and thanks to the supervising lecturers for all the guidance given during the process of completing this scientific article, as well as to the author's family, who have given their prayers and full support to the author, and the author also expresses his thanks to the author's friends for their help so that this article can be completed well.

References

Angelina, M., and Enggar, N. (2021). The Effect of Green Accounting Implementation and Capital Structure on Company Performance. *Journal of Aerospace Management, Vol. 14, No. 2* , *3* (2), 208–217. https://doi.org/10.30640/akuntansi45.v3i2.873

Anggraeni, L. (2024). The Effect of Carbon Emission Disclosure, Carbon Performance, Green Accounting, and Intellectual Capital on Firm Value. *Accounting Economics* , *4* (2), 499–517. https://doi.org/10.25105/jet.v4i2.19496

Anna, YD, and RT, DRD (2019). Sustainability Reporting: Analysis of Financial Performance and Firm Value. *11* (2), 238–255. https://doi.org/10.17509/jaset.v11i2.18804

Aprianti, S., Yuniarti, R., and Riswandi, P. (2023). Environmental Performance on Firm Value Mediated by Financial Performance. 1 *0* (July), 35–46. https://doi.org/10.55963/jraa.v10i2.536

Basuki, AT, and Prawoto, N. (2016). *Regression Analysis in Economic and Business Research (complete with SPSS and Eviews applications)* . Depok: RajaGrafindo Persada. Chika, O. V., Oshiogwemoh, D., & Promise, E. (2022). Impact of Tax Reforms on Economic Growth of Nigeria (2000-2021). *Goodwood Akuntansi dan Auditing Reviu, 1*(1), 79-95. doi:10.35912/gaar.v1i1.1506

Chika, O. V., Promise, E., U, I. S., & Werikum, E. V. (2022). Influence of Liquidity and Profitability on Profits Growth of Nigerian Pharmaceutical Firms. *Goodwood Akuntansi dan Auditing Reviu, 1*(1), 1-13. doi:10.35912/gaar.v1i1.1318

Darmawan, J., & Roba'in, H. (2022). Pengaruh Keberagaman Gender dan Pengungkapan Risiko Terhadap Efisiensi Investasi. *Goodwood Akuntansi dan Auditing Reviu, 1*(1), 29-47. doi:10.35912/gaar.v1i1.1484

Delvia, S., and Helmy, H. (2024). The Effect of Green Accounting Implementation and Corporate Social Responsibility (CSR) Disclosure on Company Value. *Journal of Accounting Exploration* , *6* (4), 1372–1389. https://doi.org/10.24036/jea.v6i4.1737

Dewi, R., and Rahmianingsih, A. (2020). Increasing Company Value Through Green Innovation and Eco-Efficiency. *Ekspansi: Journal of Economics, Finance, Banking and Accounting* , *12* (2), 225–243. https://doi.org/10.35313/ekspansi.v12i2.2241

Dita, EMA, and Deasy, E. (2021). The Influence of Green Accounting, Environmental Performance, and Company Size on Financial Performance. *Journal of Finance and Accounting Studies* , *3* (3), 72–84. https://doi.org/10.33752/jfas.v3i2.272

Dowling, J., and Pfeffer, J. (1975). Pacific Sociological Association Organizational Legitimacy: Social Values and Organizational Behavior. *Source: The Pacific Sociological Review* , *18* (1), 122–136. https://doi.org/10.2307/1388226

Dzahabiyya, J., Jhoansyah, D., and Danial, RDM (2020). Firm Value Analysis Using Tobin's Q Ratio Model. *JAD: Dewantara Journal of Accounting and Financial Research* , *3* (1), 46–55. https://doi.org/10.26533/jad.v3i1.520

Endiana, IDM, Dicriyani, NLGM, Adiyadnya, MSP, and Putra, IPMJS (2021). *The Effect of Green Accounting on Corporate Sustainability and Financial Performance* . *7* (December 2020). https://doi.org/10.13106/jafeb.2020.vol7.no12.731

Erlangga, C.M., Fauzi, A., and Sumiati, A. (2021). *The Application of Green Accounting and Corporate Social Responsibility Disclosure to Company Value Through Profitability* . *June* 2021. https://doi.org/10.15408/akt.v14i1.20749

Ghozali, I. (2021). *Application of Multivariate Analysis* . Semarang: Diponegoro University.

Global Reporting Initiative, (2016). https://www.globalreporting.org/

Global Reporting Initiative, (2021). https://www.globalreporting.org/

Gupta. (2018). An Introduction To Green Marketing. *Wirc Bullet* , *1* (2), 11–13. https://doi.org/10.5070/g31210177

Hadi, N. (2011). *Corporate Social Responsibility* . Yogyakarta: Graha Ilmu.

Hadiwibowo, I., Dwi, L., and Azis, M.T. (2023). Green Accounting Carbon Emission Disclosure and Environmental Performance on Firm Value. *Mercu Buana Journal of Accounting Research* , *8* (November), 82–95. https://doi.org/10.26486/jramb.v9i2.3458

Hamta, F. (2019). *Accounting Research Methods Teaching Materials Book* . Yogyakarta: Deepublish.

Hapsari, MD (2023). Analysis of the Application of Sustainability Reports to Company Value.

Accounting 45 , *4* (1), 65–72. https://doi.org/10.30640/akuntansi45.v4i1.724
Khairiyani, Novi, M., Agustina, M., Anzu, EZ, and Habibah, GW. A. (2019). Environmental Performance on Financial Performance and Its Implications on Company Value. *ILTIZAM Journal of Shariah Economic Research* , *3* (1), 41. https://doi.org/10.30631/iltizam.v3i1.248
Lako, A., and Sumaryanti, A. (2021). *Conceptual Framework and Application of Green Accounting* . South Jakarta, Salemba Empat.
Latifah, SW, and Luhur, MB (2017). The Effect of Sustainability Report Disclosure on Company Value with Profitability as a Moderator. *17* (1), 13–18. https://doi.org/10.20961/jab.v17i1.219.g54
Lestari, AD, and Khomsiyah, K. (2023). The Effect of Environmental Performance, Green Accounting Implementation, and Sustainability Report Disclosure on Company Value. *Journal of Business Economics, Management, and Accounting (JEBMA)* , *3* (3), 514–526. https://doi.org/10.47709/jebma.v3i3.2799
Maharani, NDP, Widiatmoko, J., and Kentris. (2024). The Effect of Sustainability Report Disclosure and Intellectual Capital on Company Value in Banking Companies Listed on the IDX 2018-2022. *17* (1). https://doi.org/10.51903/kompak.v17i1.1695
Margie, LA, and Melinda, M. (2024). The Effect of Green Accounting, Sales Growth, and Tax Avoidance on Company Value. *Jurnal Revenue: Jurnal Ilmu Akuntansi* , *4* (2), 594–607. https://doi.org/10.46306/rev.v4i2.339
Maryanti, T., and Ayem, S. (2022). The Effect of Tax Avoidance and Profitability on Firm Value with Dividend Policy as a Moderating Variable. *Reslaj: Religion Education Social Laa Roiba Journal* , *4* (4), 1152–1166. https://doi.org/10.47467/reslaj.v4i4.1077
Nisaih, D., and Prijanto, B. (2023). The Effect of Sustainability Report Disclosure on Company Value with Profitability as a Moderating Variable in Agricultural Sector Companies Listed on the Indonesia Stock Exchange. *Indonesian Journal of Economy, Business, Entrepreneurship and Finance* , *3* (3), 424–436. https://doi.org/10.53067/ijebef.v3i3.115
Okterianda, Y., Destia, P., and Nurmala, N. (2025). The Effect of Green Accounting and Environmental Performance on the Profitability of Mining Companies on the Indonesia Stock Exchange 2019-2023. *eCo-Fin Journal* , *7* (1), 24–33. https://doi.org/10.32877/ef.v7i1.1705
Financial Services Authority Regulation No. 51/POJK.03/2017, Pub. L. No. 51 (2017). https://peraturan.bpk.go.id/Details/129651/peraturan-ojk-no-51pojk032017-tahun-2017
Parahdila, L., Mukhzarudfa, and Wiralesatari. (2022). The Effect of Financial Performance and Environmental Performance on Company Value with Corporate Social Responsibility as a Moderating Variable (Empirical Study of Manufacturing Companies Listed on the Indonesian Stock Exchange (BEI) in 2017-2019). 7(3), 168–179. https://doi.org/10.22437/jaku.v7i3.25156
Pentiana, D. (2019). Understanding and Concern for the Implementation of Green Accounting: A Case Study of Tofu and Tempeh SMEs in Bandar Lampung City. 13(1). https://doi.org/10.25181/esai.v13i1.1271
Pujiningsih, VD (2020). The Effect of Sustainability Reports on Company Value with Good Corporate Governance as a Moderating Variable. 8(3), 579–594. https://doi.org/10.17509/jrak.v8i3.22841
Putri, IAJ, Budiyanto, and Triyonowati. (2023). *Determining Factors of Company Value* . Malang: Litnus Publisher.
Sahir, SH (2021). *Research Methodology* . Yogyakarta: KBM Indonesia Publisher.
Sapulette, SG, and Limba, FB (2021). The Effect of Green Accounting Implementation and Environmental Performance on the Value of Manufacturing Companies Listed on the IDX in 2018-2020. *Kupna Akuntansi: Kumpulan Artikel Akuntansi* , *2* (1), 31–43. https://doi.org/10.30598/kupna.v2.i1.p31-43
Saputra, R., Masril, M., and Safrizal, S. (2023). The Influence of Investment Decisions, Financing Decisions, and Dividend Policy on the Value of Manufacturing Companies in the Food and Beverage Sub-Sector Listed on the Indonesia Stock Exchange in 2019-2022. *Goodwood Accounting and Auditing Review (GAAR)* , *1* (2), 153–163. https://doi.org/10.35912/gaar.v1i2.2002
Sari, AN, Oktavia, R., and Widiyanti, A. (2024). Review of Mining Company Values in Indonesia from a Green Accounting and CSR Perspective. *Goodwood Accounting and Auditing Review (GAAR)* , *3* (1), 31–41. https://doi.org/10.35912/gaar.v3i1.3498
Sari, IAFD, and Budiasih, IGAN (2025). The Effect of Sustainability Report Disclosure on Company

Value with Eco-efficiency as a Moderating Variable. *Ekonomis: Journal of Economics and Business* , *9* (1), 534. https://doi.org/10.33087/ekonomis.v9i1.2053

Sevnia, R., and Mulyani, S.D. (2023). The Effect of Sustainability Report Disclosure, Environmental Performance, and Capital Structure on Firm Value with Firm Size as a Moderating Variable. 3(2), 3813–3822. https://doi.org/10.25105/jet.v3i2.18195

Simanjuntak, S., and Nerpy Siahaan, B. (2024). The Effect of Profitability, Liquidity, and Leverage on Firm Value in Raw Materials Sector Companies Listed on the Indonesia Stock Exchange in 2018-2022. *Collaborative Journal of Science* , *7* (2), 902–916. https://doi.org/10.56338/jks.v2i1.722

Siregar, NY, and Safitri, TA (2019). The Effect of Enterprise Risk Management, Intellectual Capital, Corporate Social Responsibility, and Sustainability Report Disclosure on Company Value. *Darmajaya Business Journal* , *5* (2), 53–79. https://doi.org/10.30873/jbd.v5i2.1589

Subroto, VK, and Endaryati, E. (2024). *Collection of Accounting Theories* . Semarang: Prima Agus Teknik Foundation.

Sugeng, B. (2017). *Fundamental Financial Management* . Yogyakarta: Deepublish.

Sugiyono. (2016). *Quantitative, Qualitative and R&D Research Methods* . Bandung: Alfabeta.

Sukoharsono, EG, and Andayani, W. (2021). *Sustainability Accounting* . Malang: UB Press.

Umami, R., Lukita, C., and Astriani, D. (2024). Application of Green Accounting and Environmental Performance on Company Value with Managerial Ownership as a Moderating Variable in Mining Sector Companies BEI 2020-2022. *Journal of Economic, Business and Accounting (COSTING)* , *7* (5), 2692–2708. https://doi.org/10.31539/costing.v7i5.12136

Wardani, DD, and Sa'adah, L. (2020). The Effect of Environmental Performance on Firm Value with Financial Performance as an Intervening Variable. 5(1), 15–28. https://doi.org/10.53712/aktiva.v5i1.823