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The Influence of Green Accounting, Green Innovation, Environmental Performance and Sustainability Report on Company Value

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ABSTRACT

Firm value reflects investor perceptions and is influenced by environmental, social, and governance (ESG) practices. Prior studies show conflicting results on how green initiatives impact company value, particularly in emerging markets like Indonesia. This study investigates the effects of green accounting, green innovation, environmental performance, and sustainability reports on company value in Indonesia's basic and chemical industry sector (2021–2023). Using purposive sampling, 84 companies were analyzed via multiple linear regression (SPSS 27). Variables were measured through environmental cost disclosures (green accounting), PROPER ratings (environmental performance), and sustainability report indices. Green accounting and sustainability reports negatively affect company value, while green innovation has a positive impact. Environmental performance shows no significant effect. The model's low Adjusted R^2 (0.142) indicates other unexplored factors. Companies should prioritize cost-efficient green innovations over symbolic disclosures. Policymakers may need to incentivize genuine sustainability efforts. Future research should expand sectors (e.g., energy) and incorporate variables like profitability to enhance explanatory power.

Keywords: *Company Value; Green Accountig; Green Innovation; Environmental Performance; and Sustainability Report*

INTRODUCTION

Village resilience is a multidimensional concept that refers to the capacity of a rural community to face, adapt, and recover from various challenges, both social, economic, and ecological (Wilson, 2012). In the context of sustainable development, village resilience emphasizes the importance of community-based adaptive strategies to maintain a balance between environmental conservation, social welfare, and economic growth (Adger, 2000)

According to (Norris et al., 2008), community resilience—including village resilience related to four main dimensions, namely social capital, economic systems and livelihoods, infrastructure and public services, and natural resource engagement and management. Meanwhile, (Cutter et al., 2008) emphasizing that rural resilience also depends on the capacity of communities to manage environmental risks and social change. Therefore, the understanding of village resilience must include social, economic, ecological, and institutional aspects.

As the world grapples with the complexities of globalization, the importance of preserving and reviving local knowledge is becoming increasingly apparent, especially in the context of rural communities facing diverse socio-economic challenges. As globalization progresses, this often leads to the erosion of local and indigenous ecological knowledge (*indigeneous ecological knowledge/IEK*), which is critical for sustainable development and community resilience. A comprehensive review by Aswani et al. highlighted that 77% of

studies reported a loss of local knowledge due to globalization and modernization, especially in areas such as medical knowledge and ethnobotany (Aswani et al., 2018). These trends underscore the urgent need to recognize and integrate local knowledge systems into broader ecological assessments and policy-making frameworks. The integration of IEK into large-scale ecological assessments has been advocated as a means to increase the relevance and effectiveness of these initiatives. Mcelwee et al. emphasized that involving IEK can improve ecological assessments by identifying trends through biocultural indicators and driving sustainable development goals (McElwee et al., 2020). This mutual engagement not only validates local knowledge but also enriches scientific understanding, creating a more holistic approach to environmental management. Furthermore, Hermans et al. discuss the importance of integrating local knowledge with scientific knowledge in early warning systems for disaster risk reduction, suggesting that such integration can lead to more effective and culturally sensitive responses to environmental hazards (Hermans et al., 2022).

In the context of rural innovation, local knowledge plays an important role in the decision-making process. García et al. propose a methodological framework for harnessing local knowledge among Colombian cocoa producers, illustrating how a participatory approach can improve rural innovation and resilience (Gutiérrez García et al., 2020) . This is in line with the findings of Huynh et al., who argue that local knowledge can be effectively leveraged in a variety of domains, including agriculture, to adapt to changing environmental conditions (Huynh et al., 2022). The recognition of local knowledge as a valuable asset in this context is essential to encourage sustainable practices that are culturally relevant and economically viable. In addition, the challenges posed by climate change require a collaborative approach that combines indigenous knowledge with scientific research. Makondo and Thomas advocate for linking these knowledge systems to improve adaptation strategies, emphasizing that local insights can inform more effective responses to climate impacts (Makondo & Thomas, 2018). This perspective is echoed by Lam et al., who highlight the increasing recognition of IEK in sustainability transformation research, suggesting that integrating diverse knowledge systems is essential to address pressing social and environmental challenges (Lam et al., 2020).

Rural areas in developing countries often experience a confluence of problems, including resource scarcity, environmental degradation, economic marginalization, and erosion of traditional practices. These problems are often exacerbated by the forces of globalization and industrialization, which have transformed the landscape and rural economies in complex ways. For example, Liu et al. highlight that while some rural areas may experience economic and social prosperity through initiatives such as rural tourism, others find themselves trapped in a cycle of decline due to the pressures of urbanization and the loss of traditional livelihoods (Liu et al., 2020). This dichotomy illustrates the uneven impact of modernization on rural communities, where the benefits of development are not universally shared. Environmental degradation is another critical issue affecting rural areas, often associated with agricultural practices and land use changes driven by urbanization. Long et al. discuss how land consolidation efforts in China aim to revitalize rural areas by reshaping socioeconomic structures and addressing ecological problems (Long et al., 2019). This approach is very important because it seeks to balance agricultural productivity with environmental sustainability, thereby reducing the adverse effects of land fragmentation and resource depletion. Furthermore, the integration of urban and rural development strategies is emphasized

by Wang et al., who argue that urbanization can increase agricultural production through large-scale agriculture, which can also contribute to environmental protection (Wang et al., 2021). Such an integrated approach is critical to driving resilience in rural economies while addressing the urgent challenges of resource scarcity and environmental degradation. Economic marginalization in rural areas is often a consequence of inadequate access to markets and services, which can lead to a decline in traditional practices and community cohesion. Cowie et al. point out that the Fourth Industrial Revolution (4IR) presents challenges and opportunities for rural areas, as technological advances can exacerbate existing inequalities or provide a pathway for development if properly utilized (Cowie et al., 2020). The authors advocate for proactive engagement with 4IR technologies to ensure that rural communities are not left behind in the global economic landscape. This perspective is in line with the findings of Li et al., who explore the factors that contribute to rural decline and emphasize the importance of tailored development strategies that take into account local contexts and needs (Li et al., 2019). In addition, the erosion of traditional practices is often associated with the imposition of external narratives about rural life, which can damage local culture and identity. Shucksmith criticized romantic notions of rural beauty, arguing that such representations often obscure the realities of exploitation and marginalization faced by rural residents (Shucksmith, 2018). This critique is essential for understanding the socio-cultural dynamics that play a role in rural areas, as it highlights the need for inclusive development strategies that respect and integrate traditional practices and knowledge systems.

The integration of local knowledge and traditional practices is increasingly recognized as an important strategy to catalyze sustainable development and increase community resilience, especially in rural areas facing significant socio-economic and environmental challenges. This approach not only recognizes the unique insights and experiences of local residents but also leverages these assets to foster adaptive capacity in the face of climate change and other environmental stresses. Local knowledge plays an important role in increasing community resilience, especially in the context of climate-related challenges. For example, studies have shown that communities in Bangladesh are leveraging local knowledge to adapt to flooding, shifting from purely coping strategies to more proactive adaptation measures (El-Magd et al., 2020). This shift underscores the importance of understanding and integrating indigenous knowledge practices and systems into broader development strategies. In addition, knowledge co-production, in which local communities collaborate with external experts, has been shown to facilitate effective adaptations to water scarcity in developing countries (Zarei et al., 2020). Such a collaborative approach not only empowers local communities but also enhances their ability to respond to environmental challenges, thereby promoting sustainable development. In addition, the concept of community resilience is closely related to social capital and local government. Studies show that social networks and community engagement significantly influence resilience outcomes, especially in rural environments (Panday et al., 2021). For example, the role of social capital in disaster resilience has been highlighted in a variety of contexts, suggesting that societies with strong social ties are better prepared to recover from adverse events (Panday et al., 2021). In addition, the integration of traditional practices into community-based initiatives, such as sustainable tourism and social entrepreneurship, has been shown to increase local engagement and support for development projects (Dahles et al., 2020). These initiatives not only provide economic benefits but also

strengthen community identity and cohesion, which is essential for long-term resilience. In the context of rural development, the concept of "smart villages" has emerged as a promising framework for integrating local knowledge and modern technology to achieve sustainable outcomes. This approach emphasizes the importance of strengthening the relationship between rural and urban communities, facilitating knowledge exchange and resource sharing (Adamowicz & Zwolinska-Ligaj, 2020). By fostering such relationships, rural areas can better utilize their unique assets while addressing socio-economic challenges.

Hanjeli, a village located in the heart of Indonesia's rural landscape, serves as an interesting case study in this regard, showing how the revitalization of local knowledge can be a powerful tool to empower communities, foster socio-economic sustainability, and foster a more just and resilient future.

The value of a company reflects investors' perceptions of its success, influencing stock prices and shareholder welfare (Yulimtinan & Atiningsih, 2021). Stock prices fluctuate based on company performance and investor assessments (Lestari & Khomsiyah, 2023), with market trends showing volatility, as seen in the basic and chemical industry sector from 2020 to 2023 (Wibowo et al., 2021; Sari, 2019). Environmental issues, such as pollution violations by companies like PT. Kimu Sukses Abadi, further impact investor confidence and company value, highlighting the need for sustainable practices (Kamilia & Martini, 2022; Dellaconi et al., 2024).

Research indicates that green accounting, green innovation, environmental performance, and sustainability reports significantly affect company value (Lestari & Khomsiyah, 2023; Selpiyanti & Fakhroni, 2020). Green accounting helps companies anticipate environmental costs and improve efficiency, while strong environmental performance enhances investor trust (Ethika et al., 2019; Pratama et al., 2019). Conversely, poor environmental practices deter investment (Ghaesani, 2014). Sustainability reports provide transparency, aiding stakeholders in assessing a company’s long-term viability (Bukhori & Sopian, 2017; Nisaih & Prijanto, 2023). Green innovation also boosts competitiveness and market appeal (Dewi & Rahmianingsih, 2020; Novitasari, 2022).

Studies on green accounting show conflicting results, with some affirming its positive impact on company value (Oktapriana et al., 2022; Nugroho, 2023) and others finding no significant effect (Sapulette & Limba, 2021; Wijayanti & Dondoan, 2022). Similarly, green innovation’s influence varies, with some research supporting its benefits (Dewi & Rahmianingsih, 2020) and others noting negative effects (Wijayanti & Agus, 2024). Environmental performance generally enhances company value (Saputra & Mahyuni, 2018; Rahmanita, 2018), though some studies disagree (Ghaesani, 2014). Sustainability reports often improve investor trust (Wicaksono & Septiani, 2020; Suardi et al., 2022), but inconsistencies in reporting can reduce their impact (Permadani & Kusumawati, 2022).

Stakeholder theory emphasizes that companies must balance financial, social, and environmental responsibilities (Pujiningsih, 2020; Melawati & Rahmawati, 2022). Green accounting enhances transparency and investor confidence (Faranika & Illahi, 2023), while green innovation drives competitiveness (Monica & Darmawati, 2023). Strong environmental performance mitigates risks and attracts investors (Ethika et al., 2019), and sustainability reports provide comprehensive insights into a company’s ethical practices (Hapsari, 2023).

These factors collectively shape investor perceptions and stock prices (Rahelliamelinda & Handoko, 2024).

Green accounting is hypothesized to positively affect company value by improving transparency and investor trust (Faranika & Illahi, 2023; Erwanto, 2024). Green innovation is expected to enhance efficiency and market appeal (Dewi & Rahmianingsih, 2020; Octavianingrum et al., 2024). Environmental performance is predicted to boost company value through better risk management (Pratama et al., 2019; Auliya & Margasari, 2018). Lastly, sustainability reports are anticipated to strengthen stakeholder trust and long-term value (Hapsari, 2023; Puspita & Jasman, 2022). These hypotheses aim to clarify the relationship between environmental factors and corporate valuation.

This study investigates the effects of green accounting, green innovation, environmental performance, and sustainability reports on company value in Indonesia's basic and chemical industry sector (2021–2023). This study contributes to the existing literature by examining the combined impact of green accounting, green innovation, environmental performance, and sustainability reports on company value in Indonesia's basic and chemical industry sector (2021–2023), a context less explored compared to prior studies. While previous research has produced inconsistent findings—e.g., green accounting's positive effect (Oktapriana et al., 2022; Nugroho, 2023) versus negative/no effect (Sapulette & Limba, 2021; Wijayanti & Dondoan, 2022)—this study uniquely identifies significant negative effects of green accounting and sustainability reports, contrasting with the positive role of green innovation and the neutral impact of environmental performance. Additionally, it addresses gaps by using the PROPER index for environmental performance measurement and a purposive sampling method focused on IDX-listed firms, offering sector-specific insights. The low explanatory power (Adjusted $R^2 = 0.142$) further highlights underexplored variables, suggesting future research integrate profitability or governance factors.

METHOD

The population of this study includes basic and chemical industry sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period. Data sources were obtained by accessing the Indonesia Stock Exchange website and the entity's website. The sampling technique is purposive sampling. The following is the sampling process:

Table 1. Sampling Process

Number	Sample Criteria	Period		
		2021	2022	2023
1	Number of basic and chemical industry sector companies listed on the IDX in 2021-2023	94	99	103
2	Companies that do not publish annual reports and/or sustainability reports	(2)	(4)	(6)
3	Companies that were not PROPER participants in the year 2021-2023	(49)	(52)	(54)
4	Financial reports that are not presented in rupiah currency	(15)	(15)	(15)
	Number of samples per year	28	28	28
	Number of samples over 3 years		**84**	

Measurement of Variables

Green Accounting

Green Accounting is measured using environmental cost disclosures consisting of several indicators, namely (a) raw material and final material costs, (b) material costs from outputs other than products, (c) emission and waste control costs, (d) additional environmental management costs and prevention costs, (e) research and development costs, (f) intangible costs ((Abdhilla et al., 2023). From the disclosure of environmental costs, a score of 0 will be given: if the company's annual report does not disclose environmental costs. Score 1: if the company's annual report has disclosed environmental costs ((Angelina & Nursasi, 2021).

$$Green\ Accounting\ (GA) = \frac{\text{Total disclosed by the company}}{\text{6 total overall disclosure items}}$$

Green Innovation

Green innovation is measured through the disclosure of green process innovation and green product innovation. Green innovation will give a score of 1 if each item is disclosed and a score of 0 if not disclosed (Wijayanti & Agus Bagus B.N, 2024).

$$Green\ Innovation\ (GI) = \frac{\text{Total disclosed by the company}}{\text{Total of disclosure items}}$$

Environmental Performance

Environmental Performance is measured using the PROPER index which consists of five colors, namely gold is given a score of 5, green is given a score of 4, blue is given a score of 3, red is given a score of 2, black is given a score of 1 (Sawitri & Setiawan, 2019).

Sustainability Report

Sustainability report is measured through the Sustainability Report Disclosure Index (SRDI). The calculation of SRDI is done by giving a score of 1 if an item is disclosed, and 0 if it is not disclosed in the report (Bhuana, 2023). so the calculation is as follows:

$$SRDI = \frac{\text{n}}{k}$$

Where:
SRDI: *Sustainability Reporting Disclosure Index*
n: Sustainability Reporting Disclosure Index
k: Expected number of items

Company Values

Company value is the value that a company obtains as a form of public trust in its business over several years (Permadani & Kusumawati, 2022). Market price per share: the current price of a company's shares in the stock market. Book value per share: total shareholders' equity (net assets) divided by the number of shares outstanding (Nikmah & Amanah, 2019).

$$\text{PBV} = \frac{\text{price per share}}{\text{Book value per share}}$$

Analysis Techniques

The data analysis technique used is descriptive analysis technique. Classical assumption tests include normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. Model feasibility test includes determination coefficient test (R2 test) and F test (simultaneous significance test). Hypothesis testing is done using multiple linear regression method with t test. The regression model equation in this study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + {}_3X_3 + \beta_4 X_4 + e$$

Information:
Y = Company Values
α = Constants
β_{1-4} = Regression coefficient
X_1 = *Green Accounting*
X_2 = *Green Innovation*
X_3 = Environmental Performance
X_4 = *Sustainability Report*
e = Standard error

RESULTS AND DISCUSSION

Descriptive Statistics Results

This observational descriptive statistical analysis includes data accumulated from the Indonesia Stock Exchange in 2021-2023. This descriptive statistic aims to provide a total picture based on the maximum, minimum, median, average, and standard deviation (Machali, 2021). The results of descriptive statistics are as follows:

Table 2. Descriptive Statistics Results

Descriptive Statistics						
		Green Accounting	Green Innovation	Environmental Performance	Sustainability Report	Company Values
N	Valid	84	84	84	84	84
	Missing	0	0	0	0	0
Mean		,4385	,7232	3,1548	,2797	1,4764
Median		,5000	,7500	3,0000	,2240	1,1970
Std. Deviation		,13396	,13027	,84303	,18454	1,29899
Minimum		,17	,38	2,00	,11	,01
Maximum		,67	1,00	5,00	,95	6,72

Based on table 2, it is known that green accounting has a minimum value of 0.17, a maximum value of 0.67, an average value of 0.4385 or 43.85%, a median of 0.5000 and a standard deviation of 0.13396. Green innovation has a minimum value of 0.38, a maximum value of 1.00, an average value of 0.7232 or 72.32%, a median of 0.7500 and a standard deviation of 0.13027. Environmental performance has a minimum value of 2.00, a maximum value of 5.00, an average value of 3.1548 or 315.48%, a median of 3.0000 and a standard deviation of 3.1548. Then for the sustainability report, it has a minimum value of 0.11, a maximum value of 0.95, an average value of 0.2797 or 27.97%, a median of 0.2240 and a standard deviation of 0.18454.

Classical Assumption Test Results

Normality Test Results

The normality test was conducted using the Kolmogorov-Smirnov test. In making this decision, it was determined that if the significant value > 0.05 then it can be said to be normal, and if the significant value < 0.05 then it can be said to be abnormal. The following are the results of the normality test:

Table 3. Normality Test Results

			Before Transformation	After Transformation
			Unstandardized Residual	Unstandardized Residual
N			84	84
Normal Parameters[a,b]	Mean		,0000000	,0000000
	Std. Deviation		1,25322984	,48718124
Most Extreme Differences	Absolute		,150	,081
	Positive		,150	,081
	Negative		-,119	-,066
Test Statistic			,150	,081
Asymp. Sig. (2-tailed)[c]			,000	,200[d]
Monte Carlo Sig. (2-tailed)[d]	Sig.		,000	,192
	99% Confidence Interval	Lower Bound	,000	,181
		Upper Bound	,000	,202

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Based on the results of the normality test using Kolmogorov-Smirnov, the sig. value is 0.000 where the sig. value is <0.05. This indicates that the data in this study are not normal. To normalize the data, healing is carried out using the SQRT transformation method. After the SQRT transformation, the sig. value is 0.200 where the value is >0.05. So it can be concluded that this data is normally distributed.

Multicollinearity Test Results

The multicollinearity test is used to determine whether or not there is a significant relationship (correlation) between independent variables, with the criteria used being a VIF value <10 and having a tolerance value >0.1, it is said that there is no multicollinearity problem (Machali, 2021). The following are the results of the multicollinearity test:

Table 4. Multicollinearity Test Results

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	SQRTX1	,976	1,024
	SQRTX2	,960	1,042
	SQRTX3	,858	1,165
	SQRTX4	,840	1,191

a. Dependent Variable: SQRTY

Based on the results of the multicollinearity test, it shows that all research variables consisting of Green Accounting, Green Innovation, Environmental Performance, and Sustainability Report have a VIF value <10 and have a tolerance value> 0.1, so it can be concluded that there are no symptoms of multicollinearity.

Heteroscedasticity Test Results

Heteroscedasticity test can be known by using Glajser test. Data does not experience heteroscedasticity if the significance value is >0.05 (Machali, 2021). The following are the results of the heteroscedasticity test:

Table 5. Heteroscedasticity Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,447	,483		2,998	,004
	SQRTX1	-,288	,318	-,099	-,906	,368
	SQRTX2	-,805	,448	-,199	-1,799	,076
	SQRTX3	-,050	,158	-,037	-,319	,751
	SQRTX4	-,234	,244	-,114	-,960	,340
a. Dependent Variable: ABS_RES						

Based on the results of the heteroscedasticity test, it shows that the significance value of green accounting, green innovation, environmental performance and sustainability reports is greater than 0.05, so it can be said that there is no heteroscedasticity problem.

Autocorrelation Test Results

Uji autokorelasi dapat diketahui menggunakan uji *durbin-watson* dengan kriteria keputusan dU<d<4-dU (Machali, 2021). The following are the results of the autocorrelation test:

Table 6. Results of the Autocorrelation Test Before Cochrane Orcutt

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,241[a]	,058	,010	,49936	,917
a. Predictors: (Constant), SQRTX4, SQRTX1, SQRTX2, SQRTX3					
b. Dependent Variable: SQRTY					

Based on the results of the analysis, it shows that the DW value is 0.917, which means dU (1.7462) > d (0.917) < 4-dU (2.2538). so it is concluded that the results of the autocorrelation test have shown symptoms of autocorrelation. To overcome the symptoms of autocorrelation, this study conducted a cure using Cochrone Orchutt. The following are the results of the autocorrelation test using Cochrone Orchutt:

Tabel 7. Hasil Uji Autokorelasi Setelah *Cochrone Orchutt*

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,428[a]	,183	,142	,38326	1,868
a. Predictors: (Constant), LAG_SQRTX4, LAG_SQRTX1, LAG_SQRTX3, LAG_SQRTX2					
b. Dependent Variable: LAG_SQRTY					

After using the Orchutt Cochrone healing, the DW obtained was 1.868, so that the dU value (1.7462) < dW (1.868) < 4-dU (2.2538) was obtained, so it can be concluded that the research data has met the decision-making criteria and there are no symptoms of autocorrelation.

Multiple Linear Regression Analysis Results

Based on the results of multiple linear regression testing using IBM SPSS 27, the regression equation is known as follows:

Table 8. Multiple Linear Regression Analysis Results

Coefficients[a]				
	Model	B	t	Sig.
1	(Constant)	.415	1.859	.067
	LAG_SQRTX1	-1.367	-3.744	.000
	LAG_SQRTX2	1.301	2.235	.028
	LAG_SQRTX3	.268	1.200	.234
	LAG_SQRTX4	-.819	-2.143	.035
a. Dependent Variable: LAG_SQRTY				

Based on the table above, it can be formulated as follows:

$$Y= \alpha + \beta_1X_1 + \beta_2X_2 + {}_3X_3 + \beta_4X_4 + e$$
$$= 0{,}415 – 1{,}367x1 + 1{,}301x2 + 0{,}268x3 – 0{,}819x4 +0{,}223$$

Model Feasibility Test

Results of the Determination Coefficient (R^2) Test

Koefisien determinasi (R2) digunakan untuk menentukan seberapa besar kemampuan variabel independen menjelaskan variabel dependen yang dapat dilihat pada nilai *Adjuste* R^2 (Machali, 2021). Berikut adalah hasil uji koefisien determinasi (R2):

Table 9. Results of the Determination Coefficient Test (R2)

Model Summary[b]			
Model	R	R Square	Adjusted R Square
	,428[a]	,183	,142
a. Predictors: (Constant), LAG_SQRTX4, LAG_SQRTX1, LAG_SQRTX3, LAG_SQRTX2			
b. Dependent Variable: LAG_SQRTY			

The results of the determination coefficient test obtained an Adjusted R^2 value of 0.142, which means that the value can indicate that the variables Green Accounting, Green Innovation, Environmental Performance, and Sustainability Report are able to explain the Company Value variable by 14.2% while the remaining 85.8% is explained by other variables. In other words, the independent variables in this study have an influence of 14.2% on the dependent variable.

F Test Results

The significance test (f test) is said to be jointly influential if the significance value is <0.05. The results of the F test are presented as follows:

Table 10. F Test Results

ANOVA[a]						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,608	4	,652	4,438	,003[b]
	Residual	11,604	79	,147		
	Total	14,212	83			
a. Dependent Variable: LAG_SQRTY						
b. Predictors: (Constant), LAG_SQRTX4, LAG_SQRTX1, LAG_SQRTX3, LAG_SQRTX2						

The F-test results obtained an F-count value of 4.438 and an F table of 2.487, where the F-count value> F table and the sig value of 0.003<0.05. so it can be interpreted that the independent variables consisting of Green Accounting, Green Innovation, Environmental

Performance, and Sustainability Report together or simultaneously have a significant effect on Company Value.

Hypothesis Test Results

The t-statistic test is used to test whether the independent variables individually have an influence in explaining the dependent variable. The following are the results of the t-test:

Table 11. Hypothesis Test Results

Coefficients[a]					
	Model	B	t	Sig.	Keputusan
1	(Constant)	.415	1.859	.067	
	LAG_SQRTX1	-1.367	-3.744	.000	Ditolak
	LAG_SQRTX2	1.301	2.235	.028	Diterima
	LAG_SQRTX3	.268	1.200	.234	Ditolak
	LAG_SQRTX4	-.819	-2.143	.035	Ditolak
a. Dependent Variable: LAG_SQRTY					

The explanation of the t-test results is as follows:

Hypothesis 1: it is known that the calculated t value is -3.744 and the t table is 1.664 where the calculated t value <t table and the sig value 0.000 <0.05 which means that Green Accounting has a significant negative effect on company value.

Hypothesis 2: it is known that the calculated t value is 2.235 and the t table is 1.664 where the calculated t value>t table and the sig value is 0.028<0.05 which means that Green Innovation has a significant positive effect on company value.

Hypothesis 3: it is known that the calculated t value is 1.200 and the t table is 1.664 where the calculated t value <t table and the sig value 0.234> 0.05 which means that environmental performance does not affect the company's value.

Hypothesis 4: it is known that the calculated t value is -2.143 and the t table is 1.664 where the calculated t value <t table and the sig value is 0.035 <0.05, which means that the sustainability report has a significant negative effect on the company's value.

Discussion

The Influence of Green Accounting on Company Value

Based on the test results using the t-test, the regression coefficient of green accounting is -1.367 (negative) with a significance of 0.000 <0.05, which means that green accounting has a significant negative effect on company value. These results are not in line with the hypothesis that green accounting has a positive effect on company value, so this hypothesis is rejected. This shows that the existence of green accounting disclosed by companies using environmental costs has not provided confidence for investors or consumers in assessing a company.

The results of this study are in line with research conducted by (Kumala & Priantilianingtiasari, 2023), that the implementation of green accounting has a significant negative impact on the value of the company, because for investors, companies with high green accounting cannot guarantee that they will provide benefits to investors. Therefore, investors have not made it a primary decision in investing. This study is also in line with research (Erwanto, 2024), (Salsabila & Widiatmoko, 2022) and (Hakim & Aris, 2023) which states that green accounting has a negative effect on company value.

The Influence of Green Innovation on Company Value

Based on the results of hypothesis testing using the t-test, the regression coefficient of green innovation is 1.301 (positive) with a significance of 0.028 <0.05, which means that green

innovation has a positive effect on company value. Green innovation is one of the indicators for a company's success because it can show the public and other investors about the company's ability to manage operational activities and prioritize green innovation aspects both from its processes and products.

The results of this study are in line with research conducted by (Fabiola & Khusnah, 2022), (Novitasari, 2022), and (Chika Dianti & Puspitasari, 2024) which states that green innovation has a positive effect on company value. Green innovation will have a positive impact on the environment, because it can increase productivity with environmentally friendly technology and resources effectively and efficiently so that it can reduce the negative impact on the environment ((R. R. Dewi & Rahmianingsih, 2020).

The Influence of Environmental Performance on Company Value

Based on the results of hypothesis testing using the t-test, the regression coefficient of environmental performance is 1.200 (positive) with a significance value of 0.234 > 0.05, which means that environmental performance does not affect the company's value. These results are not in line with the hypothesis that environmental performance has a positive effect on the company's value, so this hypothesis is rejected. This is because there are still many companies that have not participated in the PROPER program because they are still considered not to provide sufficient detailed and relevant information for stakeholders to make decisions.

The results of this study are in line with research conducted by (Ghaesani, 2017), (Ethika et al., 2019), and (Rahmanita, 2020) which shows that environmental performance does not affect the company's value. Environmental performance disclosure using PROPER does not affect the company's value due to the paradigm shift of a company from investors. Companies today do not only aim to make a profit but must also pay attention to environmental conditions in the sustainability of the company.

The Influence of Sustainability Reports on Company Value

Based on the results of hypothesis testing using the t-test, the sustainability report regression coefficient is -2.143 (negative) with a significance value of 0.035 <0.05, which means that the sustainability report has a significant negative effect on the company's value. The results of this study indicate that the average value of sustainability report disclosure is 27.97%. The company is considered incapable of properly disclosing sustainability reports to investors. The company's lack of effort in improving sustainability reports will be seen as something that is only to fulfill obligations.

The results of this study are in line with research conducted by (Ningrum et al., 2021), (Nisaih & Prijanto, 2023), (Nikmah & Amanah, 2019), (Gitaria et al., 2022), and (Afsari & Artinah, 2021) ywho stated that sustainability reports have a negative impact on company value. There are still many companies that do not follow the standards issued by the Global Reporting Initiative (2016) and not all companies disclose their social activities in their sustainability reports and have not been able to publish sustainability reports consistently every year.

CONCLUSION

This study found that green accounting and sustainability reports negatively impact company value, while green innovation has a positive effect, and environmental performance shows no significant influence, with limitations including a small sample size and low explanatory power (Adjusted $R^2 = 0.142$). Future research should expand sector coverage (e.g., energy, high-pollution industries), incorporate additional variables (profitability, governance, macroeconomic factors), and investigate why green accounting and sustainability reports reduce firm value—whether due to high costs, greenwashing concerns, or market mispricing—using longitudinal analysis, alternative metrics (carbon intensity, green patents, ESG scores),

and behavioral finance approaches like sentiment analysis. Practically, companies should prioritize cost-efficient green innovations and transparent reporting despite short-term drawbacks, while policymakers should incentivize genuine sustainability efforts through tax breaks rather than burdensome regulations. Addressing these gaps will clarify the ESG-value relationship, aiding businesses and investors in an increasingly sustainability-focused market.

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