



Received: December 15, 2022 Revised: January, 15 2023 Accepted: January 21, 2023 Published: January 31, 2023

## The Effect of Environmental Performance and Green Accounting on Firm Value

Siti Hailatul Fikriyah <sup>1</sup>, Rahma Wiyanti <sup>2</sup>

<sup>1,2</sup>Department of Accounting, Universitas Pamulang

Email: <sup>1</sup>dosen01239@unpam.ac.id, <sup>2</sup>dosen01403@unpam.ac.id

### ABSTRACT

*Both large corporations and small and medium-sized businesses frequently ignore environmental problems. However, environmental accounting, known as "Green accounting," has recently gained popularity. The industry and the green movement are coming to terms with the critical idea of sustainable development. Improved natural resources and green accounting will provide essential insights into the environment and business interaction. However, green accounting implementation in organizations purposes for various reasons, including a need for knowledge, ethics education, et cetera. The study samples were collected using purposeful sampling and analyzed using quantitative data. According to the findings of this study, green accounting and environmental performance have a significant impact on firm value.*

**Keywords:** Environmental Performance, Green Accounting and Firm Value

### 1. INTRODUCTION

The commitment of governments is to achieve total zero emissions by 2060. The government emphasizes that the green concept in infrastructure is about the end product and the process. Through the Ministry of Public Works and Public Housing, the Indonesian government is planning a green infrastructure initiative to support the green economy. The Green Prosperity Project provides grants to Indonesia to promote regional economic growth (Gumiwang, 2013). The green prosperity project is the first project with the most significant allocation of funds, a total of 65% of the total value of the grant agreement with a program such as a program consisting of three activities, among others. The second project is a community-based health and nutrition initiative to prevent short children. The third initiative is the procurement modernization project. The initiative will collaborate with project developers and technology providers to build rural renewable

energy solutions. This initiative will not only meet renewable energy requirements, but it will also help with sustainable resource management, such as increasing agricultural production. The green prosperity project's core activity is investment facilitation, which includes providing commercial grants and financing to support regional project development stages. As a result, the government is creating more detailed investment criteria for funding this green project, which will be elaborated on while developing the green prosperity operation manual.

Project financing with a dedication to environmental sustainability is indeed fraught with danger; for example, the long-term availability of renewable electricity raw materials remains to be determined (Gumiwang, 2013). In addition, projects with a commitment to environmental sustainability require a large number of investors in order to

achieve their goals. One is creating collaboration with state-owned enterprises (Gumiwang, 2013). Currently, state-owned enterprises waste money on Partnership and Community Development initiatives. PT. Aneka Tambang, for example, stated that one of Sulawesi's governors was accused of spending \$200 billion in environmental funds, resulting in the funds being unable to be used by the surrounding community (Ahmad, 2021).

One method to achieve a company is to recognize its worth. According to Pujiasih (2013), the ability of a business to generate profits is the most crucial factor in the evaluation (Jayati, 2012). Company value is a condition that the company has achieved for its accomplishments as an illustration of the general public's confidence in the company after going through several procedures from its founding to the present (Noerirawan, 2012). The company's value is one of the most significant factors for creditors and investors. Investors will consider the value of the business when deciding whether to make a loan. The company aims to maximize profits, increase shareholder and owner wealth, and increase business value, reflected in share prices (Hartono, 2011).

Profit levels that continue to rise in order to achieve maximum profits are an indication of a company's financial success. Periodic financial reports that provide an overview of the company's financial position use to evaluate the financial performance of companies with significant financial standing (Sudaryanto, 2016). The profit maximization concept in the financial performance of the ecosystem, more significant waste causes air and soil pollution. According to Seagel in Fitriani (2013), a company's sustainability considers social and environmental factors. Company responsibility must include the single bottom line, which reflects company value, and the triple bottom line, which includes the financial, social, and environmental aspects. There needs to be more than the financial condition to ensure the company's value grows sustainably; it must also consider the social and environmental dimensions to prevent the opposition from the local community.

Furthermore, people are now conscious of the social impact of companies seeking maximum profits, so they demand that companies pay attention to and overcome the social impacts caused by their operations (Rahmawati, 2012). The Republic of Indonesia Government Regulation No. 47 of 2012 is the foundation for the Social and Environmental Responsibility of Limited Liability Companies.

Green accounting is associated with environmental information and auditing systems. It can identify, track, analyze, and report material and cost information related to an organization's environmental aspects (Amran A. et al., 2008). Green accounting is a novel and developing field. However, green accounting is still in its infancy in Malaysia because the adoption of green accounting in organizations such as SMEs in Malaysia encounters resistance or disregard for a variety of reasons, such as a lack of knowledge, a lack of green and ethical education, and et cetera.

Green accounting is concerned with accounting and management problems concerning environmental and social impacts, regulations and constraints, safety, environmentally sound, and economically viable energy production and supply (Amran, A. et al., 2008). Green accounting's primary role is to address social and environmental issues. It may affect the accomplishment of environmental and sustainable development in any nation, as well as affect corporate behavior in dealing with social and environmental responsibility issues. The International Federation of Accountants defines green accounting as "the management of environmental and economic performance through the development and implementation of appropriate environmental related actions."

While some companies may include reporting and auditing, green accounting may usually include life cycle costing, full cost accounting, benefit assessment, and strategic planning for environmental management." Furthermore, the United Nations Division for Sustainable Development emphasizes that green accounting systems generate knowledge for internal decision-making, whether physical or monetary (Leal, 2014). Indeed, according to the United States Environmental Protection



Agency, "an important function of green accounting is to bring environmental costs to the attention of corporate stakeholders who may be able and motivated to identify ways to improve environmental quality." In reality, a green accounting system has the dual goal of managing and improving an entity's financial and environmental performance. It may also examine how the organization's operations affect environmental systems and problems (KPMG, 2013).

In summary, a business provides services or makes products for profit. Companies are attempting to align their business strategies with being environmentally friendly more than ever as customer knowledge of going green grows. Environmentally conscious companies have discovered that they can develop business strategies that reduce their carbon footprint, minimize their environmental impact, make the best use of natural resources, be more energy efficient, reduce costs, and demonstrate social responsibility all at the same time.

Several factors can boost business value; the more a company supports government programs for green projects, the more valuable the company becomes. The business Performance Rating Program in Environmental Management facilitates the implementation of business environmental performance in Indonesia (PROPER). The Ministry of Environment uses PROPER to evaluate and rank a company's compliance in carrying out its environmental performance. The company's awareness of what constitutes excellent environmental performance reflects corporate responsibility to society and the environment. Environmental performance is the ability of a business to create a good environment (Suratno in Nuryanti, 2015).

Environmental costs are the expenses incurred as a result of corporate social responsibility disclosure efforts. Companies' environmental costs can allocate funds for environmental development initiatives. Environmental costs are expenses paid due to poor environmental quality or the possibility of poor environmental quality. Environmental performance has an impact on financial success. Environmental performance disclosure is critical for businesses to demonstrate their

presence and participation in dealing with environmental issues. Companies must demonstrate their presence and involvement in dealing with environmental issues as a form of moral obligation to the environment in which companies operate following established statutory theories. According to Djuitaningsih and Ristiawati (2011), the environmental performance has a positive and significant effect on financial performance because companies with good environmental performance receive positive feedback from stakeholders and impact increasing company income in the long run Adhima (2011) also stated that disclosure of environmental performance positively impacts a company's financial performance.

According to Febriani (2020), the analysis findings demonstrate that green accounting has no significant effect on company value. The accounting technique is known as "green accounting" considers economic, social, and environmental factors. Accounting procedures must be methodically linked to ensure that the accounting produced and provided to stakeholders contains comprehensive, accurate, and pertinent information. As a result of generally excellent green accounting practices, investor confidence in the business will be high. It will improve the company's reputation and raise its value. However, not all companies in the assessment category pass the Ministry of Environment's proper index assessment. As a result, green accounting is one of many factors in increasing a company's market worth.

Suitable environmental management activities frequently do not match efforts to maximize the value of the business by maximizing the use of natural resources. Environmental performance management seeks to meet all legal and environmental criteria entirely and comprehensively. Environmental management activities are corporate actions taken to gain stakeholders' support to increase the firm's value (Maridana & Wuryani, 2019). Implementing green accounting in businesses can improve the company's environmental performance, eventually improving financial performance with environmental benefits that can be managed and preserved correctly following government regulations. As a result,

this research investigates "The Influence of Environmental Performance and Green Accounting on Firm Value in Companies Listed

on the Sri-Kehati Index for the Period 2017-2021".

## 2. LITERATURE REVIEW

According to Legitimacy Theory, organizations strive to align their actions with their respective locations' societal norms and boundaries (Pujiasih, 2013). Legitimacy theory was widely utilized as a foundational framework in various research studies to explain the Social and Environmental Disclosure concept (Pujiasih, 2013). The theory above postulates that corporations strive to conduct their operations in compliance with established regulations and societal conventions. Legitimacy theory is a theoretical framework that focuses on the organization or company as a component of the broader social environment. It is a system-oriented theory that emphasizes the importance of legitimacy in organizational functioning.

According to legitimacy theory, an organization's function follows a value system that aligns with the value system of the larger society. Legitimacy theory is a management framework that prioritizes aligning with the interests of various stakeholders, including the community, government, individuals, and community groups (Zaenuddin, 2007). The legitimacy theory is a crucial strategic consideration for companies seeking to advance their organizational objectives. It can serve as a means for formulating corporate strategy, particularly concerning endeavors to situate oneself within an ever-progressing society. Therefore, legitimacy can be a valuable asset or resource for a company's sustainability (going concerned).

According to stakeholder theory, corporations bear a social obligation to consider the concerns of all stakeholders impacted by their operations. The theory emphasizes the importance of considering stakeholders' interests, needs, and influence on a company's policies and operations, particularly when making decisions. Companies must uphold the legitimacy of their stakeholders by incorporating it into their policy and decision-making framework. This approach can

effectively facilitate attaining the company's objectives, primarily business continuity and assurance (Pujiasih, 2013).

The perceived likelihood of a company's success by investors has a positive relationship with its firm value, eventually manifested in its stock valuation. The value of a company is subject to fluctuations based on its level of performance. Organizations that exhibit high levels of financial performance, as evidenced by substantial profits, are likely to experience an increase in their overall corporate worth (Puja & Widiatmoko & Indarti, 2019). In contrast, failure to meet the performance objectives of the company will result in a decrease in the company's worth. The capacity of a company to draw a substantial number of investors is a crucial factor in determining its success. A company's elevated valuation can enhance its perception among investors (Hartono, 2011).

The present investigation employs Tobin's Q proxy as a means of computing the value of the firm. Tobin's q is a quantitative measure utilized to assess the performance of businesses, particularly those on corporate valuation, and exhibits managerial proficiency in managing company assets (Sutrisno, 2011). Tobin's Q is a metric utilized to evaluate performance by contrasting two approximations of an identical asset value. Tobin's Q is a metric that expresses the ratio of a company's market value of assets to the replacement cost of those same assets. The computation comes from the overall market valuation of the corporation's outstanding equity and liabilities (firm value). The organization can achieve growth and advancement by effectively managing the enhancement of its corporate value over time (Wiagustini, 2010).

The company's performance pertains to establishing and maintaining a favorable ecological environment (Suratno, 2008). The Corporate Performance Rating Program in



Environmental Management facilitates implementing corporate environmental performance in Indonesia. (PROPER). The Ministry of Environment employs PROPER to evaluate and classify a corporation's adherence to environmental regulations and its execution of environmentally sustainable practices. The recognition by a company that its environmental performance is contingent upon its level of awareness represents a manifestation of its corporate responsibility to society and the environment. Environmental costs refer to expenses businesses incur concerning environmental harm caused and mitigation measures implemented. Dewi (2016) defines environmental costs per the Environmental Protection Agency (EPA), among other sources.

Environmental costs are the expenses associated with managing a company's environmental impacts by its environmental objectives and preferences. The costs borne by the organization may pertain to the activities that have been executed or are necessary to ensure the company's compliance with environmentally sustainable principles. The concept of environmental costs encompasses internal and external costs and pertains to all expenses associated with safeguarding and mitigating environmental harm.

Green Accounting refers to identifying, measuring, recording, summarizing, reporting, and disclosing various objects, transactions, and events associated with a company's economic, social, and environmental activities. This process aims to communicate relevant information to the community, the environment, and the company in a comprehensive reporting package. The utilization of fundamental components of green accounting will demonstrate the significance of the environment in the economy and streamline the examination of macroeconomic inquiries (Lako, 2018). The concept of Green Accounting pertains to managing environmental information and audit systems. It encompasses recognizing, monitoring, evaluating, and disclosing material and cost-related data on an organization's environmental aspects (United Nations, 2001). The field of

green accounting is a recently emerged area of study that is expanding.

According to Amran's (2008) explanation, the green accounting literature needs to consider the impact of organizational factors on company practices or the reciprocal influence of company practices on their respective organizations. The study examines the influence of the green audit system on environmental progress. The individual noted a correlation between green auditing and accounting, which hold significant value in advancing public and environmental institutions that operate under a human rights framework. Environmental education operates following the framework of human rights literature. Sustainability accounting is a framework that emphasizes ethical accountability, establishing sustainability standards, and considering prospects for corporate sustainability.

The integration of sustainable development principles into accounting practices can facilitate the promotion of sustainability. Heba and Yousef (2010) have discussed the concept and comprehension of environmental accounting education. The article delves into the notion of green accounting and governmental bodies' potential extension of environmental reporting principles to enhance businesses' responsibility for their externalities. The authors examine the significance of environmental accounting within management accounting. They comprehensively analyze the historical and contemporary state of green accounting regulations and responsibilities and their interconnection with various professions.

Aniela (2012) posits that green accounting measures environmental performance and integrates environmental policies with business policies. The business enterprise's strategy considers capital and operating expenses associated with pollution control equipment. The phenomenon above assigns to the growing preoccupation of the populace with ecological matters, in conjunction with the prevailing pattern of governmental regulatory measures to predicate on incentivization. Furthermore, integrating environmental factors into a firm's strategic planning procedure necessitates producing performance evaluations and

identifying competencies for quantifying, aggregating, and interpreting relevant information. Green accounting systems give chemical companies advantages such as improved cost determination and resource management. The conventional accounting techniques employed by chemical enterprises frequently need to furnish sufficient data about their ecological expenditures. It leads to management decisions that must be more informed and frequently expensive. Through adopting environmental accounting practices, industrial enterprises can enhance their profitability, optimize resource utilization, and safeguard the natural environment, irrespective of their scale of operations.

According to Lako (2018), green accounting involves identifying, measuring, recording, summarizing, reporting, and disclosing objects and transactional events associated with a company's economic, social, and environmental activities. This reporting package aims to communicate this information to the community, the environment, and the company. Integrating accounting information is designed to provide users with a valuable tool for assessing economic and non-economic decision-making. Various well-being indicators inform significant management decisions, which can result in substantial expenses. The matter of monetary valuation often results in the implementation of accounting protocols. Irrespective of their scale, industrial enterprises have the potential to enhance their financial gains by employing accurate environmental cost assessments. Organizations have the potential to gain insights into overlooked perspectives on sustainability that are more robust.

According to the United Nations Handbook of National Accounting, the growing environmental pressures and heightened environmental consciousness have necessitated the inclusion of comprehensive accounting for the diverse interactions between the economy and the environment across all sectors. Traditional national accounts concentrate on quantifying economic performance and expansion, as evidenced by market-based transactions. It pertains to the sustainability of economic growth and development, wherein

the extent and breadth of economic accounting necessitate expansion to encompass the utilization of non-market natural assets and the income losses incurred from the depletion and deterioration of natural capital (Zadeh, 2012). Traditional methodologies do not incorporate the standard depreciation modifications utilized for artificial resources to ecological resources. Incorporating natural assets and capital consumption in national accounts is crucial for the comprehensive representation of sustainable development, encompassing economic and environmental aspects.

The study suggests that green accounting variables do not have a discernible impact on firm value, whereas environmental performance variables significantly influence firm value variables (Sapulette & Limba, 2021). Yastynda (2022) posits that green accounting exerts a positive influence on firm value, while environmental performance does not have a significant impact on company value. Corporate social responsibility disclosure positively impacts corporate value through its association with environmental performance. The Limited Liability Company Law incentivizes companies to engage in numerous corporate social responsibility initiatives and incorporate them into their annual reports to enhance overall company worth (Pratiwi & Setyonongsih, 2014). Investors tend to respond positively to fluctuations in stock prices of companies that exhibit high levels of environmental performance (Sudaryanto, 2011).

The implementation of green accounting has a significant impact on the value of a firm. A noteworthy and affirmative correlation exists between green accounting and a company's value. It aligns with the Environmental Accounting Guidelines presented by the Minister of the Environment of Japan, which defines green accounting as a quantitative evaluation of the costs and efficacy of environmental protection. As a result, companies must maintain records and reports of their environmental activities to enhance their enterprise value and attain sustainable development (Dewi, P.P. & Narayana, I P.E. 2020).



The initial literature review furnishes the requisite information for the present inquiry into the green accounting of social contract theory and its foundational contentions. The practice of green accounting necessitates a comprehensive understanding of various fields, including but not limited to behavioral science, engineering, sociology, and biology. The underlying principle of green accounting posits that entities must incorporate ecological expenses into their internal accounting systems. The costs linked to these pursuits do not completely internalize, leading to the entity's externalization of adverse ecological effects onto society, as it is deemed a "public good." Cost accounting is an example of an internal environmental accounting mechanism that aims to monitor the expenses incurred by organizational activities on the environment (Yee et al., 2011). It anticipates that entities will be motivated to reduce the possible negative impacts of such endeavors by imposing accountability for these costs. Moreover, environmental accounting necessitates that entities assess the plausible ecological ramifications of their operations, thereby approximating their potential obligations and accounting for environmental hazards.

Green Accounting is a concept that involves the incorporation of environmental performance or costs into the accounting reports of companies, organizations, or institutions (Ikhsan, 2008) and (Risal et al., 2020). Environmental costs refer to the expenses incurred, both monetarily and non-monetarily, due to the impact of a company's operations on the environment. Salsabila and Widiatmoko's study suggests that financial performance mediated the impact of green

### 3. RESEARCH METHOD

The data type used in this study is quantitative, and the data source is secondary. The quantitative research method is a type of research whose specifications are systematic, planned, and structured from the start to the creation of the research design.

#### 3.1. Data Collection Techniques

#### 3.2 Operational Definitions of Variables

accounting on a company's value rather than through a direct effect on the organization's overall value. Based on the exposition above, one may posit the formulation of a hypothesis:

**H<sub>1</sub>: Environmental Performance and Green Accounting effect on firm's value.**

Corporate performance refers to an organization's capacity to attain its objectives by utilizing resources efficiently and effectively and the extent to which it accomplishes its outcomes. Enhancing the organization's worth serves as a standard for potential investors to determine whether or not to allocate their resources towards investing in the entity. Yendrawati and Praditina (2013) expounded that there exists a substantial impact of company performance on firm value. Based on the exposition above, one may posit the formulation of a hypothesis:

**H<sub>2</sub>: Environmental Performance effect on firm's value.**

The concept of green accounting pertains to incorporating environmental costs and benefits into economic decision-making by businesses. The implementation of green accounting practices within companies has shown to have a favorable effect on both company growth and value. It is due to the potential for increased investor interest and confidence in such companies. Consequently, the enhancement of the company's image will lead to an increase in its value. According to Maharani's (2021) research, the implementation of green accounting by a company can enhance its value, thereby exerting a reciprocal influence. Based on the exposition above, one may posit the formulation of a hypothesis:

**H<sub>3</sub>: Green Accounting affects a firm's value.**

To obtain data for the issues being investigated in this study, the authors retrieved data from the financial statements of companies listed on the Indonesia Stock Exchange, specifically on the SRI-KEHATI Index, which can be downloaded at the following link: [www.idx.co.id](http://www.idx.co.id).

Table 1: Variable Measurement

Variable	Measurement
Firm's Value	$Q = \frac{MVS + D}{Total\ Assets}$
	Where Q is firm's value, MVS is market value of equity (year-end closing share price x number of outstanding shares) and D is total debt.
Environmental Performance	PROPER level, with following definition: <ol style="list-style-type: none"> <li>1. Gold (Very Good) Score 5</li> <li>2. Green (Good) Score 4</li> <li>3. Blue (Enough) Score 3</li> <li>4. Red (Bad) Score 2</li> <li>5. Black (Very Bad) Score 1</li> </ol>
Green Accounting	The existence of environmental costs can be a long-term investment for issuers, because the costs allocated at this time will have a good image impact for the company. The following include costs related to the environment (Moorthy & Yacob, 2013).

### 3.2. Sample Collection Techniques

The Sri-Kehati index is a financial metric that reflects the value of stocks based on specific criteria, including a company's total assets, price-earnings ratio (PE), and free float. The index's formation resulted from a collaborative effort between the Indonesian Stock Exchange and the Indonesian Biodiversity Foundation. (KEHATI). SRI is an acronym that stands for Sustainable, Responsible Investment. The purpose of this index is to furnish supplementary information to investors who intend to invest in issuers that exhibit outstanding performance in advancing sustainable business practices while also demonstrating environmental consciousness and implementing sound corporate governance. The SRI-KEHATI index was publicly unveiled in June 2009. During the selection process, performance evaluation will be based on fundamental aspects such as corporate governance, environmental impact, community engagement, and business ethics. This research aims to investigate the impact of environmental performance and green accounting on the value of firms listed on the SRI-KEHATI index. The study utilizes a sample of 30 data points that meet the necessary criteria for further testing. The research employed E views nine software

for data processing. Based on the outcomes of the selection test and panel data, it was determined that the Random Effect Model (REM) is the appropriate model for further testing.

### 3.3. Data Analysis Techniques

The data analysis method used is a statistical analysis method using E-views 10 software. Before the data is analyzed, for data analysis, it is first tested using the logit method. E-views 10 is computer software that can help analyze data and perform statistical and non-parametric calculations on a Windows basis.

These multiple regression analysis methods were carried out on the model proposed by research using EViews Software version 10 to predict the relationship between the independent and dependent variables. The multiple regression analysis equations are:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

- Y = Firm's value
- $\alpha$  = Constant
- $\beta_1$  = Coefficients
- X1 = Environmental Performance
- X2 = Green Accounting
- e = error

## 4. RESULTS AND DISCUSSIONS

### 4.1. Results

Table 3: Statistic Descriptive

Variables	Mean	Standard Deviation	Min	Median	Max
Firm's Value	1.902	1.346	5.600	1.800	4.010
Environmental Performance	3.800	0.447	3.000	4.000	4.000



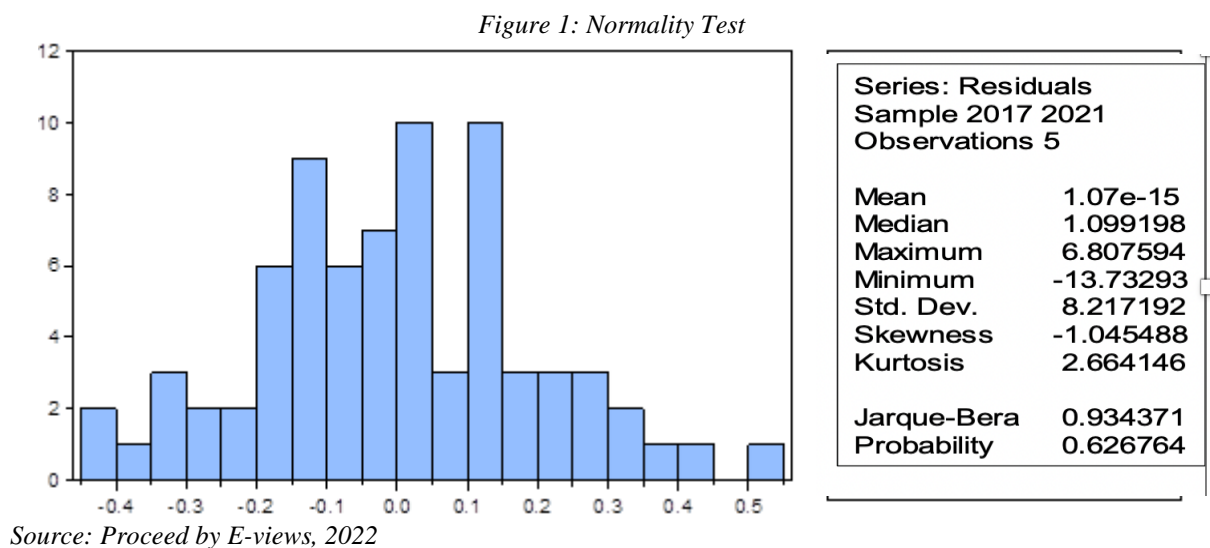


Green Accounting	2.386	6.427	1.660	2.350	3.350
------------------	-------	-------	-------	-------	-------

Source: Proceed by E-views, 2022

Table 1 indicates that the total number of observations recorded between 2017 and 2021 is 30. The average value of firm value (NP) is 190,2000, with the highest value attributed to United Tractors, Tbk (UNTR) and the lowest to Unilever Indonesia, Tbk. (UNVR). The study reveals that the Environmental Performance (EP), with an average value of 3.800000, exhibits a maximum value attributed to Semen Indonesia, Tbk, and Kalbe Farma, Tbk, both of

which have maintained a consistent rating of 4 over four years. Conversely, Unilever, Tbk (UNVR) has obtained a minimum value of 3 for four years during the study period. The field of Green Accounting exhibits an arithmetic mean of 238.6000, whereby the highest recorded value is attributed to Indofood Sukses Makmur, Tbk (INDF). The lowest value is ascertained from United Tractors, Tbk. (UNTR).



The normality test results show a jarque-bera value of 0.934371 and a probability of

0.626764 with a 0.05 identification level. Then the data is normally distributed.

Table 4: Multicollinearity test

Variables	Environmental Performance	Green Accounting
Environmental Performance	1.000000	
Green Accounting	-0.233022	1.000000

Source: Proceed by E-views, 2022

The multicollinearity test show that the correlation coefficient between EP and GA is -0.233022. It can be seen that the correlation

coefficient value of all independent variables is less than 0.90, which indicates that the research data is free from multicollinearity problems.

Table 5: Regression test

Variables	Coefficient	Sig.
Environmental Performance	-2.321770	0.0000
Green Accounting	0.012618	0.0000
R-square	0.891490	
Prob(F-statistic)	0.000000	
Observations	30	

Source: Proceed by E-views, 2022

#### 4.2. Discussion

The results of the probability calculation of the F statistic, with a significance level of 0.000000, less than 0.05, mean that environmental performance and green accounting simultaneously affect firm value, so it can be concluded that H1 is accepted. The results of the t-test from table 4.5 produce the effect of environmental performance on firm value with a t-value of -6.280712 and a significance of 0.0000. It shows that environmental performance affects firm value, so it can be concluded that H2 is accepted. Environmental performance with a low PROPER level means the company value will be higher or vice versa. It could be due to the environmental performance during the research period with a PROPER 1 (poor) -5 (excellent) range, while the average PROPER level in the study was 3.8 (table 1). Hence, a proper rating of 3 is a minimum in sample data, which can increase the company's value. In addition, as another consideration, the increase in company value, especially during the period when the research was carried out, including during the pandemic, caused the company value to be influenced by many things so that it could

increase the company value even though the PROPER value was low.

Green accounting for firm value with a t-test value of 10.09758 and a significance level of 0.0000 is less than 5%, illustrating that green accounting affects firm value. So it is concluded that H3 is accepted. Green Accounting has a positive effect on firm value. When green accounting is high enough in value, it will increase the company's value. It is in line with the theory of legitimacy, where companies are required to always be responsive to changes that occur in society, both social and environmental, due to the company's more significant social and environmental responsibility. The company's concern for the environment becomes very important. It can increase the company's value, where information on environmental costs is disclosed so that it can gain legitimacy from the community. Therefore, With the concept of green accounting, it is hoped that it will overcome various environmental issues affecting company value. These results are consistent with previous studies on green accounting and ecology. Environmental ordinary accounting, environmental management, and natural resources strongly relate to company values (Abdurrahman, 2019).

#### 5. CONCLUSIONS

The research results of hypothesis 1 show that environmental performance and green accounting simultaneously affect firm value. The research results of hypothesis 2 indicate an influence of environmental performance on firm value. It shows that environmental performance has decreased, so the company's value is high. This event can be caused by the PROPER level in this study with a minimum value of 3 which can increase the company's value. The research results of hypothesis 3 show that green accounting affects firm value, where a company's concern for the environment can increase firm value.

Companies that prioritize their attention to the environment get a response from the

community, especially investors who know the importance of the company's sustainability. Companies need to be able to increase PROPER value and company involvement to set aside costs related to the environment to improve corporate image and attract investors. Investors understand that people are getting smarter every day in choosing products that are friendly to the environment. The research period was also carried out during the pandemic so that other factors could influence the study results. Further research needs to conduct tests outside the pandemic period and expand sample data other than the SRI-KEHATI Index.



## REFERENCES

- Abdurrahman, A.P (2019). Impact of Green Accounting on Company Value: Evidence from The Nigerian Companies. *Journal of Business Management and Accounting*, 3(1). 16-26.
- Adhima, Mochammad Fauzan 2011. “ Pengaruh Pengungkapan Sustainability report terhadap Profitabilitas Perusahaan Studi Kasus pada Perusahaan Manufaktur di Bursa Efek Indonesia.” *Jurnal Ilmiah Mahasiswa FEB*, Vol 1, No.1
- Ahmad, Nur., 2021. Peran Peringkat Proper dan Biaya Lingkungan Terhadap Nilai Perusahaan BUMN di Indonesia, *Jurnal Akuntansi Unesa*, Vol 9, No 3, Mei 2021.
- Amran and S. S. Devi, “The Impact of Government and Foreign Affiliate Influence on Corporate Social Reporting: The Case of Malaysia,” *Managerial Auditing Journal*, Vol. 23, No 4, 2008, pp. 386-404. doi:10.1108/02686900810864327
- Aniela, Yoshi. (2012). “Peran Akuntansi Lingkungan dalam Meningkatkan Kinerja Lingkungan dan Kinerja Keuangan Perusahaan”. *Jurnal Universitas Katolik Widya Mandala Surabaya*, Vol. 1, No 1
- Dewi, P.P. & Narayana, I P.E. 2020. Implementasi Green Accounting, Profitabilitas dan Corporate Social Responsibility pada Nilai Perusahaan. e-ISSN 2302-8556. *E-Jurnal Akuntansi*. Vol. 30 No. 12 Denpasar, Desember 2020 Hal. 3252-3262 DOI: 10.24843/EJA.2020.v30.i12.p20
- Dewi, Santi Rahma. (2016). “Pemahaman dan Kepedulian Penerapan Green Accounting : Studi Kasus UKM Tahu di Sidoarjo.” *Prosiding SNEB Seminar Nasional. Universitas Muhammadiyah Sidoarjo* Hal. 497-511 ISSN 2528-3812
- Djuitaningsih, T., & Ristiawati, E. E. (2011). Pengaruh Kinerja Lingkungan Dan Kepemilikan Asing Terhadap Kinerja Finansial Perusahaan. *Jurnal Akuntansi Universitas Jember*, 9(2), 31–54.
- Dzahabiyya, J. dkk. 2020, “Analisis Nilai Perusahaan Dengan Model Rasio Tobin’s Q”, ISSN 2654-4369, *Jurnal Riset Akuntansi dan Keuangan Dewantara*, Vol 4, No 1 (2020) Januari-Juli , hal 47-55
- Febriani, Eneng (2020), Pengaruh Penerapan Green Accounting dan Kepemilikan Saham terhadap Kinerja Keuangan serta Dampaknya pada Nilai Perusahaan.” *Jurnal online mahasiswa (JOM) Bidang Akuntansi*, Vol. 7 No.2
- Fitriani, Anis. 2013. Pengaruh Kinerja Lingkungan dan Biaya Lingkungan terhadap Kinerja Keuangan pada BUMN. *Jurnal Ilmu Manajemen* Vol. 1 No 1
- Gumiwang, R. Artikel ini telah tayang di *Bisnis.com* dengan judul "Pengembangan Ekonomi Daerah, Indonesia Raih Hibah US\$322 Juta", *Bisnis.com* : <https://kabar24.bisnis.com/read/20130724/19/152844/pengembangan-ekonomi-daerah-indonesia-raih-hibah-us322-juta>. Tanggal unduh 24 Oktober 2022
- Ghozali, Imam. 2011. Aplikasi analisis multivariate dengan program IBM SPSS 21 Update PLS Regresi. Semarang: Badan Penerbit Universitas Diponegoro
- Hartono, Fakhruddin. 2011. Perangkat Dan Model Analisis Investasi Di Pasar Modal. Jakarta: Gramedia.
- Heba. Y. M. Abdel-Rahim and Y. M. Abdel-Rahim. 2012, “Green Accounting—A Proposition for EA/ER Conceptual Implementation Methodology,” *Journal of Sustainability and Green Business*, Vol. 5, No. 1, 2010, pp. 27-33.
- Jayati, S.E., (2016) “ Pengaruh Intellectual Capital terhadap Kinerja Keuangan Perusahaan Perdagangan Jasa yang Terdaftar di Bursa Efek Indonesia”. *Jurnal Cakrawala Pendidikan*, ISSN 2442-8620 KPMG, “Introducing the Triple Bottom Line,” 2010. [http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/Press-releases/Pages/KyotoProtocolhttp://unfccc.int/kyoto\\_protocol/items/2830.php](http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/Press-releases/Pages/KyotoProtocolhttp://unfccc.int/kyoto_protocol/items/2830.php)
- Lako, Andreas. 2018. Akuntansi Hijau Isu, Teori dan Aplikasi. Jakarta: Salemba Empat
- Leal. Filho, W. (2014). The United Nations Decade of Education for Sustainable

- Development: Lessons learnt and needs to be met. *International Journal of Sustainability in Higher Education*, 15, 2.
- L. M. Yee, S. Devi and E. W. S. Khin, "Kyoto Protocol and Social Accounting Implication on Global-Warming in Malaysia," *African Journal of Agricultural Research*, Vol. 6, No. 6, 2011, pp. 1489-1499.
- Maharani. P dan Handayani. S. (2021). Pengaruh Green Accounting pada Nilai Perusahaan Sektor Pertambangan. *Jurnal Edumaspul*, 5 (1).
- Mutia, A. dkk, Pengaruh Green Accounting, Kinerja Lingkungan dan Ukuran Perusahaan Terhadap Financial performance," *JFAS: Journal of Finance and Accounting Studies*, Volume 3 Nomor 2, Juni 2022, Halaman 72-84
- Moorthy, K., Yacob, P., 2013, "Green Accounting: Cost Measures" *Open Journal of Accounting*, Vol 2 No1, January 2013 DOI: 10.4236/ojacct.2013.21002
- Noerirawan, Mochammad Ronni. 2012. "Pengaruh Faktor Internal Dan Eksternal Perusahaan Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2007-2010)." *Diponegoro Journal of Accounting* Vol. 1 no.1 pp 582-593
- Nuryanti, Tira Novi, Nurlely dan Yuni Rosdiana, (2015). "Pengaruh Akuntansi Lingkungan terhadap Kinerja Lingkungan pada Perusahaan Tekstil Wilayah Bandung." *Prosiding Akuntansi* Vol 1 No1. Issn 2450-6561
- Pratiwi, Monica Weni and Susi Setyoningsih. 2014. Pengaruh Kinerja Lingkungan Terhadap Nilai Perusahaan Dengan Corporate Social Responsibility Disclosure Sebagai Variabel Intervening. *Media Riset Akuntansi* Vol. 4 No. 2. Universitas Bakrie.
- Puja, Shania Sadhana & Widiatmoko, Jacobus & Indarti, MG. Kentris. 2019. "Pengaruh Mekanisme Corporate Governance Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Manufaktur Periode 2015-2018)." *Proceedings 6th NCAB (National Conference on Applied Business)* (ISBN: 978-602-9026-29-0).
- Pujiasih (2013)., " Pengaruh Kinerja Lingkungan terhadap Kinerja Keuangan dengan CSR sebagai variabel Intervening" Universitas Negeri Semarang
- Rahmawati, 'Ala. 2012. "Pengaruh kinerja lingkungan terhadap corporate financial performance dengan corporate social responsibility disclosure sebagai variabel intervening", Universitas Diponegoro
- Risal, T., Lubis, N., & Argatha, V. (2020). Implementasi Green Accounting Terhadap Profitabilitas Perusahaan. *Accumulated Journal*, 2(1), 73–85.
- United Nations, "Division for Sustainable Development," United Nation, New York, 2001.
- Salsabila, Aurillia & Jacobus Widiatmoko. Pengaruh Green Accounting terhadap Nilai Perusahaan dengan Kinerja Keuangan Sebagai Variabel Mediasi pada Perusahaan Manufaktur Yang Terdaftar di BEI Tahun 2018-2021. *Jurnal Mirai Manajemen* Vol 7, No 1 (2022), Pages 410 - 424 ISSN : 2597 - 4084 Published By STIE Amkop Makassar.
- Sapulette, Shella Gilby and Franco Benony Limba. 2021. Pengaruh Penerapan Green Accounting dan Kinerja Lingkungan terhadap Nilai Perusahaan Manufaktur yang terdaftar di BEI tahun 2018-2020. *KUPNA Jurnal*. Volume 2, Nomor 1. November 2021. E-ISSN: 2775-9822
- Sudaryanto. (2011). Pengaruh Kinerja Lingkungan terhadap Kinerja Finansial Perusahaan dengan Corporate Social Responsibility (CSR) Disclosure sebagai Variabel Intervening. Universitas Diponegoro: Skripsi.
- Sugiyono, 2015. *Metode Penelitian Kombinasi (Mix Mthode)*. Bandung: Alfabeta
- Sujarweni, V. Wiratna. 2016. *Pengantar Akuntansi*. Yogyakarta: Pustaka Baru Press
- Wiagustini, Ni Luh Putu. 2010. *Dasar-Dasar Manajemen Keuangan*. Denpasar: Udaya Universitas press
- Wijayanti, Ajeng & Gracelia Angelina Dondoan. Pengaruh Penerapan Green Accounting Dan Corporate Social Responsibility Terhadap Firm Value Dengan Kinerja Perusahaan Sebagai Variabel Intervening. *Jurnal Akuntansi Manajerial* ISSN (E): 2502-6704 Vol. 7, No. 1 Januari – Juni 2022: 1-24.



- Yastynda, Zenitha Soraya Tri. 2022. Pengaruh Penerapan Green Accounting dan Kinerja Lingkungan terhadap Nilai Perusahaan pada Perusahaan Sektor Basic Material yang Terdaftar di Bursa Efek Indonesia. Universitas Jember: Skripsi.
- Yendrawati, R., & Pratidina, D. (2013). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Dengan Corporate Social Responsibility Dan Kepemilikan Institusional Sebagai Variabel Pemoderasi (Studi Empiris Pada Perusahaan Manufaktur Di Bursa Efek Indonesia). *Unisia*, 35(78), 17–24. <https://doi.org/10.20885/unisia.vol35.iss78.art2>
- Zadeh, F.O and A. Eskandari, 2012. “Firm Size as Company’s Characteristic and Level of Risk Disclosure: Review on Theories and Literatures,” *International Journal of Business and Social Science*, Vol. 3, No. 17, 2012, pp. 9-17.
- Zaenuddin., Achmad. 2007. “Faktor-Faktor yang Berpengaruh terhadap Praktek Pengungkapan Sosil dan Lingkungan pada Perusahaan.” Thesis. <http://eprints.undip.ac.id/3097/achmadzaen.pdf>