

Green Accounting and Corporate Social Responsibility on Firm Value: A Study of the Consumer Cyclical Sector

Trisma Listiani Dewi

trisma.listiani.dewi-2019@feb.unair.ac.id, Akuntansi, Universitas Airlangga

Sandra Sukma Embuningtiyas

Sandra-sukma-e@feb.unair.ac.id, Akuntansi, Universitas Airlangga

Abstract

This study aims to provide empirical evidence on the effect of green accounting implementation and CSR disclosure on firm value using a cross-country approach by comparing cyclical consumer goods companies listed on the Indonesia Stock Exchange and the Singapore Stock Exchange during the 2020–2022 period. The cross-country approach was chosen to test the consistency of the relationship between variables in two countries with different capital market characteristics and sustainability regulatory frameworks. The study sample consisted of 83 companies selected using a purposive sampling technique using several criteria. Secondary data were analyzed using multiple linear regression, controlling for firm size and profitability. The results indicate that green accounting implementation and CSR disclosure have an effect on firm value. This study contributes to the development of sustainability accounting literature by providing cross-country comparative evidence on the relevance of environmental and social information in the formation of firm value, and strengthens the argument that sustainability practices are a source of competitive advantage and long-term value creation.

Keywords: Green Accounting, Corporate Social Responsibility, Firm Value, and Cyclical Consumer Goods Companies

Abstrak

Penelitian ini bertujuan memberikan bukti empiris tentang pengaruh implementasi akuntansi hijau dan pengungkapan CSR terhadap nilai perusahaan menggunakan pendekatan lintas negara dengan membandingkan perusahaan barang konsumsi siklikal yang terdaftar di Bursa Efek Indonesia dan Bursa Efek Singapura selama periode 2020–2022. Pendekatan lintas negara dipilih untuk menguji konsistensi hubungan antarvariabel pada dua negara yang memiliki karakteristik pasar modal serta kerangka regulasi keberlanjutan yang berbeda. Sampel penelitian terdiri dari 83 perusahaan yang dipilih menggunakan teknik purposive sampling dengan menggunakan beberapa kriteria. Data sekunder dianalisis menggunakan regresi linier berganda, dengan mengontrol ukuran perusahaan dan profitabilitas. Hasil menunjukkan bahwa implementasi akuntansi hijau dan pengungkapan CSR memiliki pengaruh terhadap nilai perusahaan. Penelitian ini berkontribusi pada pengembangan literatur akuntansi keberlanjutan dengan memberikan bukti perbandingan lintas negara tentang relevansi informasi lingkungan dan sosial dalam pembentukan nilai perusahaan, dan memperkuat argumen bahwa praktik keberlanjutan merupakan sumber keunggulan kompetitif dan penciptaan nilai jangka panjang.

Kata Kunci: Green Accounting, Corporate Social Responsibility, Nilai Perusahaan, dan Perusahaan Barang Konsumsi Siklikal

INTRODUCTION

In today's highly competitive business environment, every company is required to continuously grow and develop. The goal is to maintain business sustainability and improve financial performance. For this reason, companies must continually innovate to create products and services that meet the needs of society. However, meeting these needs carries the risk of

environmental damage due to natural resource depletion, increased pollution, air and water pollution, and other environmental issues.

Furthermore Chircop et al., (2023) stated that corporations are key actors in environmental degradation. The primary cause of environmental degradation is the irrationality of current economic development patterns. This statement clearly contradicts the role of corporations, which should contribute to the success of environmental development. Environmental development itself is part of one of the pillars of the Sustainable Development Goals (SDGs), where corporations are expected to prioritize environmental sustainability in their long-term plans.

Dura, J. & Suharsono, R. (2022) stated that one of the instruments considered feasible for companies to address environmental issues is the implementation of green accounting. Green accounting practices involve efforts to prevent, reduce, and avoid negative environmental impacts in various events. Furthermore, green accounting analyzes costs, production performance, inventory, and waste disposal costs to plan, develop, evaluate, and manage business decisions with the aim of effectively improving environmental governance. Thus, implementing green accounting into a company's operational activities can significantly enhance the entity's ability to achieve environmental development.

When the company shows its seriousness in realizing the achievement of environmental development, it can attract investors who have concerns about environmental issues. In addition, it also has an impact on improving the company's reputation in the eyes of consumers and the wider community, which in turn can increase the value of the Company. Therefore, the implementation of green accounting is not just to fulfill the demands of regulations and social pressure, but also a business strategy that can increase the value of the company. This is considering that in today's highly competitive market, companies must be able to continue to increase the value of the company in order to remain competitive.

In addition to environmental issues, there are other important issues that must be considered by companies. This is in accordance with the pillars carried by the SDGs which not only carry the environmental development pillar but there are other pillars, one of which is the social development pillar which is also a must for companies to be able to realize it. These social issues can be in the form of corporate social responsibility activities carried out by the Company. CSR ideas are generally related to environmental protection, occupational health and safety, relationships with local communities and relationships with consumers (Purnamawati, 2018). A well-executed CSR program can provide benefits for internal and external companies so that it is expected to optimize company value. The same thing was also conveyed by Sugiyanto et al., (2021) which revealed that CSR can affect firm value. By implementing and expanding CSR information disclosure, the responsibility and accountability of a company will be fulfilled so that it will produce positive assessments such as an increase in the company's stock price and an increase in firm value.

Green accounting and CSR disclosure are in line with legitimacy theory proposed by (Dowling & Pfeffer, 1975), that legitimacy is important in analyzing the relationship between organizations and the surrounding environment. Likewise, the connection with signal theory according to (Spence, 1973) reveals that the investment decisions of external parties are influenced by the content or signals of the information released in the annual report and/or corporate sustainability report. With corporations paying attention to environmental and social issues, it is felt that they will be able to help increase the value of the company. This is as defined by signal theory, in which companies try to signal to stakeholders that they are not only concerned with profits, but also pay attention to the environment and social society (Erlangga et al., 2021).

Based on previous research, green accounting can be assessed from how a company's environmental performance (Dewi et al., 2022)(Amira & Siswanto, 2022). According to Gabrielle & Toly (2019) environmental performance has a positive effect on firm value. However, (Anggraeni & Dewi, 2022) and (Amira & Siswanto, 2022) convey that environmental

performance and disclosure of green accounting information have no significant effect on firm value. Furthermore, (Sugiyanto et al., 2021) revealed that CSR can affect firm value. Implementing and expanding CSR information disclosure, the responsibility and accountability of a company will be fulfilled so that it will result in positive assessments such as an increase in the company's stock price and an increase in company value. Conversely, the results of research (Rinsman & Prasetyo, 2020) show that environmental disclosure has no effect on firm value.

In addition to the inconsistencies in the results of previous studies, research that studies the effect of green accounting on non-primary consumer goods sector companies is still very limited. This is evidenced by research conducted by Anggraeni & Dewi (2022) and Maama & Appiah (2019) which examined the application of green accounting in mining companies in Indonesia and Ghana. Furthermore, research by Sugiyanto et al., (2021); Erlangga et al., (2021); Dewi & Wardani (2022); Le (2022); Cahyaningsih & Septyaweni (2022); Kholmi & Nafiza (2022) which examines the application of green accounting in manufacturing companies. In the stock market, the consumer cyclical sector is the first company to experience pressure on stock prices when economic conditions contract. Furthermore, most previous studies have used a single-country research design, thus failing to consider the possibility that institutional characteristics, sustainability regulations, and the level of capital market development may influence investor responses to sustainability information. Consequently, the external validity of previous research findings remains limited.

The difference between this research and previous research is that it uses consumer cyclical sector companies listed on the Indonesia Stock Exchange (IDX) and the consumer discretionary sector on the Singapore Exchange in 2020-2022 as research subjects. Singapore is also the subject of this research because based on the Environmental Performance Index, Singapore is the best ASEAN member country that consistently pays attention to, supports, and implements environmentally sound national development. In addition, the reason Singapore is used as a research sample is because Singapore has a high environmental compliance score, so it can show a clear contrast with Indonesia, which is thought to have different challenges in terms of implementing green accounting and CSR. Thus, this study can explore how differences in environmental policies and practices in Indonesia and Singapore affect firm value.

LITERATURE REVIEW

Legitimacy Theory

Legitimacy theory was first proposed in 1975 by Dowling and Pfeffer, who stated that legitimacy is important in analyzing the relationship between organizations and the surrounding environment. Based on research (Maama & Appiah, 2019) confirms that legitimacy theory embraces the concept that support from society is very important for sustainability, survival, growth and corporate image. According to (Kholmi & Nafiza, 2022), legitimacy theory is when an organization or company gains existence and is accepted by parties outside the company, especially society. Legitimacy provides a link between the level of analysis of the organization and society in terms of social norms and values that limit the actions taken by the organization. Companies need to implement green accounting by improving environmental performance and disclosing corporate social responsibility (CSR) information to the public in the hope that it can be welcomed by the community so as to increase company value (Sugiyanto et al., 2021).

Signal Theory

According to Spence (1973), signal theory defines signals as an organization's efforts as an information giver in signaling about its condition through their advertisements, recruitment, and financial reports (Karasek & Bryant, 2012) to other parties who are willing to invest as recipients of information (Setiawanta & Hakim, 2019). According to (Su et al., 2016), signals or information conveyed by an organization can be good news and bad news. Furthermore, based on

research Erlangga et al., (2021), signal theory reveals how the importance of information about green accounting and corporate social responsibility (CSR) carried out by companies affects the investment decisions of external parties. Companies that implement green accounting through high environmental performance can more easily send positive signals regarding information related to the suitability of the company's operational activities with the surrounding environment than companies that have low environmental performance. Then related to CSR, based on (Youa & Chen, 2022) suggests that the company's CSR activities and disclosures can be a credible signal of the quality of the company's products. In addition to credibility, the positive correlation between CSR and firm value may arise because CSR provides direct benefits to the company by increasing employee productivity and contributions to society.

Green Accounting

Green accounting is a branch of accounting science that began to develop and be applied in Europe since the 1970s (Khoirina, 2016). Green accounting practices aim to improve environmental performance without sacrificing financial performance. Companies apply green accounting to determine the amount of environmental costs incurred in environmental management so as to minimize costs incurred and control the company's responsibility in protecting the environment, so that companies are able to make environmental reporting to guide management in decision making (Purnamawati, 2018). Green accounting gives companies the opportunity to learn and grow more 'green' by promoting sustainable development.

Corporate social responsibility (CSR)

The global definition of CSR refers to the ISO 26000 Guidance for Social Responsibility document which states that organizations are responsible for their decisions and actions in relation to society and the environment through transparent and ethical behavior that promotes sustainability, public health and welfare, considers stakeholder expectations, complies with applicable laws, and follows international standards. Corporate social responsibility (CSR) is a form of corporate commitment in contributing to support sustainable development starting from the local environment or the wider community. So that CSR can be referred to as one of the company's long-term investment strategies (Dewi & Wardani, 2022).

Firm Value

High company value will have an impact on the prosperity of shareholders to invest in the company. Firm value is the investor's perception of the company's success rate (Erlangga et al., 2021a). For companies that have gone public, company value can be reflected through the company's stock price, while for companies that have not gone public, the value is reflected through the value of the company's assets that can be realized (Agustia et al., 2019). Maintaining and increasing company value is very important in maintaining and attracting investors because company value is a function of the company's ability to be profitable, generate cash, and grow in the future.

Implementation of Green Accounting on Firm Value

Based on legitimacy theory, implementing green accounting demonstrates a company's commitment to managing environmental impacts to gain and maintain legitimacy from stakeholders. These efforts can enhance a company's reputation and reduce non-financial risks, potentially increasing its value (Rinsman & Prasetyo, 2020). Similarly, signalling theory explains that disclosing information about environmental practices serves as a positive signal to investors regarding the quality of governance and the company's commitment to sustainability. This signal can reduce information asymmetry and increase investor confidence in the company's prospects (Johnston, 2005).

Furthermore, according to Angelina & Nursasi (2021) and supported by research (Rinsman & Prasetyo, 2020), companies with good environmental performance also indirectly

possess good social information. Therefore, improving environmental performance to achieve sustainable development has become a primary focus for companies. This, in turn, encourages companies to prepare broader environmental disclosures, ultimately leading to improved company value. This is supported by research findings (Erlangga et al., 2021; (Dewi & Wardani, 2022); and (Nugroho, 2023) which indicate that the implementation of green accounting has a significant impact on company value.

However, the effectiveness of green accounting implementation in increasing company value varies across contexts. Differences in the level of capital market development, implementation of sustainability regulations, and investor response to environmental information can potentially influence the extent to which green accounting practices are appreciated by the market. Therefore, theoretically, the implementation of green accounting is expected to continue to have a positive impact on company value, although the magnitude of this influence may vary across institutional contexts.

H1: The implementation of green accounting has a positive effect on firm value

Disclosure of Corporate Social Responsibility on Firm Value

Based on legitimacy theory, corporate social responsibility (CSR) disclosure is a form of corporate accountability to society for the economic, social, and environmental impacts of its operational activities. Through CSR disclosure, companies strive to gain and maintain legitimacy by demonstrating that their business activities align with the values and expectations of stakeholders (Maama & Appiah, 2019) dan (Lindblom, 1994). Maintained legitimacy can strengthen a company's reputation and increase investor confidence, ultimately contributing to increased company value.

Consistently, signaling theory explains that CSR disclosure signals a company's commitment to responsible and sustainable business practices. The more comprehensive and high-quality CSR information disclosed, the lower the information asymmetry between management and investors, thus providing investors with a better basis for assessing the company's prospects (Johnston, 2005). However, the effectiveness of this signal depends on the extent to which CSR information is perceived as credible and relevant by stakeholders (Morris, 1978).

Several studies have shown that CSR disclosure has a positive effect on firm value (Murnita & Putra, 2018), (Sugiyanto et al., 2021) and (Erlangga et al., 2021a). However, investor responses to CSR information can vary depending on institutional characteristics, the level of capital market development, and the implementation of sustainability regulations in each country.

H2: Disclosure of corporate social responsibility has a positive effect on firm value.

METHOD

Type and Source of Data

This study uses a quantitative research approach with the type of data used is secondary data obtained from annual reports and sustainability reports. The research data was obtained from the official website of each country's stock exchange, namely idx.co.id and sgx.com and from the official website of each company. The data in this study have different units of measurement or currencies so that the original data must be transformed (standardization) in this case the rupiah currency (Indonesia) is converted to the Singapore dollar (Singapore) before continuing the analysis.

Population and Sample

The population used is companies from the consumer cyclicals sector listed on the Indonesia Stock Exchange (IDX) and the consumer discretionary sector on the Singapore Exchange in 2020-2022. Sample selection using purposive sampling technique with the criteria that companies publish annual reports and / or sustainability reports. Based on the sampling

criteria used, 83 companies were obtained consisting of 18 companies in Indonesia and 65 companies in Singapore. So that the data obtained from 83 samples multiplied by the research period 2020-2022 (3 years) is 249 data.

Analysis Technique

The data analysis techniques used in this study include descriptive statistical analysis and regression analysis. This test will be carried out through Partial Least Square-Structural Equation Modeling (PLS-SEM) software. The equations used are:

$$\text{Firm Value} = \alpha + \beta_1 GA + \beta_2 CSR + \beta_3 FZ + \beta_4 ROA + \varepsilon$$

Description:

Firm value	= Company Value
α	= Constant
β	= Regression Coefficient
GA	= Green Accounting
CSR	= Corporate Social Responsibility
ROA	= Profitability
SIZE	= Company Size
ε	= Error

Operational Definition of Variables

Independent variable

Implementation of green accounting

According to (Arocena et al., 2023) ISO 14001 certification establishes criteria for an effective environmental management system. If the company has this certification, it can provide assurance to company management and employees and external stakeholders that environmental impact is one of the company's priorities. In this study, the variable of green accounting implementation is proxied by environmental performance and measured using a dummy variable that takes the value (1) if the company has a certified environmental management standard and (0) if not.

Corporate social responsibility disclosure

Measurement of CSR disclosure is done by scoring or numbering (1) for companies that have disclosed in accordance with GRI-G4 items, while the number (0) is given to companies that do not disclose (Giannarakis et al., 2023). The score obtained by each company will be obtained by the following formula (Tarjo, et al., 2022):

$$GRI = \frac{\text{number of items in the annual report}}{91}$$

Dependent variable

Firm Value

Firm value is measured using Tobin's Q. Previous research by Wang (2015) cited from (Poretti & Heo, 2022), Tobin's Q method is suitable for samples that include companies from various countries and apply different accounting standards. Tobin's Q is calculated by the following formula:

$$\text{Tobin's } Q = \frac{EMV + LBV}{\text{Total Assets}}$$

Description:

Tobin's Q	= Firm values
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EMV = *Equity Market Value*
 LBV = *Liabilities Book Value*
 Total Assets = *Book Value of Total Assets*
 Control variables
 Firm size

Company size as a control variable is measured by the natural logarithm of total assets through the following formula (Embuningtiyas et al., 2020):

$$SIZE = Ln (Total Asset)$$

Profitability

Profitability in this study is measured using the Return on Asset (ROA) ratio. ROA is expressed in the following formula (Embuningtiyas et al., 2020):

$$ROA = \frac{Net\ Income}{Total\ Aset}$$

RESULTS

Descriptive statistical results

The descriptive statistical results of each variable in this study are as follows:

Table 4.1

Results of Descriptive Statistical Analysis

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
GA	249	0	1	0,189	0,391
CSR	249	0,044	0,758	0,224	0,139
Firm Value	249	0,117	26,524	1,691	3,366
Firm Size	249	12,123	25,486	1,901	2,010
ROA	249	-26,451	0,406	-0,346	2,486
Valid N (listwise)	249				

Source: SmartPLS data processing results

Green accounting proxied by environmental performance (GA) is measured using a dummy with a maximum value (1) if the company has an ISO 14001 certified environmental management standard and a minimum value (0) otherwise. There are 47 data that get a value of 1 and 202 data that get a value of 0. Overall, the GA variable has an average value of 0.189 and a standard deviation value of 0.391 which means that consumer cyclical companies in Indonesia and Singapore in 2020-2022 only a small portion have ISO 14001 certificates. Corporate social responsibility (CSR) with the lowest value of 0.0440 and the highest value of 0.75824 is found in companies from Singapore. Overall, the sample of companies has an average value of 0.2245726 and a standard deviation value of 0.13905854, which means that consumer cyclical companies in Indonesia and Singapore in 2020-2022 have disclosed CSR based on the guidelines of the GRI-G4 special standard quite well. The lowest company value is 0.1170 and the highest value is 26.5237 for companies from Singapore. Overall the company has an average value of 1.6905398, and a standard deviation value of 3.3655033. Firm size (FZ) with the lowest value of 12.1227 and the highest value of 25.4862 is in companies from Singapore. The overall sample has an average value of 1.90139 and a standard deviation value of 2.0104061. Profitability (ROA) with the lowest value of -26.4511 and the highest value of 0.4058 is found in companies from Singapore. The overall sample has an average value of -0.3460803 and a standard deviation value of 2.4864045.

Estimation Results and Hypothesis Proving

Measurement Model Test

The measurement modal test (outer model) is carried out to evaluate the relationship between indicators and their latent variables. Outer model evaluation with reflective indicators is carried out by looking at indicator loadings, internal consistency reliability, convergent reliability, and discriminant validity.

Indicator Loadings

According to Hair et al. (2021), the indicator loadings value can be considered valid if > 0.708.

Table 4.2
Outer Loading Results

		<i>Loading Factor</i>
GA	<- <i>Green Accounting</i>	1,000
CSR	<- <i>Corporate Social Responsibility</i>	1,000
FV	<- <i>Firm Value</i>	1,000
FZ	<- <i>Firm Size</i>	1,000
ROA	<- <i>Profitabilitas</i>	1,000

Source: martPLS data processing results

Based on table 4.2, it can be seen that the loading factor value of the reflective construct indicator on the green accounting (GA) indicator, corporate social responsibility (CSR), FZ (Firm Value), FZ (Firm Size), and profitability (ROA) shows a value > 0.708. This means that the reflective construct indicators for each of these variables are considered valid.

Internal Consistency Reliability

The reliability level of a construct can be said to be reliable if the composite reliability value ranges from 0.70 - 0.90. The composite reliability value can be seen in table 4.3.

Table 4.3
Result of Composite Reliability

	<i>Composite Reliability</i>
GA	1,000
CSR	1,000
FV	1,000
FZ	1,000
ROA	1,000

Source: SmartPLS data processing results

Convergent Validity

According to Hair et al. (2021), an acceptable AVE value is ≥ 0.50 indicating that the construct explains at least 50 percent of its item variance. The results of the AVE value can be seen in table 4.4.

Table 4.4
Result of Average Variance Extracted (AVE)

	<i>AVE</i>
GA	1,000
CSR	1,000
FV	1,000
FZ	1,000
ROA	1,000

Source: SmartPLS data processing results

Table 4.4 shows that the AVE value for each construct shows a value of ≥ 0.50 . These results indicate that all reflective constructs are considered valid and have met the requirements of discriminant validity.

Discriminant Validity

A good HTMT value is less than 0.90. The results of the HTMT value can be seen in table 4.5.

Table 4.5
HTMT Value Results

	CSR	FZ	FV	GA	ROA
CSR	0,000	0,000	0,000	0,000	0,000
FZ	0,163	0,000	0,000	0,000	0,000
FV	0,112	0,513	0,000	0,000	0,000
GA	0,410	0,112	0,190	0,000	0,000
ROA	0,072	0,339	0,690	0,151	0,000

Source: SmartPLS data processing results

Based on table 4.5, the HTMT value on the relationship of all latent variables shows a value of <0.90 . This indicates that the average value of item correlation across all constructs relative to the average correlation is good. Thus, testing can be continued to the structural model stage.

Structural Model Testing

Inner model testing is carried out to evaluate the model that connects between latent variables. To determine the magnitude of the influence or relationship of the level of significance of the latent construct, a bootstrapping procedure is carried out.

Path Analysis

Path analysis describes the influence and level of significance between latent variables in the study. The results of the path coefficients in this study can be seen in table 4.6.

Table 4.6
Result of Path Coefficients

Hypothesis	Coefficient Beta	T-Statistic	Significant (p-value < 0,05)	Affect (T-statistic > 1,96)	Conclusion
CSR → FIRM VALUE	0,097	2,474	0,014	Significant	Accepted
SIZE → FIRM VALUE	-0,356	4,870	0,000	Significant	Negative
GA → FIRM VALUE	0,107	2,097	0,037	Significant	Accepted
ROA → FIRM VALUE	-0,546	3,706	0,000	Significant	Negative

Source: SmartPLS data processing results

Based on table 4.6, the results of the CSR path coefficients test have a positive effect on company value so that the hypothesis is accepted. Green accounting has a positive effect on company value so that the hypothesis is accepted.

Adjusted R²

The Adjusted R^2 value in this study can be seen in table 4.7.

Table 4.7
Hasil *Adjusted R²*

	R^2	<i>Adjusted R²</i>
FIRM VALUE	0,591	0,584

Source: SmartPLS data processing results

Based on table 4.7, it can be seen that the Adjusted R^2 value of the firm value variable in this study has a value of 0.584.

Predictive Relevance

According to Hair et al. (2021), the Q^2 value has meaning when Q^2 is more than zero. Q^2 classified into 3, namely, small (≥ 0), medium (≥ 0.25) and large (≥ 0.50). The Q^2 value in this study can be seen in table 4.8.

Table 4.8
Result of *Predictive Relevance*
 Q^2

	Q^2
FIRM VALUE	0,554

Source: SmartPLS data processing results

Based on table 4.8, it can be seen that the Q^2 value on the FIRM VALUE variable shows a value of 0.554. This means that the predictive validity of the FIRM VALUE variable can be said to be good and large ($0 \leq Q^2 \leq 0.50$).

DISCUSSION

Implementation of Green Accounting on Company Value

Based on the research results, the legitimacy theory and signal theory used are able to support and describe the influence of the implementation of green accounting which is proxied by environmental performance on company value. According to the legitimacy theory, environmental performance can influence company value, where companies try to adjust the values and social norms that apply in society by paying attention to product quality and environmental concerns to maintain legitimacy so as to support firm value (Rinsman & Prasetyo, 2020). (Truonga & Pinkse, 2019) state that good environmental performance practices will directly or indirectly help companies communicate their goals to meet stakeholder expectations, namely as an environmentally friendly entity. Conformity to these expectations is very important to maintain legitimacy because companies are currently facing increasing pressure from stakeholders, especially local communities, to take actions that do not pollute and do not endanger the environment.

The results of this study are reinforced by the signal theory that companies that convey information related to the level of investment to maximize their environmental performance are positive signals for stakeholders (Johnston, 2005). Companies that implement green accounting through high environmental performance can more easily send positive signals regarding information related to the suitability of the company's operational activities with the surrounding environment compared to companies that have low environmental performance. Therefore, the signal in question can act as a separating mechanism, which distinguishes between companies with high environmental performance and companies with low environmental performance (Truonga & Pinkse, 2019).

The explanation of the results of this study is in line with the research of (Angelina & Nursasi, 2021) and (Rinsman & Prasetyo, 2020) that companies that have good environmental performance indirectly have good social information. The results of this study are also supported by research by (Mardiana & Wuryani, 2019), (Toly, 2019), and (Erlangga et al., 2021a) which state that the implementation of green accounting has a positive effect on firm value.

Although green accounting implementation has a positive effect on firm value, the relatively small path coefficient ($\beta = 0.107$) indicates that this influence is not yet a dominant factor in the formation of firm value. This condition indicates that investors are beginning to appreciate information about environmental performance, but investment decisions are still more influenced by the company's fundamental factors, such as growth prospects, financial stability, and profitability. Thus, green accounting implementation plays more of a supporting factor that strengthens a company's reputation than a primary factor determining firm value.

Disclosure of Corporate Social Responsibility on Company Value

Based on the test results, it shows that the legitimacy theory and signal theory used are able to support and describe the influence of CSR disclosure on company value. (Dowling & Pfeffer, 1975) stated that legitimacy is important in analyzing the relationship between an organization and its surrounding environment. According to Lindblom (1994), legitimacy is a condition or status that exists when an entity's value system is the same as the norms adopted by the local community. Legitimacy can be interpreted as support and acceptance from the community through CSR activities and disclosures (Maama & Appiah, 2019). Companies that show a real commitment to CSR will receive greater internal and external support (Gonzalez, Rodríguez, Perlins, & Roman, 2023). Based on research (Duff, 2017), CSR disclosure is a company's effort to maintain legitimacy, status, and reputation so that it can increase company value and attract investors.

The results of the study are also in accordance with the signal theory which shows how asymmetry information can be reduced with more information related to CSR disclosure as transparency of company activities to stakeholders (Morris, 1978). Spence (1973) stated that the importance of the content or signal of information released in financial reports, annual reports and integrated reports of companies on investment decisions of external parties. CSR disclosure will be better if it contains information that provides a positive signal (Johnston, 2005). Based on (Youa & Chen, 2022) it is stated that a company's CSR activities and disclosures can be a credible signal of the quality of the company's products. In addition to credibility, a positive correlation between CSR and company value may arise because CSR provides direct benefits to the company by increasing employee productivity and contributions to society. The explanation of the results of this study is in line with the results of research (Murnita & Putra, 2018); (Sugiyanto et al., 2021); dan (Erlangga et al., 2021a) stating that there is a positive influence of CSR disclosure on firm value.

Although CSR disclosure has a positive effect on firm value, the relatively small coefficient ($\beta = 0.097$) indicates that CSR information has not yet become a primary consideration for investors in assessing companies. This suggests that CSR disclosure serves more as a signal to strengthen stakeholder trust and the company's reputation, while investment decisions are still dominated by information about financial performance and business prospects.

Additional analysis

The research results show that company size negatively impacts firm value. This finding indicates that companies with larger assets do not always command higher market valuations. In the cyclical consumer goods sector, large-scale companies tend to face more complex operational structures, greater investment requirements, and higher operating costs. These conditions can reduce investor expectations regarding the company's ability to generate higher growth compared to smaller, more flexible companies.

Furthermore, profitability, as proxied by ROA, also showed a negative impact on firm value. This finding indicates that increased profitability is not always accompanied by increased firm value. One possible reason is that the study period encompassed both the COVID-19 pandemic and economic recovery, resulting in significant fluctuations in corporate profits. Under these conditions, investors are likely more focused on long-term growth prospects and the company's ability to maintain business sustainability than on short-term profitability. As a result, profitability has not yet fully become the primary basis for company valuation by the market.

CONCLUSION

Conclusion

This study uses firm value as the dependent variable to measure the influence of green accounting and corporate social responsibility (CSR). The population used is companies from the consumer cyclicals sector listed on the Indonesia Stock Exchange (IDX) and the consumer discretionary sector on the Singapore Exchange in 2020-2022. Based on data collection and analysis, the results of the study indicate that green accounting and corporate social responsibility have a positive and significant influence on firm value.

This study makes a significant contribution to the theoretical understanding of green accounting, corporate social responsibility, and firm value. This study helps explain the relationship between green accounting, corporate social responsibility, and firm value, especially in the context of companies in the consumer cyclicals sector in Indonesia and Singapore.

From a practical perspective, these findings are important for corporate management, stakeholders, and policy makers, as they provide insight into the importance of implementing green accounting and corporate social responsibility in increasing firm value. Better green accounting and CSR practices can be a positive step towards sustainable development, which is beneficial not only for the company but also for environmental sustainability. Therefore, corporate management is advised to improve their green accounting and CSR practices.

Research Limitations

The limitation of this research is that many companies do not update their CSR information by implementing the GRI-G4 specific disclosure standards in their annual reports and/or sustainability reports, thus reducing the research sample.

Implications

The implications of the research conducted are as follows: Company management should consider the importance of ISO 14001 certification. This is because the results of the study, namely green accounting which is proxied by environmental performance as seen through ownership of the ISO 14001 certificate, show a significant influence on company value. Disclosure of corporate social responsibility (CSR) by a company should use international guidelines, namely the GRI-G4 special disclosure standard so that the company's CSR disclosure related to the triple bottom line, namely profit, people, and planet, will be conveyed in more detail.

Suggestions

Based on the research results, there are several suggestions to consider, namely: Further research in Indonesia is advised to use other proxies related to green accounting variables such as research and development (R&D) costs, environmental costs or environmental performance with the PROPER (Public Disclosure Program for Environmental Compliance) rating measurement published by the Indonesian Ministry of Environment and Forestry. Regarding the corporate social responsibility variable, it is also recommended to use other measurements such as the POJK 51 index for companies in Indonesia. Further research is advised to choose other ASEAN countries with the 2022 Environmental Performance Index ranking published by the Yale Center

for Environmental Law & Policy, such as Brunei Darussalam (ranked 2nd in ASEAN), Timor-Leste (ranked 4th in ASEAN), and Malaysia (ranked 5th in ASEAN).

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