

THE INFLUENCE OF GREEN ACCOUNTING ON COMPANY VALUE WITH PROFITABILITY AS A MEDIATING VARIABLE

Dwi Safira Yunitasari, Mokhamad Kodir

Faculty of Economics, Universitas Peradaban Bumiayu
Jl. Pagojengan KM.3, Brebes City, East Java, 52276, Indonesia
dwisafirayunitasari123@gmail.com

ABSTRACT

This study aims to determine and analyze the effect of green accounting on firm value, to determine and analyze the effect of green accounting on profitability, to determine and analyze the effect of profitability on firm value, to determine and analyze the effect of green accounting on firm value with profitability as a mediating variable. The population in this study were manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2024 period with a population of 233 companies. The sampling technique used was purposive sampling with a total sample of 51 companies used in this study with a total of 204 observations. A panel data regression model was used in this study as a data analysis method. The results showed that green accounting had a positive effect on firm value, green accounting had no positive effect on profitability, profitability had no positive effect on firm value, and profitability was unable to mediate the effect of green accounting on firm value.

Keywords: Green Accounting, Profitability, Firm Value

INTRODUCTION

As more and more industry players emerge and compete to create high-value products, competition each year not only intensifies but also becomes an increasingly complex and unpredictable battle of ideas and innovations. Therefore, companies need to develop appropriate strategies to ensure their competitive position remains maintained and relevant in the ever-changing market dynamics. However, in the process of achieving business goals, many industry players actually prioritize responsibility for ecosystem sustainability, viewing it as a price to be paid for short-term ambitions (Rosaline et al., 2020). Many companies remain trapped in a profit-only paradigm, prioritizing profitability and corporate value, as if success is measured solely by rising financial charts, rather than by long-term aspirations. According to (Elkington & Rowlands, 1994) in (Purwanti et al., 2024), the Triple Bottom Line concept emphasizes that company success should be estimated based on three main components : profitability and economic value focused on achieving profits, society prioritizing the well-being and energy security of workers, and the planet emphasizing environmental protection and sustainable resource management.

According to 2024 data from the Ministry of Industry, the manufacturing sector is a key pillar of national economic growth, requiring strong strategic policies and synergies to enhance sustainable competitiveness. However, in practice, the manufacturing industry often neglects environmental management aspects in its operations (Kementerian Perindustrian, 2024). As reported by Kompasiana.com, cases of environmental pollution have been proven in the manufacturing industry, such as those that occurred in 2022 at PT Toba Pulp Lestari Tbk and PT Chandra Asri Petrochemical Tbk. These cases demonstrate that failed industrial waste management has serious ecosystem consequences and triggers multidimensional losses.

However, on the other hand, there has been a phenomenon of increasing share prices in several manufacturing companies listed on the Indonesia Stock Exchange. Over the past three years, the share prices of manufacturing companies have shown a quite significant upward trend. The highest increase was recorded by PT Akasha Wira International Tbk at 194.2%, followed by PT Campina Ice Cream Industry Tbk at 68.9%, and PT Kedawung Setia Industrial Tbk which recorded an increase of around 58.9%. Meanwhile, there are companies with more moderate share price increases such as PT KMI Wire and Cable Tbk with an increase of 20.7%, PT Indo Acidatama Tbk with an increase of 21.8% and PT

Tempo Scan Pacific Tbk experienced an increase of 22.33%. The average share price increase of these manufacturing companies reached 55.45%, indicating that the manufacturing sector has a positive outlook for investors during this period.

Investor with a long-term vision and a desire-oriented attitude tend to direct their capital to companies that consistently implement green accounting practices, especially if accompanied by a promising level of profitability as evidence of the ability of desire and financial performance to go hand in hand. Thus, the link between green accounting and company value does not only depend on the commitment to poverty, but also on profitability, which is the main support when driving and maintaining the implementation of environmentally friendly strategies optimally and sustainably. Legitimacy theory has a strong relationship with green accounting because companies committed to environmental desires are highly dependent on public acceptance and support as a prerequisite for maintaining their existence in the social order and the communities in which they operate. The existence of an organization will continue to be recognized if the process of sustainable economic development is carried out to achieve justice for both present and future generations. Therefore, legitimacy theory indirectly influences the assessment of business entities and tends to maximize company profitability.

Findings from Nugroho (2023) and Salsabila & Widiatmoko (2022), which measured green accounting variables using environmental costs and PROPER, respectively, while firm value and profitability variables were based on Tobin's Q and ROE, showed that profitability mediates the relationship between green accounting and firm value. Well-managed ecosystem management will increase public trust, thereby ensure the company's future business continuity and indirectly increasing its value. Furthermore, these findings are inconsistent with Dianty (2022) study, which measured green accounting variables using environmental costs, firm value using the price to book value ratio, and profitability using return on assets. The study found that profitability was unable to mediate the effect of green accounting on firm value.

Based on the above background, there are inconsistencies in the findings of previous studies, prompting researchers to revisit the influence of green accounting on firm value through profitability as a mediating variable based on differences in variable indicators, research objects, and research periods.

LITERATURE REVIEW

Stakeholder Theory

Edward Freeman introduced the stakeholder theory initially at the Stanford Research Institute in 1963. According to Freeman, the definition of a stakeholder is any individual or entity that is affected by or has the capacity to influence the achievement of organizational goals and is an important part of the strategic ecosystem that determines the overall success of the organization (Freeman, 2010). The purely economic value approach in corporate decision-making focuses on achieving profits and increasing shareholder value, as explained in Friedman's Shareholder Theory (1970), where maximizing profits is the company's primary social responsibility. In contrast, the sustainability value approach emphasizes the importance of paying attention to social and environmental dimensions in addition to economic ones, in accordance with Stakeholder Theory and the Tripple Bottom Line concept that combines aspects of people, planet, and profit. This approach is also strengthened by the concept of Creating Shared Value (Porter & Kramer, 2011) in (Moczadlo, 2015) which shows that sustainability can create financial potential and social dimensions simultaneously.

Companies that are able to fulfill their environmental responsibilities through accountable reporting, such as PT Unilever Indonesia Tbk, demonstrate a strong commitment to environmental stewardship through various programs, such as the "Zero Waste to Landfill" policy and the use of renewable energy in its production facilities (Unilever,

2024). All of these efforts are transparently documented in corporate reports in accordance with the GRI Standards. This makes PT Unilever Tbk an example of a manufacturing company that is not only environmentally responsible but also successfully maintains stakeholder trust and increases company value, which will be followed by increased profitability.

Legitimacy Theory

The origins of legitimacy theory were proposed by Dowling & Pfeffer in 1975, who stated that there is an interaction between companies and society, where a company strives to carry out its activities in accordance with prevailing norms so that they can be easily accepted and recognized within society or other organizations (Subroto & Endaryati, 2024). Therefore, society places high expectations on the activities carried out by companies, thus ensuring the stability of their existence in the long term. Furthermore, legitimacy theory has a strong connection to green accounting because business entities committed to ecosystem sustainability greatly expect recognition and support from society to operate well in their surrounding communities.

Company Value

The market price of equity reflects the company's value, representing the market's collective perception of its current performance and projected opportunities for the business entity as it progressively develops in the future (Dewi & Narayana, 2020). Company value, which is the market's representation of the company's actual performance and future prospects, reflects investor's perceptions of management's effectiveness in managing resources. This value serves as a strategic indicator when attracting investment, measuring growth potential, and determining the value of shares deemed worthy of investment.

Green Accounting

In long-term implementation, this concept serves as a cost-efficiency strategy that helps companies reduce production costs and reduce operational costs sustainably (Dewi & Narayana, 2020). Green accounting is an accounting process relevant to recording, measuring, and allocating budgets related to efforts to prevent and mitigate environmental impacts arising from a company's operational activities.

Profitability

A company's success in productively converting assets into profit through efficient and productive management is a key factor in assessing its profitability (Elvaretta et al., 2024). Profitability ratios represent a company's ability to generate net income as the end result of a series of managerial decisions and policies, serving as an important measure of the value creation of its business operations.

HYPOTHESIS

The Influence of Green Accounting on Company Value

Companies aim not only to achieve their own profits but also to generate added value for stakeholders (investors, creditors, users, suppliers, regulators, the community, and other relevant stakeholders). This is because a company's existence is highly dependent on the interaction and support of these stakeholders, requiring companies to undertake various adaptation efforts. Disclosure of environmental information can be viewed as a form of communication between stakeholders and the business entity (Afifah et al., 2021). In addition, increasing public attention to the environment encourages business actors to pay attention to environmental conditions and be accountable for the impacts that occur due to their business activities, in order to gain legitimacy from the community (Lestari & Khomsiyah, 2023). The findings described by Muflihah & Pamungkas (2024) and Dewi & Narayana (2020), indicate that green accounting influences firm value, meaning investors can easily assess a company's sustainable development. However, the findings contradict those of Fernando et al. (2024), who found that green accounting had no effect

on firm value. Therefore, based on the above findings, the following hypothesis can be applied. H1: Green accounting has a positive effect on firm value.

The Influence of Green Accounting on Profitability

Based on stakeholder theory, various parties who have an interest in a company or organization can obtain information related to the company's operations that can impact their decision-making process. Business entities that implement green accounting, which involves sharing information about environmental activities in their annual financial reports, can improve their public image among stakeholders. Consequently, this can positively impact financial performance, particularly corporate profitability (Rahman et al., 2023). Research by Rudeng (2024), Purwanti et al. (2024), and Elvaretta et al. (2024), found that green accounting has a positive effect on profitability. Environmental costs significantly impact a business entity's ability to generate profits. This research contracts with the findings of Nugraha et al. (2024) and Pramudianti (2023), which found that green accounting had no effect on profitability. Therefore, based on the above findings, the following hypothesis can be formulated. H2: Green accounting has a positive effect on profitability.

The Influence of Profitability on Company Value

Profitability information is invaluable to investors because it helps them assess how efficiently a company allocates its resources to generate profits. Therefore, investors can identify appropriate investment strategies and develop capital investments that support the growth of their investments while minimizing the risk of loss. Findings regarding the impact of profitability on firm value conducted by Adhyasta & Sudarsi (2023), Devi (2023), and A'isyah & Sudarsi (2024), explain that profitability has a positive and significant effect on firm value. These results indicate that an increase in a business entity's profitability directly impacts its value significantly. However, these findings are inconsistent with research by Imnana et al. (2023), which found that profitability has a negative effect on firm value. Therefore, based on the aforementioned research, the following hypothesis can be formulated. H3: Profitability has a positive effect on firm value.

The Influence of Green Accounting on Company Value Mediated by Profitability

Nugroho (2023), indicate that profitability mediates the relationship between green accounting and firm value. If a business entity manages its environment well, public trust will grow, ensuring future business sustainability and indirectly increasing firm value. However, this finding contradicts Ekawati (2023), finding that profitability is unable to mediate the effect of green accounting on firm value. Therefore, based on the aforementioned research, the following hypothesis can be formulated. H4: Profitability can mediate the effect of green accounting on firm value.

METHODS

This research is based on a quantitative approach, a method that focuses on collecting and analyzing numerical data to test hypothesis formulated based on the research object (Sugiyono, 2020). The aim of this approach is to produce valid conclusions that can be replicated in various situations. The population in this study were manufacturing companies as issuers active on the Indonesia Stock Exchange from 2021 to 2024. The sampling technique used was a non-probability sampling method with a purposive sampling approach. This method was chosen so that researchers could obtain a representative sample that met predetermined criteria. This research is based on secondary data as the primary source. The data includes annual reports and reports of losses of manufacturing companies for the period 2021-2024. Data in the annual reports can be found on the official website of the Indonesia Stock Exchange or on the official websites of each company. Data analysis assistance techniques based on panel data analysis with Eviews analysis tools.

RESULTS

Descriptive Statistical Analysis

Descriptive statistical analysis methods are applied to present and illustrate collected data, without the intention of drawing conclusions or generalizing to the population as a whole (Sugiyono, 2020). Descriptive statistical analysis table 1.

Table 1. Results of Descriptive Statistical Analysis

	Company Value	Green Accounting	Profitability
Mean	1.855287	0.530202	0.053042
Median	1.170596	0.548387	0.057258
Maximum	10.57019	1.000000	0.309881
Minimum	0.144230	0.064516	-0.948898
Std. Dev	1.729043	0.207310	0.120029

Source: Data processed by Eviews version 12 (2025)

Table 1 shows that the highest company value of 10.57019 is in PT Unilever Indonesia Tbk. The high company value reflects the large number of investors in company's long-term prospects. PT Unilever Tbk actively implements environmentally friendly accounting based on GRI standards. Its long-term commitment to environmental responsibility is realized through various programs, such as "Zero Waste to Landfill" and reducing the use of single-use plastics. Meanwhile, the lowest company value of 0.144230 is in PT Ultrajaya Milk Industry and Trading Company Tbk. The inefficiency of implementing green accounting for PT Ultrajaya Milk Industry and Trading Company Tbk's operational and reporting activities proves a close relationship between company policies and low commitment to environmental reporting. PT Indofarma (Persero) Tbk shows a low level of profitability, namely -0.948898, recorded experiencing financial pressure including an increase in short-term debt and other liabilities that increase interest expenses and financial performance, and this company has not shown a strong commitment to GRI-based reporting that can reduce the credibility of the business entity before the public and investors who care about environmental aspects.

Panel Data Regression Analysis

Chow Test

The chow test is applied to predict whether the Common/Pool Effect Model or the Fixed Effect Model is recommended based on panel data analysis. The determination is made based on observed probability values. If H0 is accepted and H1 is rejected, the value exceeds 0.05, or the Common Effect Model is considered the recommended model. The same applies vice versa. The Chow test results table is as follows:

Table 2. Chow Test Results (Equation I)

Effects Test	Statistic	d.f.	Prob.
Cross-section F	8.750757	(50,152)	0.0000
Cross-section Chi-square	276.513507	50	0.0000

Source: Data processed by Eviews version 12 (2025)

Table 3. Chow Test Results (Equation II)

Effects Test	Statistic	d.f.	Prob.
Cross-section F	27.302925	(50,151)	0.0000
Cross-section Chi-square	470.556030	50	0.0000

Source: Data processed by Eviews version 12 (2025)

Based on Table 2 and Table 3, the F probability value in the Chow test is 0.0000. Therefore, the test in the second equation above shows a probability value of less than

0.05, so the fixed effects panel data regression estimation model is more recommended than the common effects model.

Hausman Test

The Hausman test is applied to predict whether a Fixed Effect Model or Random Effect Model is recommended when estimating panel data. If the recommended model, namely the Random Effect Model, is applied, the null hypothesis is accepted (the probability value exceeds 0.05). The same applies vice versa. The results of the Hausman test table are as follows:

Table 4. Hausman Test Results (Equation I)

Test Summary	Chi-Sq Statistics	Chi-Sq. d.f.	Prob.
Cross-section random	0.115625	1	0.7338

Source: Data processed by Eviews version 12 (2025)

Table 5. Hausman Test Results (Equation II)

Test Summary	Chi-Sq Statistics	Chi-Sq. d.f.	Prob.
Cross-section random	3.388913	2	0.1837

Source: Data processed by Eviews version 12 (2025)

Based on tables 4 and 5, equations I and II respectively state that the probability values obtained are 0.7338 and 0.1837. This indicates that the probability value exceeds 0.05 or H₁ is rejected and H₀ is accepted. Thus, the appropriate model selection for both equations is the Random Effect Model.

Lagrange Multiplier Test

The Lagrange Multiplier test is applied when the Chow test determines the common effect and the Hausman test determines the random effect. If H₀ is accepted and H₁ is rejected, the number exceeds 0.05 and is insignificant. Conversely, if H₀ is rejected and H₁ is accepted, the number is less than 0.05 and is significant. Based on the results of the Lagrange Multiplier test, it was obtained that equation I and equation II state the cross section probability value < 0.05, so the recommended model for both equations is the Random Effect Model.

Table 6. Lagrange Multiplier Results (Equation I)

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	131.5136 (0.0000)	1.586014 (0.2079)	133.0997 (0.0000)

Source: Data processed by Eviews version 12 (2025)

Table 7. Lagrange Multiplier Results (Equation II)

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	220.9182 (0.0000)	1.395924 (0.2374)	222.3141 (0.0000)

Source: Data processed by Eviews version 12 (2025)

Classical Assumption Test

Multicollinearity Test

If the correlation coefficient value between independent variables does not exceed 0.90, then the model is considered not to indicate multicollinearity, supporting the acceptance of H₀. Conversely, if the correlation coefficient value exceeds 0.90, then it is considered

to indicate multicollinearity, leading to the rejection of H0 and supporting the acceptance of H1. The results of the multicollinearity test are as Table 8. Based on table 8, it can be observed that the correlation value between variables is 0.037558 which is less than 0.90, so it can be concluded that it is free from multicollinearity interference.

Table 8. Multicollinearity Test Results

	Green Accounting	Profitability
Green Accounting	1.000000	0.037558
Profitability	0.037558	1.000000

Source: Data processed by EvIEWS version 12 (2025)

Heteroscedasticity Test

One method that can be applied to test the assumption of heteroscedasticity is the Glejser test. This test is a hypothesis test conducted by regressing test absolute values of the residuals to determine whether the regression model exhibits any indication of heteroscedasticity. If the significance value exceeds 0.05, heteroscedasticity is absent in the data. The same applies vice versa. From the heteroscedasticity test, it can be observed that equation I has a probability value of 0.6669 > 0.05, which does not indicate heteroscedasticity. Similarly, in equation II, the probability values for variables X and Z are 0.2737 and 0.9110 > 0.05, which do not indicate heteroscedasticity.

Table 9. Heteroscedasticity Test Results (Equation I)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.072592	0.014191	5.115540	0.0000
LOG(X)	0.004985	0.011563	0.431091	0.6669

Source: Data processed by EvIEWS version 12 (2025)

Table 10. Heteroscedasticity Test Results (Equation II)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.563775	0.056488	9.980379	0.0000
LOG(X)	-0.034900	0.031798	-1.097548	0.2737
Z	0.020812	0.185919	0.111939	0.9110

Source: Data processed by EvIEWS version 12 (2025)

Hypothesis Test

Coefficient of Determination

Based on the coefficient of determination, we can determine the extent to which changes in one variable are explained by other variables, as well as how these variations contribute to each other when forming a causal relationship (Basuki, 2021). The table of results of the coefficient of determination test is as Table 11. The adjusted R-Squared value was 0.36, equivalent to 36%. This implies that green accounting and profitability explain 36% of the firm's value, while the remaining 64% is explained by other variables.

Table 11. Coefficient of Determination Test Results

Item	Value
R-Squared	0.363131
Adjusted R-Squared	0.356794

Source: Data processed by EvIEWS version 12 (2025)

Simultaneous Significance Test (F Statistics)

The F-statistics (Overall Significance Test) is applied to predict whether the independent variables included in the model collectively impact the dependent variable. If H_0 is rejected and H_1 is accepted, the probability is < 0.05 . This indicates that the independent variables collectively exert a significant influence on the dependent variable. The F-test results are as Table 12. The calculated F value is 57.30335 with a probability value of 0.000000. This result indicates a probability of less than 0.05, so the conclusion obtained is that green accounting and profitability simultaneously influence company value.

Table 12. F Test Results

Item	Value
F-statistic	57.30335
Prob(F-statistic)	0.000000

Source: Data processed by Eviews version 12 (2025)

Partial Test (t-Test)

This test is applied to estimate the ability of each independent variable to independently explain the variation manifested in the dependent variable. If there is a significant influence between each independent variable, the probability value is $< 5\%$ significance level. The same applies vice versa. The results of the partial test are as follows:

Table 13. Partial Test Results (Equation I)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.055260	0.017404	3.175081	0.0017
LOG(X)	0.002994	0.012546	0.238645	0.8116

Source: Data processed by Eviews version 12 (2025)

Table 14. Partial Test Results (Equation II)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.648915	0.101867	6.370200	0.0000
LOG(X)	0.479496	0.045025	10.64963	0.0000
Z	0.284856	0.269257	1.057934	0.2914

Source: Data processed by Eviews version 12 (2025)

Based on Table 14 above, the following results are shown: 1) The analysis of the green accounting variables yielded a t-value of 10.64963 and a probability of 0.0000. The probability of the green accounting variable is $0.0000 < 0.05$. Therefore, the first hypothesis, which states that green accounting has a positive effect on firm value, is confirmed; 2) The analysis of the green accounting variables yielded a t-value of 0.238645 and a probability of 0.8116. The probability of the green accounting variable is $0.8116 > 0.05$. Therefore, the second hypothesis, which states that green accounting has a positive effect on profitability, received no empirical support and was rejected; 3) The results of the profitability variable yielded a t-value of 1.057934 and a probability of 0.2914. The probability of the green accounting variable is $0.2914 > 0.05$. The third hypothesis, which states that profitability has a positive effect on firm value, was not statistically proven and was rejected.

Path Analysis

This analytical test is applied to predict the extent to which a mediating variable acts as an intermediary between the independent and dependent variables. Path analysis is considered an evolution of multiple regression analysis. However, historically, there are

fundamental differences between the two. Path analysis operates independently without relying on a specific statistical tool focused on tracing cause and effect between the variables under study. The path analysis used in this study can be seen in the following figure:

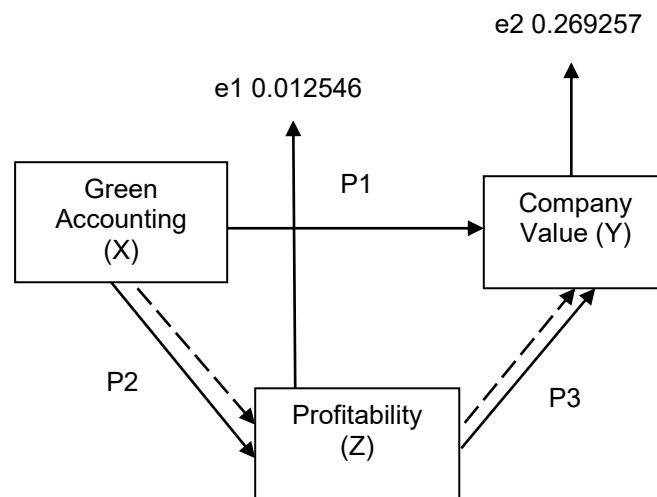


Figure 1. Path Analysis Model
Source: Data processed by Eviews version 12 (2025)

Mediation Effect Detection Test (Sobel Test)

The sobel test is a test applied to determine whether a mediating variable significantly acts as an intermediary in a relationship (Ghozali & Ratmono, 2018). The sobel test is determined by comparing the calculated t-value with the table t-value. If the calculated t-value is greater than the table t-value, it is a strong indication of a mediating effect. The sobel test calculation is as follows: $a = 0.002994 / 0.003$; $b = 0.284856 / 0.285$; $Se_a = 0.012546 / 0.013$; $Se_b = 0.269257 / 0.269$.

$$t = \frac{ab}{\sqrt{(b^2 SE a^2) + (a^2 SE b^2) + (SE a^2 SE b^2)}} \quad (i)$$

$$t = 0.168$$

The sobel test calculation above shows that green accounting influences firm value, with profitability as a mediating variable. The calculated t-value is $0.168 < 2.011$. Therefore, it can be concluded that the fourth hypothesis, stating that profitability mediates the effect of green accounting on firm value, is rejected.

In addition to the sobel test, the mediation analysis in this study was also strengthened by a bootstrapping approach. The bootstrapping approach was chosen because it can estimate significant indirect effects without relying on the assumption of a normal distribution, thus providing robust and accurate results (Preacher & Hayes, 2008). The bootstrapping test was conducted using SPSS software through PROCESS Macro. The following are the results of the bootstrapping test on the mediation model.

Based on the results of 1000 bootstrapping resamples, the mediating effect of profitability on green accounting and firm value is insignificant. For example, the indirect effect value is $0.0799 > 0.05$, with a 95% confidence interval containing zero (CI : - 0.2305 to 0.5786). Therefore, there is no significant mediation effect, indicating that green accounting influences firm value directly, independent of profitability.

Table 15. Bootstrapping Mediation Test Results

Indirect Effect And Significance Using Normal Distribution						
	Value	S.E	LL 95 CI	UL 95 CI	Z	Sig (two)
Effect	,0799	,1557	-,2252	,3850	,5134	,6077

Bootstrap Results For Indirect Effect							
	Data	Mean	S.E	LL 95 CI	UL 95 CI	LL 99 CI	UL 99 CI
Effect	,0799	,0972	,1904	-,2305	,5786	-,3927	,8780

Source: Data processed by EvIEWS version 12 (2025)

After conducting mediation tests using the sobel method and bootstrapping, the results indicated that profitability was unable to mediate the correlation between green accounting and firm value. To test the stability of the model results against changes in profitability indicators, a robustness check was performed by replacing Return on Assets (ROA) with Return on Equity (ROE) and Net Profit Margin (NPM). This robustness check is useful in ensuring that green accounting and firm value remain consistent despite changes in profitability indicators, and to test whether the regression results are sensitive to model changes and corrections to classical assumptions, particularly heteroscedasticity. The results of the Robustness Check with ROE and NPM can be seen in tables 16 and 17 below.

Table 16. Results of Robustness Check with ROE

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.591679	0.163211	3.625234	0.0004
X	2.371608	0.336918	7.039126	0.0000
Z	0.064582	0.050000	1.291649	0.1985

Source: Data processed by EvIEWS version 12 (2025)

Table 17. Results of Robustness Check with NPM

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.662783	0.117649	5.633549	0.0000
LOG(X)	0.480877	0.037055	12.97732	0.0000
Z	0.054602	0.089921	0.607218	0.5444

Source: Data processed by EvIEWS version 12 (2025)

The results show that the robustness test with ROE on the X variable (p-value = 0.0000) < 0.05 remains significant, and the Z variable (p-value = 0.1985) > 0.05 remains insignificant. The R-Squared figure of 91.57% indicates that the model still explains the variation of the dependent variable strongly. Therefore, this regression model is considered robust. Likewise, the results of the robustness check using NPM as a profitability indicator shows that the green accounting variable still has a significant effect on company value (p-value = 0.0000) < 0.05, and NPM has no significant effect (p-value = 0.5444) > 0.05. These results are consistent with previous results when using ROA and ROE indicators, so the model is declared robust to changes in profitability indicators.

Discussion

Based on the hypothesis testing that has been carried out, the probability value is 0.0000 < 0.05, therefore, the green accounting variable has a positive effect on company value. This is in line with research conducted by (Nugroho, 2023), (Dewi & Narayana, 2020), (Muflihah & Pamungkas, 2024), which has proven that green accounting has a positive

effect on company value. However, these findings are inconsistent with the findings carried out by (Fernando et al., 2024) and (Rahmawati et al., 2024), which stated that green accounting has no effect on company value. However, there is a possibility of reverse causality, namely a causal relationship that occurs in the opposite direction. The implementation of green accounting is not the sole determinant of increasing the valuation of a business entity, as entities with high market value tend to be more motivated when integrating these practices. Entities with high valuations are generally equipped with more abundant resources and the need for external demands from investors, regulators, or the public when carrying out their ecological responsibilities (Julian & Setiawati, 2024). To maintain their reputation and legitimacy, these companies tend to be more proactive in adopting green accounting practices or GRI-based environmental reporting. Therefore, green accounting, in this context, does not necessarily lead to increased company value, but may be a consequence of the higher company value itself.

The green accounting variable does not have a positive effect on profitability, as indicated by a t-value of $0.8116 > 0.05$. This is in line with findings from (Nugraha et al., 2024), (Kholmi & Nafiza, 2022), and (Ramadhan et al., 2023), which show that green accounting does not have a positive effect on profitability. This is because green accounting, when implemented in a business entity, can increase the ecosystem budget allocation, so the business entity will face additional fiscal obligations that need to be addressed. These costs can burden the company and are not always offset by increased revenue, so profitability does not increase. However, this finding is inconsistent with the findings of (Rudeng, 2024), (Mubarokah et al., 2024) who stated that green accounting has an effect on profitability. This finding is inconsistent with the findings of (Rudeng, 2024) because the green accounting applied in this finding is estimated based on the 2021 GRI Standard, while the study by Rudeng uses PROPER. This finding is also inconsistent with the findings (Mubarokah et al., 2024) because the business entities studied in this finding used all manufacturing companies, while the findings by Mubarokah examined pharmaceutical companies. The lack of a positive effect of green accounting on profitability, as evidenced by a t-value of $0.8116 > 0.05$, aligns with several recent studies (Nugraha et al., 2024; Kholmi & Nafiza, 2022; Ramadhan et al., 2023). This consistency suggests that implementing green accounting practices may lead to increased ecosystem budget allocations and additional fiscal obligations for businesses. These additional costs can potentially outweigh any revenue increases, resulting in no significant improvement in profitability. The financial burden of green initiatives, such as environmentally friendly technologies or sustainable resource management, may not always translate into immediate financial gains for companies.

However, this finding contradicts the results of other studies (Rudeng, 2024; Mubarokah et al., 2024) that reported a positive relationship between green accounting and profitability. The discrepancy could be attributed to methodological differences, such as the use of different green accounting standards (2021 GRI Standard versus PROPER) and variations in the types of businesses studied (all manufacturing companies versus pharmaceutical companies specifically). These inconsistencies highlight the complexity of the relationship between green accounting practices and financial performance, suggesting that the impact may vary depending on the specific context, industry, and measurement methods employed in the research.

Based on the results of the hypothesis test, the t-test value is $0.2914 > 0.05$, indicating that profitability has no effect on firm value. This is in line with the findings of (Nugraha & Dharmaputra, 2022) and (Imnana et al., 2023), which state that profitability has no effect on firm value. Investors use a business entity's growth prospects as a primary benchmark by identifying the investment policies implemented as a proxy. However, this differs from research conducted by (Adhyasta & Sudarsi, 2023), which states that profitability does influence firm value. The lack of a significant effect of profitability on firm value, as indicated by the t-test value of $0.2914 > 0.05$, suggests that investors may not solely rely

on a company's current profitability when assessing its worth. This finding aligns with the research of Ngurah & Dharmaputra (2022) and Imnana et al. (2023), highlighting a potential shift in investor focus. Instead of concentrating on short-term financial performance, investors might be placing greater emphasis on other factors such as a company's growth potential, market position, or long-term strategic initiatives.

However, this conclusion contrasts with the findings of Adhyasta & Sudarsi (2023), who reported a significant relationship between profitability and firm value. This discrepancy underscores the complexity of factors influencing firm value and suggests that the impact of profitability may vary depending on specific market conditions, industry sectors, or other contextual factors. Further research may be necessary to explore these nuances and identify the circumstances under which profitability becomes a more significant determinant of firm value. Additionally, it may be valuable to investigate other financial and non-financial metrics that could potentially have a stronger influence on how investors perceive and value companies in the current market environment. The lack of a significant effect of profitability on firm value, as indicated by the t-test value of $0.2914 > 0.05$, suggests that investors may not solely rely on a company's current profitability when assessing its worth. This finding aligns with the research of Ngurah & Dharmaputra (2022) and Imnana et al. (2023), highlighting a potential shift in investor focus. Instead of concentrating on short-term financial performance, investors might be placing greater emphasis on other factors such as a company's growth potential, market position, or long-term strategic initiatives.

Based on the results of the tests that have been carried out, the calculated t value is $0.168 < t_{table} 2.011$, indicating that profitability is not able to mediate the effect of green accounting on company value. This is relevant to the findings carried out (Hutabarat, 2024) and (Ekawati, 2023) which prove that profitability is not able to mediate the effect of green accounting on company value. An increase or decrease in profitability is not sufficient to indicate the success of a management entity in strengthening investor confidence and increasing company value (Ekawati, 2023). However, this findings from (Nugroho, 2023), which stated that profitability can mediate green accounting on company value. The results of the statistical tests conducted reveal that profitability does not serve as a mediating factor in the relationship between green accounting and company value. This conclusion is drawn from the calculated t-value of 0.168, which falls below the t-table value of 2.011. These findings align with previous research by Hutabarat (2024) and Ekawati (2023), both of whom demonstrated that profitability lacks the capacity to mediate the impact of green accounting on company value. Ekawati (2023) further elaborates that fluctuations in profitability, whether positive or negative, are insufficient indicators of management's success in bolstering investor confidence and enhancing company value.

However, it is important to note that these results contradict the findings of Nugroho (2023), who asserted that profitability can indeed mediate the relationship between green accounting and company value. This discrepancy in research outcomes highlights the complexity of the subject matter and suggests that further investigation may be necessary to fully understand the interplay between green accounting, profitability, and company value. Factors such as industry-specific characteristics, market conditions, or methodological differences could potentially account for these conflicting results, emphasizing the need for continued research in this area.

CONCLUSION

Green accounting proxied by environmental disclosure practices based on the 2021 GRI Standard, had a positive effect on firm value for manufacturing companies listed on the Indonesia Stock Exchange during the 2021-2024 period. Green accounting proxied by environmental disclosure based on the 2021 GRI Standard, did not have a positive effect

on profitability for manufacturing companies listed on the Indonesia Stock Exchange during the 2021-2024 period. Profitability proxied by Return on Assets, did not have a positive effect on firm value for manufacturing companies listed on the Indonesia Stock Exchange during the 2021-2024 period. Profitability was unable to mediate the effect of green accounting on firm value for manufacturing companies listed on the Indonesia Stock Exchange during the 2021-20224 period. The finding only uses one mediating variable, namely profitability, and does not include control variables such as company size, leverage, or, ownership structure. Therefore, the author suggests that future authors explore other more relevant mediating or moderating variables, accommodate control variables so that the findings are more representative, and apply a mixed method approach, namely by combining quantitative analysis and qualitative data, such as by conducting in-depth interviews with financial managers or company accountants. Furthermore, there are practical recommendations for companies and governments. Companies are advised to improve operational efficiency through comprehensive asset management and resource utilization to increase profitability, ultimately leading to increased company value. Companies should also integrate financial reporting with other reporting sources to ensure transparent financial and non-financial information is available to investors and other stakeholders. The government can provide support in the form of tax incentives or incentives to companies that implement comprehensive reporting in accordance with the GRI Standards.

REFERENCES

- A'isyah, F. N., & Sudarsi, S. (2024). The Effect of Profitability, Liquidity, Solvency, and Company Size on Firm Value in Mining Companies Listed on the Indonesia Stock Exchange (BEI) for the Period 2019 - 2022. *COSTING:Journal of Economic, Business and Accounting*, 7(5), 1106–1124.
- Adhyasta, D., & Sudarsi, S. (2023). Pengaruh Profitabilitas , Likuiditas , Solvabilitas , Ukuran Manufaktur yang Terdaftar di BEI. *Ekonomis:Journal of Economics and Business*, 7(1), 520–525. <https://doi.org/10.33087/ekonomis.v7i1.866>
- Affiah, N., Astuti, S. W. W., & Irawan, D. (2021). Pengaruh Corporate Social Responsibility (Csr) Dan Reputasi Perusahaan Terhadap Nilai Perusahaan. *EKUITAS (Jurnal Ekonomi Dan Keuangan)*, 5(3), 346–364. <https://doi.org/10.24034/j25485024.y2021.v5.i3.4644>
- Basuki, D. A. T. (2021). *Analisis Data Panel Dalam Penelitian Ekonomi Dan Bisnis* (Edisi 1).
- Devi, S. C. (2023). Pengaruh Profitabilitas , Leverage , Dan Arus Kas Terhadap Nilai Perusahaan. *Jurnal Ilmu Dan Riset Akuntansi*, 12(7), 1–19.
- Dewi, P. P., & Edward Narayana, I. P. (2020). Implementasi Green Accounting, Profitabilitas dan Corporate Social Responsibility pada Nilai Perusahaan. *E-Jurnal Akuntansi*, 30(12), 3252–3262. <https://doi.org/10.24843/eja.2020.v30.i12.p20>
- Dianty, A. (2022). The Effect Of Applying Green Accounting On Firm Value And Financial Performance As An. *Jurnal Ekbis*, 23(2), 369–382.
- Ekawati, A. S. (2023). Pengaruh Penerapan Green Accounting Melalui Profitabilitas Sebagai Variabel Mediasi Terhadap Nilai Perusahaan. *Media Akuntansi Dan Perpajakan Indonesia*, 5(1), 57–82. <https://doi.org/10.37715/mapi.v5i1.4164>
- Elvaretta, D., Maulina, V., Febriani, T. A., & Rissi, D. M. (2024). Pengaruh Penerapan Green Accounting Terhadap Tingkat Profitabilitas Perusahaan (Studi Pada Sektor Pertambangan). *Jurnal Akuntansi Keuangan Dan Bisnis Politeknik Caltex Riau*, 17(2), 191–198.
- Fernando, K., Jocelyn, H., Frista, F., & Kurniawan, B. (2024). The Effect of Green Accounting Disclosure on the Firm Value of Listed Mining and Agriculture Companies in Southeast Asia Countries. *International Journal of Energy Economics and Policy*, 14(1), 377–382. <https://doi.org/10.32479/ijeep.15151>
- Freeman, R. E. (2010). *A Stakeholder Approach to Strategic Management Darden Graduate School of Business Administration University of Virginia Working Paper*

- No . 01-02 A Stakeholder Approach to Strategic Management. March. <https://doi.org/10.2139/ssrn.263511>
- Ghozali, I., & Ratmono, D. (2018). *Analisis Multivariat dan Ekonometrika* (Edisi 2). Badan Penerbit Universitas Diponegoro.
- Hutabarat, F. (2024). Effect of Green Accounting, Leverage, Firm Size on Firm Value with Profitability as Intervening Variable. *International Journal of Professional Business Review*, 9(4), 1–25.
- Imnana, L., Siaia, S., & Wenno, M. (2023). Pengaruh Profitabilitas Dan Leverage Terhadap Nilai Perusahaan. *MANIS:Jurnal Manajemen & Bisnis*, 7(1), 59–71. <https://doi.org/10.32662/gaj.v5i2.2165>
- Julian, A., & Setiawati, E. (2024). The Effect of Corporate Social Responsibility (CSR) and Company Size on Firm Value With Profitability As A Moderating Variable (Empirical Study On Manufacturing Companies In The Consumer Goods Industry Sector Listed On The IDX For The 2019-2021 Period). *Management Studies and Entrepreneurship Journal*, 5(1), 871–883.
- Kementerian Perindustrian. (2024). *Sinergi Kemenperin dan Industri untuk Masa Depan Ekonomi Hijau*. Kemenperin.Go.Id. <https://bbspjppi.kemenperin.go.id/informasi?kategori=7&id=279>
- Kholmi, M., & Nafiza, S. A. (2022). Pengaruh Penerapan Green Accounting dan Corporate Social Responsibility Terhadap Profitabilitas (Studi Pada Perusahaan Manufaktur Yang Terdaftar di BEI Tahun. *Reviu Akuntansi Dan Bisnis Indonesia*, 6(1), 143–154. <https://doi.org/10.18196/rabin.v6i1.12998>
- Lestari, A. D., & Khomsiyah, K. (2023). Pengaruh Kinerja Lingkungan, Penerapan Green Accounting, dan Pengungkapan Sustainability Report Terhadap Nilai Perusahaan. *Jurnal Ekonomi Bisnis, Manajemen Dan Akuntansi (JEBMA)*, 3(3), 514–526. <https://doi.org/10.47709/jebma.v3i3.2799>
- Moczadlo, R. (2015). Creating Competitive Advantages – The European Csr-Strategy Compared With Porter ' S And Kramer ' S Shared. *Ekonomski Vjesnik*, 1, 243–256.
- Mubarakah, R. Z., Tripalupi, R. I., & Muslih, R. A. (2024). Pengaruh Green Accounting terhadap ROA pada Perusahaan Farmasi yang Terdaftar di ISSI Tahun 2018-2023. *IJEN:Indonesian Journal of Economy and Education Economy*, 02(02), 330–342.
- Muflihah, W., & Pamungkas, L. D. (2024). Pengaruh Implementasi Green Accounting Dan Profitabilitas Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Sektor Basic Material Yang Terdaftar Di Bei Periode 2021-2023). *Jurnal Akuntansi, Keuangan, Perpajakan, Dan Tata Kelola Perusahaan (JAKPT)*, 2(1), 239–249.
- Ngurah, I. G., & Dharmaputra, A. (2022). Pengaruh Profitabilitas , Leverage , Ukuran Perusahaan , Likuiditas , Dan. *Jurnal Karma (Karya Riset Mahasiswa Akuntansi)*, 2(1), 2141–2149.
- Nugraha, E., Vanduwinata, Y., Gustirani, I., & Avrianty, R. R. (2024). The Effect Of Green Accounting On Profitability In Mining and Agriculture Sector Companies Listed On The Indonesian Stock Exchange In 2019-2021. *International Conference of Economics, Management, Accounting and Technopreneur (ICEMAT)*, 1–12.
- Nugroho, W. C. (2023). Efek Mediasi Profitabilitas Pada Pengaruh Green Accounting Terhadap Nilai Perusahaan. *E-Jurnal Akuntansi*, 33(3), 648. <https://doi.org/10.24843/eja.2023.v33.i03.p05>
- Pramudianti, P. (2023). *Pengaruh Pengungkapan Akuntansi Hijau (Green Accounting) Terhadap Profitabilitas Pada Perusahaan Sektor Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Tahun 2019 – 2021 (Studi Konseptual)*. 4(2), 243–253.
- Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and Resampling Strategies for Assessing and Comparing Indirect Effects in Multiple Mediator Models. *Behavior Research Methods*, 40(3), 879–891. <https://doi.org/10.3758/BRM.40.3.879>
- Purwanti, N., Dunakhir, S., Anwar, A., Makassar, U. N., Pettarani, J. A. P., & Selatan, S. (2024). Pengaruh Penerapan Green Accounting Terhadap Profitabilitas Pada Perusahaan Sektor Industri Dasar Dan Kimia Yang Terdaftar Di Bursa Efek Indonesia Periode 2020-2022. *Journal of Economics and Business*, 4(3), 1221–1234.

- Rahman, Z. A., Lilik, H., & Kartikasari, N. (2023). Pengaruh Penerapan Green Accounting Terhadap Profitabilitas. *Jurnal MONEX - Jurnal of Accounting Research*, 12(2), 251–263.
<https://repository.uinjkt.ac.id/dspace/handle/123456789/56729%0Awww.idx.co.id>
- Rahmawati, D. D., Setiono, H., Ilmiddaviq, M. B., & Ekonomi. (2024). Pengaruh Green Accounting, Corporate Social Responsibility, dan Kinerja Keuangan terhadap Nilai Perusahaan. *Jurnal Inovasi Ekonomi Syariah Dan Akuntansi*, 1(5), 45–59.
- Ramadhan, C. B., Rachmadanti, K. S., Larasati, R. A., & Pandin, M. Y. R. (2023). Pengaruh Penerapan Green Accounting Terhadap Profitabilitas Pada Perusahaan (Studi kasus pada Perusahaan Indofood). *Jurnal Penelitian Ekonomi Manajemen Dan Bisnis (JEKOMBIS)*, 2(3), 229–246.
- Rosaline, V. D., Wuryani, E., Ekonomi, F., Surabaya, U. N., & Surabaya, K. (2020). Pengaruh Penerapan Green Accounting dan Environmental Performance Terhadap Economic Performance. *Jurnal Riset Akuntansi Dan Keuangan*, 8(3), 569–578.
- Rudeng, R. (2024). Pengaruh Dari Implementasi Green Accounting Minuman Yng Terdaftar Di Bursa Efek Indonesia. *Jurnal Studi Multidisipliner*, 8(6), 1210–1215.
- Salsabila, A., & Widiatmoko, J. (2022). 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*, 7(1), 410–424.
- Subroto, V. K., & Endaryati, E. (2024). *Kumpulan Teori Akuntansi*. Yayasan Prima Agus Teknik Universitas STEKOM.
- Sugiyono, P. D. (2020). *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Penerbit Alfabeta.
- Unilever. (2024). *Unilever Indonesia Raih Sertifikasi GREENSHIP Net Zero Ready dan Existing Building Platinum*. Unilever.Co.Id. <https://www.unilever.co.id/news/press-releases/2024/unilever-indonesia-raih-sertifikasi-greenship-net-zero-ready-dan-existing-building-platinum/>

