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Effect of Environmental Accounting Disclosure, Environmental Performance, Company Size and Corporate Social Responsibility Disclosure

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Abstrak

This study examines the effect of environmental accounting disclosure, environmental performance disclosure, company size and corporate social responsibility disclosure on firm value. The method in this study uses the SPPS 24 method by testing individually between the independent variables on the dependent variable and simultaneously. The population in this study took 90 mining companies listed on the Indonesia Stock Exchange during the 2017-2021 period. The data collection technique used purpose sampling. The results obtained from this study are that simultaneously the environmental accounting disclosure variable, environmental accounting disclosure and company size and corporate social responsibility disclosure have a significant effect on Firm Value while individually, company size has no effect on Firm Value. Individually, the results show that Environmental Accounting Disclosure has an effect on Firm Value with a P-value of 0.036 at a significant level of 5%. Similarly, Environmental Performance Disclosure has a significant effect on Firm Value with a P-value of 0.037 at a significant level of 5%. And simultaneously independent variables have a significant effect on company value or by 16.8%. Company size variable has no effect with a p-value of 0.707 greater than 0.05% significant level.

Keywords: Environmental accounting disclosure, Environmental performance disclosure, Company size and Company Value.

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INTRODUCTION

The company is an organization that was formed for the purpose of making a profit. The company must develop its performance in order to increase value and be able to compete well. The value of the company can be increased not only with good financial achievements but the company must also pay attention to the social, economic and environmental impacts of the company's activities, such as pollution and the effects of the company's production process activities. That is why companies must be more effective and efficient in using company resources for the continuity of the company's current and future operations. Company value can be increased and maintained along with the achievement of company performance because investors in deciding to invest will see company performance as a guarantee that the company can also maintain a balance in the social, economic and environmental fields around the company's own operations, (Fickry Tanjung et al. 2021).

Environmental costs, corporate governance and company performance are variables that need to be considered in carrying out the operations of a company.

Bradshaw et al. (2010) states that Indonesia is ranked fourth in the world as a country that contributes to environmental damage. In 2012 there was forest destruction which was 0.84 Mha, higher than the forest damage that occurred in Brazil, where Brazil was only 0.6 Mha (Margono et al., 2015). There are seven indicators that cause environmental damage called natural forest destruction, namely habitat conversion, illegal fishing at sea, chemical use, water pollution, carbon emissions, and threats to forest animals. Of these seven indicators, the main concern for Indonesia is the destruction of primary forests caused by the operations of mining companies, especially in open-pit mining.

This study chose companies engaged in the mining industry, because the mining industry is one of the pillar sectors of the Indonesian economy. Although this industry is one of the causes of environmental damage in the context of mining activities. An article published by FWI in March 2015, states that one of the industrial sectors in Indonesia causing environmental damage is the mining industry sector, of course this will be a sign for environmental destruction. Almost 34% of the land in Indonesia is controlled by industrial mining companies through mining licenses. Where there are 3.97 million ha of protected forest areas have been used for mining operations and exploration activities (Messwati, 2012) . Most of the existing mining operations use the open-pit method to produce their products, which is called large-scale forest clearance in processing mining products, leaving behind large mining pits.

Indrajaya and Setiadi, (2011) state that part of the impact on environmental damage is caused by mining from mining companies where the risk of mining companies is the risk of fluctuations in commodity prices from mining products in the world commodity market.

An increase or decrease in the share price is a privilege for the company because the higher the share price, the higher the value of the company (Harjito and Martono, 2011). The ups and downs of public share prices on the stock market are a particular pleasure to study or research. The company's share price is very important as a concept for every investor because the share price is a basic indicator in determining the market.

McWilliams and Siegel (2001) , state that the company's financial performance is not a determinant in assessing a company's healthy growth. Maintaining a company can be realized by every company by paying attention to the ability to pay and paying attention to the development of the surrounding environment caused by the company's operational activities that affect the company's financial environment. This is a form of transparent information where companies can allocate funds for environmental and social resilience. Companies that do not cover environmental finance are companies that are concerned about a good image that can be seen by the surrounding community and appreciate the continuity of the company in the future. Investors also want to buy more shares in the company. When they invest, they not only see the results of the company's financial performance. Where investors are also interested in company policies regarding cooperation in the social, economic and environmental fields, which will have an impact on the company's operational community and company activities. Investors' attention in increasing their investment because they see how the community accepts the company's presence in their environment, so that the company's activities will run smoothly and will generate greater profits so as to achieve the expected target and will also have an impact on the

value of the company itself. That is why it is expected that every accountant can provide the latest information about the company's operational activities in financial reporting to include the company's environmental activities so that reporting can be based on environmental accouting (Carolina and Martusa, 2011). Yoshi (2011) suggests that an accounting system in which environmental costs are included is called environmental accounting.

In previous studies, it was found that there were several different results where Sawitri (2017), Suaidah (2018), Iqbal et all (2019), stated that environmental accounting disclosure has a positive influence on firm value. Conversely Emmanuel et all. (2019), Carandang and Ferer (2020) state that environmental accounting disclosure has no effect on firm value.

The continuity of the company can be realized if the company can maintain a good relationship with the surrounding environment, which is why companies need to make disclosures about activities that the company has carried out these activities commonly referred to as CSR or Corporate Social Responsibility. Hendriksen and Nogroho (1994) state that disclosure provides some information in operating stock market efficiency optimally. The concept of CSR can then be applied in the GRI or Global Reporting Initiative concept, commonly called the sustainability report concept, which then produces the concept of sustainability development. The categories of CSR used in the GRI-G4 standard have six indicators named:
1. Economic performance indicators; 2. Environmental performance indicators; 3. Labor practice performance indicators; 4. Human rights performance indicators; 5. Social performance indicators and 6. Production responsibility performance indicators.

CSR is now a must for limited companies, as Government Regulation No. 40, 2007 addresses the responsibilities of limited companies. Mining companies are the ones that contribute significantly to environmental damage in connection with their operations in the mining sector, which is why it is necessary to maintain CSR as a form of responsibility to the surrounding environment. According to Wijayanti and Prabowo (2011) Companies that have more CSR will have better financial performance than companies that do not do CSR. Investors will value their shares to companies that maintain sustainability and are responsible for the environment and have positive attention (Fachudir Kaira Amalia 2018). This can increase the share price of companies with good environmental performance.

Almilia and Wijayanto (2007) state that there will be a response to a decrease in stock purchases from investors if the company does not maintain the continuity of the performance of the environment around them. Furthermore, Kartini (2009) provides three reasons for business people to respond to CSR development in carrying out company activities, namely: 1. The company is part of the community, which is why it is natural for companies to pay attention to the environmental interests of their community; 2. Entrepreneurs and surrounding communities have mutually beneficial cooperation as a relationship that is biotic and mutualism; 3. Corporate Social Responsibilities activities are a way to reduce and eliminate conflict.

Based on the background above, how the influence of environmental accounting disclosure, environmental performance and corporate social responsibility disclosure is a form of corporate transparency to shareholders where the company is committed to allocating environmental costs that will have an impact on the continuity of the

company's operations and generate profits in the end. For this reason, environmental accounting disclosure will be effective in providing information to investors to increase their shares in increasing the value of the company.

Conceptual Framework

From the background of the problem, supporting theories and previous studies, the conceptual framework is described as follows:

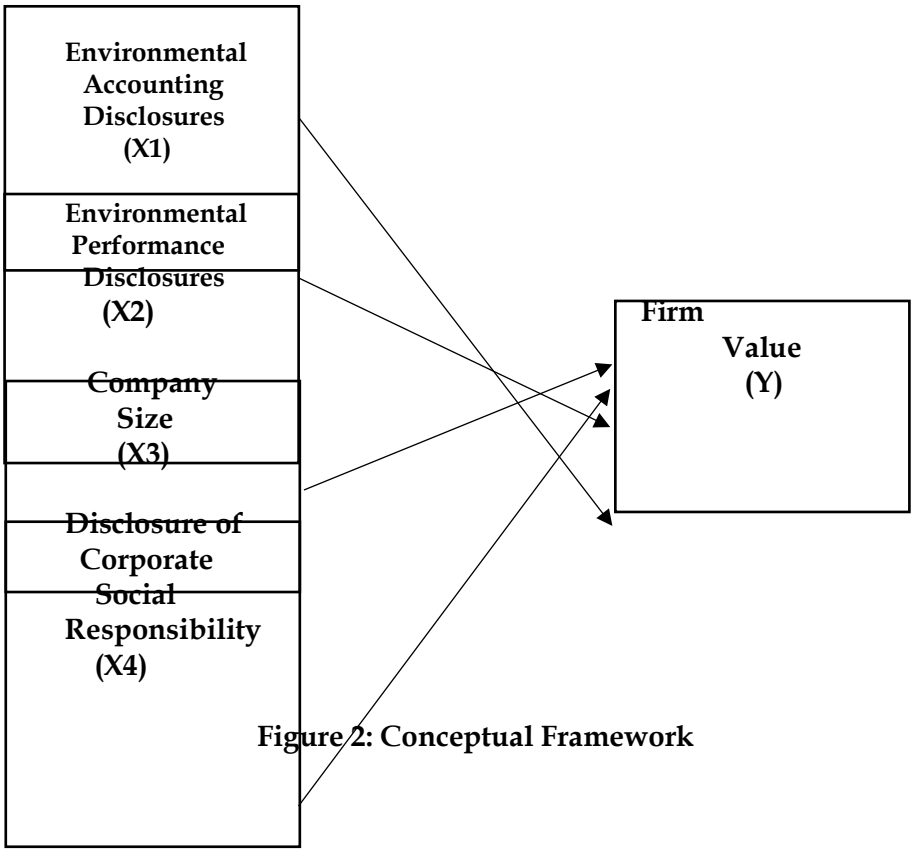

Figure 2: Conceptual Framework

Hypothesis

The hypotheses in this study are as follows:

H1: Environmental accounting disclosure has a positive impact on Company Value

H2: Environmental performance disclosure has a positive impact on Company Value

H3: Firm size has a positive impact on Firm Value

H4: Corporate social responsibility has a positive impact on Company Value.

METHODOLOGY

This study uses the casual association method to determine the impact of Environmental Accounting Disclosure and Environmental Performance, Company

Size, and Corporate Social Responsibility Disclosure and as the dependent variable, Company Value. The causal method aims to analyze the relationship between one variable and another, to find out how one variable affects other variables (Erlina, 2011). The data analysis used in this study is to use statistical analysis with the SPSS method and display data analysis using standard test assumptions and hypothesis testing.

The population in this study took 90 mining companies listed on the Indonesia Stock Exchange during the 2017-2021 period. The data collection technique used purpose sampling.

RESULTS AND DISCUSSION

The population in this study are mining companies listed on the IDX in 2021. The number of companies studied was 90 mining companies. Based on the 90 samples that have been determined, it turns out that only 59 companies have published quarterly financial reports on March 31, 2021, at the time of data collection. Information from the 2021 quarterly financial statements was taken because it was the source of information from the latest financial statements at the time of the study.
Table 1 explains the independent variables tested after CSR disclosure after 1 year and the results obtained are as follows:

Table 1.

Variable	MVE			Tobin's Q		
	Coefficient	t	Sig.	Coefficient	t	Sig.
(Constant)	0,084	0,188	0,852	0,617	2,652	0,010
EAD	0,102	1,733	0,089***	0,065	2,150	0,036
EPD	0,104	1,678	0,097	0,078	2,312	0,037
Size	0,075	1,014	0,315	0,015	0,378	0,707
CSR	0,003	2,625	0,011**	0,002	2,522	0,015
R Square	0,243			0,211		
Adjusted R Square	0,201			0,168		
F	5,872			4,906		
Sig.	0,001			0,004		

*Significant at !% ** Significant at 5% *** Significant at 10%

The results above show that the adjusted square R2 value is 0.168 or simultaneously independent and control variables have a significant effect on company value or 16.8%. The calculated F value of 4.906 with a probability of 0.004 is smaller than the p-value of 0.05. Shows that EAD, EPD, Size and CSR together have an effect on Firm Value. This research is supported by previous research conducted

by Handayani and Novera (2021), Hana and Aulia (2012) and Hidayati (2019) where the impact of accounting disclosure, environmental performance disclosure and CSR has a significant effect on firm value. This shows that based on agency theory, namely greater company value will be greater if there is more accounting company disclosure with social information carried out by the company.

While individually the results show that Environmental Accounting Disclosure has an effect on Firm Value with a P-value of 0.036 at a significant level of 5%. Similarly, Environmental Performance Disclosure has a significant effect on Firm Value with a P-value of 0.037 at a significant level of 5% . While Company Size has no effect on Firm Value with p-Value 0.707. According to Wulandari (2009) by implementing CSR as part of the business strategy, the Company is trying to form a good reputation and image of the company as one form of intangible assets that have strategic value in increasing competitiveness towards the achievement of sustainability of the Company (towards sustainability business).

According to Schadewitz and Niskala (2010) stated that CSR is considered as a management tool that can reduce information differences between management and investors, especially regarding social investments made by the Company. Furthermore, Schedwitz and Niskala (2010) state that CSR can complement information in the main financial statements with the aim of increasing the understanding of users, especially investors, regarding important matters in the company. Therefore, the Company's activities related to the environment and social remain a concern for business people in considering investment decisions which will ultimately appreciate the stock price and value of the Company. It can also be said that the more extensive the SCR disclosure of a company, the higher the value of the company.

CONCLUSIONS

Based on the statistical results in this study, it can be concluded that Environmental Accounting Disclosure, Environmental Performance Disclosure, Size and Corporate Social Responsibility of a Company together have a significant effect on Company Value. This is important for every investor to consider to invest in a company that will ultimately appreciate the company's stock price and increase the value of a company. From this study it can also be seen that the size of a company has no influence on the value of the company while the other three variables studied in this study, namely environmental accounting disclosure, environmental performance disclosure and corporate social responsibility, have a significant effect on the value of the company.

RECOMMENDATIONS

From the above conclusions, researchers suggest to market players or investors, both issuers, creditors, and regulatory agencies, namely: (1) in making decisions to invest or to provide loans to the company should pay attention to information about environmental accounting disclosure, (2) also pay attention to environmental performance disclosure and (3) pay attention to the corporate social responsibility of a company. Given the importance of CSR in running a company while still paying attention to the costs and benefits of the Company. It is also suggested to the regulatory body to determine the rules of CSR disclosure in the annual report more

clearly and firmly. For example, by requiring CSR disclosure for companies that have gone public. For future studies, it is expected to be able to examine factors such as those that have been studied in this study in the years ahead to maintain these important variables in operating companies, especially in Indonesia, as well as being able to examine other variables that have not been studied in this study.

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