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The Effect of Sustainability Report, Green Accounting, and Leverage on Corporate Values in Energy Sector Companies

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ABSTRACT

Energy businesses' economic operations undoubtedly have a direct influence on society, the environment, and the local community. Providing stakeholders with access to corporate information may benefit the business in a number of ways, including financially. This study aims to evaluate the impact of leverage, green accounting, and sustainability reports on corporate value. The corporate value, the study's dependent variable, uses the price-to-book value (PBV) ratio to calculate. In contrast, the independent variables that are employed, including the sustainability report, are quantified using CSRIj, green accounting using a PROPER, and leverage, which are measured using the debt-equity ratio (DER). The corporate website and Indonesia Stock Exchange (IDX) provided the data utilized in the study. Population studies consisted of energy businesses that were listed between 2020 and 2023 on the IDX. Using purposive sampling, this study sample was selected; therefore, 74 corporate data samples satisfied the criterion. The study's findings suggest that green accounting and sustainability reports have little impact on corporate worth. Therefore, investors pay more attention to financial aspects than non-financial aspects such as environmental and social disclosure. The combination of independent variables in this study shows that the effect on the dependent variable is still weak or limited, so further researchers need to use more varied combinations.

Keywords: Corporate Values; Energy Sector Companies; Green Accounting; Leverage; Sustainability Report

INTRODUCTION

Contemporary economic growth faces many environmental problems, such as environmental damage. Indonesian people, as well as those around the world, are beginning to experience the effects of environmental damage caused by corporate operations. Corporations mainly focus on maximizing profits without considering their responsibilities to society and the environment, according to Kamil and Herusetya (2012). A company is considered successful if its profits continue to increase every year. However, in addition to monetary benefits, environmental and social elements also impact an enterprise's performance.

Many negative impacts result from corporate operational activities because corporations are oriented toward profit maximization. In general, the key objective of a corporation is profit. According to Kamil and Herusetya (2012), on average, corporations prioritize and execute the idea of profit maximization without considering their obligations to the environment and society. If a business's earnings continue to rise yearly, it might be considered successful. However, a company's performance is determined by environmental factors in addition to economic factors and earnings. The Triple Bottom Line—profit, people, and planet—was first proposed by Elkington and Rowlands (1999). This concept serves as the foundation for evaluating a company's performance based on its economic, environmental, and social attributes.

Oil, gas, and mining corporations have a high probability of damaging natural sustainability and ecosystems. These industries create an environment suitable for high-class businesses (Widiastuti et al., 2018), such as companies that process precious stones and metals (Pradana & Astika, 2019). These companies produce carbon emissions due to their operational activities. Therefore, companies must implement environmental management systems, such as ISO 14001, and demonstrate their environmental responsibility to the community by providing information about environmental issues through official corporate media (Hardiyansah et al., 2021). In addition, gas and oil companies, as well as other mining companies, produce hazardous and toxic waste (B3), which can reduce environmental quality. Besides having the potential to cause pollution, B3 waste can also pose risks to human health and other living organisms, requiring companies to implement a B3 waste management system (Sulistyono, 2015).

In 2021, one of the companies in the upstream oil and gas sector was sued by the Indonesian Forest Destruction Monitoring Institute (LPPHI) for allegedly polluting the community's environment due to an oil spill. These cases show that oil, gas, and mining companies do not always maintain good environmental performance. As a result, the legitimacy of such companies is questioned by environmental observers and the general public (Meiyana & Aisyah, 2019).

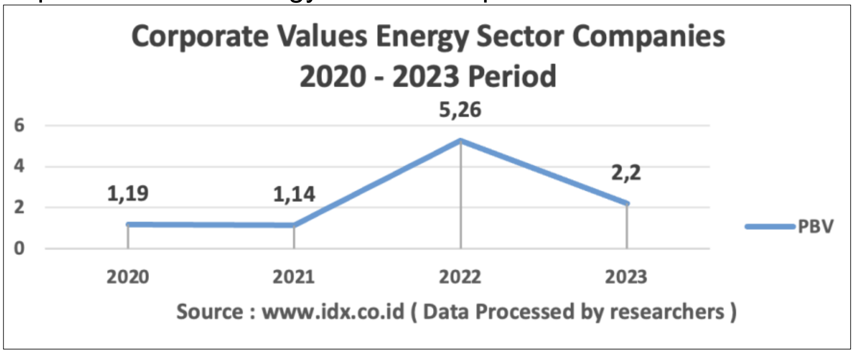
To encourage businesses to take a more active role in environmental protection through proper environmental management, the government launched the Business Productivity Rating Assessment Program (PROPER) in 2002. This initiative assesses a company's handling of the environment, including handling waste, and was started by the Indonesian Ministry of Forestry and the Environment. Since businesses must fulfill their commitments to environmental sustainability and prevent contamination caused by industrial waste, the adoption of PROPER also benefits the protection of indigenous populations and forests.

Table 1. PROPER Ranking of Corporates in the 2022 - 2023 Period

Color Rating (PROPER)	Number of Companies After the Assessment is Carried Out	Percentage Company Accumulation
Gold	79	2.27%
Green	196	5.63%
Blue	2.131	61.18%
Red	1.077	30.29%
Black	0	0.00%

It is evident from the statistics in Table 1 that a number of businesses continue to willfully neglect to report on their environmental performance. Negligent acts committed by these companies caused the company's environmental performance assessment to receive a red and black rating. PROPER evaluation carried out on a company will create a reputation that is parallel to corporate environmental management initiatives.

Figure 1. Corporate Values Energy Sector Companies 2020 – 2023



The average value of energy sector companies for the 2020-2023 period has fluctuated and remained unstable over the past four years, according to Figure 1. This phenomenon indicates that research on corporate value remains an interesting subject for further study. Several studies have found that various factors can influence corporate value, including company size, profitability, and leverage (Dewi & Praptoyo, 2022). According to research by Aksan and Gantyowati (2020), in addition to financial factors such as profitability, leverage, liquidity, and operating cash flow, corporate value can also be impacted by non-financial factors such as corporate social responsibility disclosure, sustainability reports, environmental reports, and social factors.

In this study, the investigator seeks inquiries into the effects of financial and non-financial aspects that are considered capable of impacting corporate value, namely sustainability report disclosure and green accounting as non-financial aspects and leverage as a financial aspect. The selection of these three variables is based on the fact that previous research has produced inconsistent findings regarding their impact on corporate value.

The first factor thought to affect corporate value is the sustainability report, which is a document created by an organization to quantify and disclose all of its activities undertaken to protect its social and environmental surroundings. It also serves to establish the organization as a trustworthy entity capable of meeting its performance targets and achieving sustainable growth. A sustainability report has the advantage of increasing shareholder interest in the corporation's long-term goals by demonstrating to investors, in particular, the corporation's degree of accountability, responsibility, and transparency.

The second factor believed to affect corporate value is the use of green accounting. Businesses may reduce the detrimental effects of their operations on the environment by implementing green accounting. By adopting cost-effective and profit-driven environmentally conscious practices, green accounting aims to make sustainability-oriented operations more successful. In Indonesia, green accounting is still underutilized, and many businesses do not yet prioritize it. Green accounting focuses on incorporating environmental costs into business operating expenses. Therefore, companies must revise their product designs to maintain profitability, comply with green accounting regulations, and improve their environmental performance (Magablih, 2017). In such a situation, new product design concepts must meet all environmental requirements essential for the production process and product development.

The third factor believed to influence corporate value is leverage, which is a ratio of earnings utilized for assessing the ability of a corporation. In the case of closure, leverage gauges the ability of a business to pay off all of its debts in the immediate and distant future (Kasmir, 2019). Businesses will be more cautious in utilizing their debt since, if used solely for investments, it will increase the corporate value. Additionally, the interest charges associated with debt can reduce tax payments (Wibowo, 2022).

This study focuses on energy businesses listed on the Indonesia Stock Exchange (IDX) between 2020 and 2023 based on the occurrences within that period. This is due to the firms' operational activities, which are characterized by inadequate environmental management and a lack of social responsibility regarding environmental pollution. Furthermore, it is believed that the publication of sustainability reports, the implementation of green accounting, and leverage influence corporate value. Additionally, researchers found disparities in study results from previous research that examined how leverage, green accounting, and sustainability reports impact corporate value. The analysis' significance revolves around its ability to reveal how these variables individually and collectively affect changes in corporate value, show a factor of the phenomenon that occurs due to the change and provide insight for stakeholders in assessing a corporation directly in decision-making or just as a view of the corporates image. The research presented here provides to the existing amount of literature by expanding the understanding of the dynamics that occur in energy companies in Indonesia, providing empirical evidence that is expected to inform implications of business operations for the environs and its surroundings, and providing the latest picture for stakeholders, especially investors, in increasing economic revival in the stock trading sector which has a direct impact on economic development in Indonesia, especially the energy sector.

LITERATURE REVIEW

Legitimacy Theory

Businesses, in agreement with legitimacy theory, are an important part of civilization (Pramesti & Idayati, 2019). This theory explains that companies need tactics to ensure the sustainability of the corporation. Social responsibility and green accounting initiatives are two ways businesses may enhance their performance. By implementing green accounting and social responsibility, businesses will be perceived as demonstrating their concern for the environment, making them legitimate in the eyes of stakeholders, the community, and investors. This will ultimately attract investors and improve corporate financial performance.

Signal Theory

Signal theory refers to actions—the steps a corporation takes to provide shareholders with hints about management's perception of the corporation's future prospects (Brigham & Houston, 2016). Signals contain information about an organization's actions to fulfill the owner's wishes. According to signal theory, a corporation is motivated to provide information to other parties. Therefore, this theory demonstrates that there is an imbalance between the organization and outside parties, allowing observers to learn about the business's characteristics and its prospects for the future. The data provided by the business is an important factor that influences the investment decisions of external parties. Signal theory explains to prospective investors how a business sends out information signals, meaning that if a signal conveys positive information to investors, the volume of corporate stock will be affected.

Trade-Off Theory

One of the best capital structures is determined by weighing the advantages of debt financing (positive corporate tax status) against higher interest rates and insolvency, according to the leverage trade-off theory (Brigham & Houston, 2016). The core of the trade-off theory of capital structure is balancing the advantages and disadvantages of using debt. As long as the benefits outweigh the drawbacks, taking on more debt is acceptable. However, if the negative consequences of debt usage increase, then additional debt becomes undesirable. In order to maximize market value, businesses strive to safeguard the framework of capital at the strongest possible level. One of the best capital structures for addressing agency problems may be achieved by balancing the financial costs and benefits of using leverage, according to the trade-off theory. Corporations with excessive debt may deter investors, as high debt levels are perceived as jeopardizing business continuity.

Stakeholder Theory

A business should consider its stakeholders' interests in addition to its own, according to stakeholder theory. The ability of a business to balance the interests of various parties determines its ability to survive. If successful, the business will receive ongoing support and experience growth in market share, sales, and profits. According to this theory, companies are responsible to a broad community of stakeholders (Hategan et al., 2018). The relationship between businesses and stakeholders is based on mutual benefit, which enables businesses to continue collaborating. The company's public perception and financial performance may suffer if shareholder interests are ignored. The adoption of corporate social responsibility and green accounting influences stakeholders and strengthens community confidence. From a business perspective, Corporate Social Responsibility (CSR) initiatives can provide significant competitive advantages (Cheng et al., 2016).

Corporate Value

The price at which a business may sell to a buyer if it chooses to do so is known as its corporate value. The market will have confidence in the corporation's future potential as well as its present effectiveness if its corporate value is high (Lumapow, 2019). The success of a corporation in increasing its stock price, thereby benefiting its capital owners, is known as corporate value. A corporation's stock price can also rise if its value continues to increase. The primary goal of the corporation is to maximize its value.

Hypotheses Development

Sustainability Report

A sustainability report is a document prepared by a corporation to quantify and disclose all of its actions related to preserving the social environment and the organization's efforts to become a reliable entity for all stakeholders in achieving its performance goals for sustainable development (Financial Services Authority [OJK], 2021). The creation of sustainability reports in Indonesia is governed by Circular Letter Number 16 /SEOJK.04/2021f of the Monetary Services Authority, which outlines the format and content of issuers' or public corporations' annual reports. The Global Reporting Initiative (GRI) index can be used in conjunction with this report.

According to research by Rebecca (2024), corporate value is unaffected by the Sustainability Report Disclosure findings. These findings contradict a previous study by Annisa et al. (2023), which highlights how disclosure of sustainability reports increases corporate value. According to Lestari and Khomsiyah (2023), the sustainability report has a major and favorable impact. In order to send a favorable signal to stakeholders, it was also mentioned that a business sustainability report might serve as proof of its commitment to their interests.

H1: Corporate value is positively impacted by sustainability reports.

Green Accounting

Green accounting is described as “a style of accounting that includes the indirect costs and benefits of economic activity—such as environmental effects and plans.” Thus, indirect effects and advantages of business activity are considered by green accounting, including how choices and actions interact with the environment and public health (Cohen & Robbins, 2011).

Green accounting can help provide positive signals and improve a company’s reputation if implemented. This demonstrate sunderstanding exists between business values and green accounting is meaningful and positive. These results are confirmed by previous studies, namely Lestari & Khomsiyah (2023), Selvia & Sulfitri (2023), and Yani & Wijaya (2024), who stated the same findings.

H2: Green accounting has positive effects on corporate value.

Leverage

Leverage, intended to address a corporation’s percentage of debt, indicates its capacity to pay its long-term obligations. According to Pradnyawati et al. (2023), leverage is an important indicator used to predict how a business can utilize capital derived from debt or loans to turn a profit and fulfill both immediate and future demands. Therefore, companies must balance their debts by determining which debts can be taken on and from which resources they can be repaid (Fahmi, 2017).

Research by Imanullah and Syaichu (2023) demonstrates that leverage significantly and favorably affects corporate value. This study contradicts the results of Khotimah et al. (2020) and Rejeki & Haryono (2021), which demonstrate that leverage significantly reduces a company’s worth. According to the trade-off hypothesis, investors may react negatively to high corporate debt, as it makes the company appear risky in terms of its ability to continue operations.

H3: Corporate value is negatively impacted by leverage.

Conceptual Framework

An explanation of the connections between related ideas or variables in research is called a conceptual framework, which is used to determine and describe the relationships between the variables being examined. The primary focus of this investigation is the influence of the independent variables—Sustainability Report, Green Accounting, and Leverage—on the dependent variable, corporate value. Thus, Figure 2 depicts the conceptual framework of our investigation.

Figure 2. Conceptual Framework

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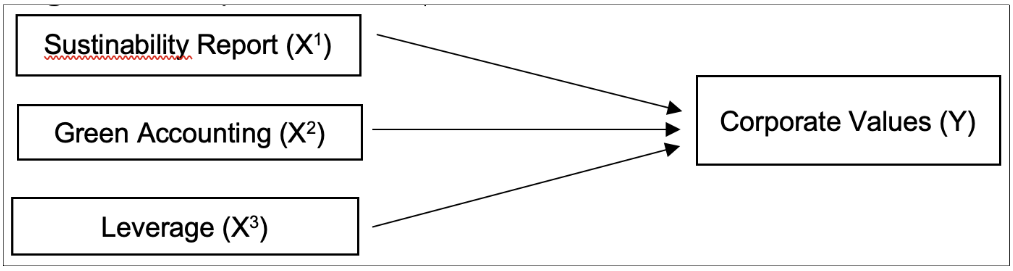

RESEARCH METHOD

The research project adopted a quantitative method using secondary data from independent auditor reports as well as financial statements observed on the Indonesia Stock Exchange's official website. Companies in the energy sector that appear on the IDX between 2020 and 2023 make up part of the study population. The sample used in this research was chosen using the technique known as purposive sampling, which is the process by which samples are chosen in accordance with predetermined selection goals. This approach produced 74 samples. The inquiry's criteria are outlined in Table 2.

Table 2. Research Sample Criteria

No	Description	2020	2021	2022	2023
1	Companies registered on the IDX in 2020 - 2023	62	67	69	72
2	Companies that do not have complete data for 2020-2023	(45)	(20)	(14)	(14)
3	Companies that do not follow PROPER in 2020-2023	(6)	(27)	(33)	(37)
Observation Data		11	20	22	21
		74			
Outlier Data		(8)			
Number of Samples		66			

The present investigation applies multiple regression to analyze the data, which is basically a study of dependent variables with one or more independent variables. The SPSS 30 program is also used in this regression study. The regression equation of this study is:

$$\text{Price Book Value} = \alpha + \beta_1 \text{SRDI it} + \beta_2 \text{PROPER it} + \beta_3 \text{DER it} + \varepsilon$$

Description:
PBV : Corporate Value
A : Constant
β_1 - β_4 : Regression Coefficient
SRDI : Sustainability Report
PROPER: Green Accounting
DER : Leverage
E : Error

Sustainability Report
The reporting of sustainability disclosure is the public revelation of an organization's benefits or drawbacks to the sustainable development aim as a result of its economic, ecological, and/or social consequences, and it is encouraged by the GRI guidelines (Lestari & Khomsiyah, 2023). The fourth generation of the GRI formula is:

$$\text{CSRIJ} = \frac{\sum Xij}{Nij}$$

Green Accounting
The phrase "green accounting" refers to the technique of accounting for expenses in businesses or government organizations (Ikhsan, 2008). A corporation's involvement in the PROPER program, A framework for evaluating corporate performance regarding the environment, is one way that the Department of the Ministry of Environment and Forestry (KLH) takes advantage of knowledge assets to advance the governance of businesses in ecological control, which is a key indicator of its green accounting. Gold receives a value of 5, green receives a value of 4, blue receives a value of 3, red receives a value of 2, and black receives a value of 1. This is an example of how measurement may apply to the PROPER ranking (Kumala & Priantilianingtiasari, 2024).

Leverage
Debt-to--quity ratio (DER) was employed in this investigation as part of the solvency or leverage ratio, which may be used to characterize the corporate financial structure (Abas et al., 2020). DER is used as a proxy for leverage based on the theory put forward by Darmadji and Fakhruddin (2012), which states that companies that have greater debt than equity are said to be corporations with a high level of leverage. The proportion of DER is one metric used to assess the combination of equity and debt. The aforementioned ratio is created by contrasting all debt, including current debt, with all equity (Susesti & Wahyuningtyas, 2022). DER is formulated as follows:

$$\text{DER} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

Corporate Value
The capital market's supply and demand influence the price of a stock, which is a reflection of how the general public views corporate success as a measure of corporate value (Harmono, 2014). By dividing the market expenses per unit by the record worth per share, or price-to-book value (PBV) as it is often known, corporate value is substituted in the present inquiry. To calculate PBV measurement, use the following formula (Brigham & Houston, 2016):

$$\text{PBV} = \frac{\text{Price of Stock}}{\text{BVPS}}$$

RESULTS

Descriptive Statistics
First, to determine the lowest, maximum, average, and standard deviation values for each variable, the researcher performed a descriptive statistical test. Then, the researcher explained the data as seen from the kurtosis, skewness, maximum, minimum, total, range, variance, standard deviation, and mean (Ghozali, 2018).

Table 3. Statistic Descriptive Results

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Sustainability Report	66	0.571	0.978	0.83317	0.100917
Green Accounting	66	3.00	5.00	3.9545	0.83079
Leverage	66	0.06	4.11	1.1017	0.95249
Corporate Value	66	0.32	4.44	1.4156	0.93010
Valid N (listwise)	66				

Source: SPSS Data Processing Result (2025)

Table 3 indicates that there are 66 valid data points (N). The descriptive results for the sustainability report indicate that its values fall between 0.571 and 0.978, with an estimated average of 0.83317 and a standard deviation of 0.100917. Green accounting has an estimated average of 3.9545 and a standard deviation of 0.83079, with a minimum value of 3.00 and a maximum value of 5.00. Leverage varies from a low of 0.06 to a high of 4.11, with a standard deviation of 0.95249 and an estimated average of 1.1017. Corporate value has an estimated average of 1.4156 and a standard deviation of 0.93010, with an estimate of 0.32 to 4.44.

Classic Assumption Test

Table 4. Result of Classic Assumption Test

Normality	Asymp Sig. (2-Tailed)	0.097	Normal
Multicollinearity	Tolerance		Multicollinearity Free
	Sustainability Report	0.779	
	Green Accounting	0.787	
	Leverage	0.964	
	VIF		Multicollinearity Free
	Sustainability Report	1.283	
	Green Accounting	1.271	
	Leverage	1.038	
Autocorrelation	Durbin Watson	1.702	No Autocorrelation
Heteroscedasticity	Significance		Free of Heteroscedasticity
	Sustainability Report	0.139	
	Green Accounting	0.161	
	Leverage	0.145	

Source: SPSS Data Processing Result (2025)

The Sustainability Report, Green Accounting, Leverage, and Corporate Value variables are all normally distributed, according to Table 4's results of the normality test using the One Sample Kolmogrov-SmirnovTest method. The big Asymp.Sig (2-tailed) result of 0.090, which is greater than 0.05 and shows that the residual value is normally distributed, serves as evidence for this.

According to Ghozali (2018), the multicollinearity approach is applied to ascertain whether the regression model finds any relationship between the independent variables. Variables that are not dependent and correlated should not be included in a successful regression model. According to Table 4's multicollinearity test results, every independent variable has a tolerance threshold of at least 0.10. Furthermore, the VIF values derived from the computations previously mentioned show that every independent variable has a value of VIF less than 10. This indicates that there are zero signs of multicollinearity in any of the independent variables.

The test for correlations between variables measures the residual correlation between two observations in the regression model (Ghozali, 2018). Whether the regression model exhibits serial correlation or autocorrelation among the observed variables is determined using a test called the Durbin-Watson test. According to Table 4, for k = 3 and N = 66, the Durbin-Watson (DW) value following data transformation using the Cochrane Orcut technique is 1.702. In contrast, 4-dU (4 - 1.6974) is 2.3026, the limit value (dU) is 1.6974, and the lower limit value (dL) is 1.5079. Given that this number falls between 1.6974 and 1.702 and 2.3026, autocorrelation is not present.

In this study, testing for heteroscedasticity uses the Glejser model (Ghozali, 2018). The previous Sustainability Report variable has a statistical significance level of 0.139, in accordance with the findings of the testing for heteroscedasticity. 0.161 is the Green

Accounting variable's statistical significance value. 0.145 is the significance value of the Leverage variable. All variables have significance thresholds larger than 0.05, according to the findings of the heteroscedasticity check. Thus, it can be said that there are not any signs of the phenomenon of heteroscedasticity.

Multiple Linear Regression Analysis

Table 5. Multiple Linear Regression Analysis

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.598	0.303		1.978	0.052
	Sustainability Report	0.877	0.540	0.212	1.624	0.110
	Green Accounting	-0.603	0.361	-0.220	-1.671	0.100
	Leverage	-0.185	0.088	-0.254	-2.108	0.039

Source: SPSS Data Processing Result (2025)

With the beta value in Table 5, it can be substituted into the equation to become:

$$Y = 0.598 + 0.877X1 + (-0.603X2) + (- 0.185X3) + 0.303$$

The regression equation indicates several key conclusions. The constant coefficient value of 0.598 suggests that if the Sustainability Report, Green Accounting, and Leverage variables remain constant, the average Corporate Value is 0.598. The significance result for the Sustainability Report implementation variable is 0.110, which is greater than 0.05, indicating that it does not affect corporate value. Similarly, the Green Accounting implementation variable has a significance result of 0.100, also exceeding 0.05, demonstrating that it has no effect on corporate value. However, the Leverage deployment variable has an enormous effect on corporate value, as evidenced by its statistically significant value of 0.039, meaning that it is below the threshold of 0.05. Moreover, it exhibits a negative relationship direction, with a β3 value of -0.185, meaning that corporate value (Y) will decrease by 0.185 if the company discloses one additional aspect or criterion related to Leverage (X3).

Hypothesis Test

Table 6. Hypothesis Test Results

Simultant Significance (F Test)	Significance Anova		X1, X2, X3 simultaneously influences the dependent variable
	Model of Regression	0.036	
Partial Significance (T Test)	Significance		
	Sustainability Report	0.110	Does Not Affect
	Green Accounting	0.100	Does Not Affect
	Leverage	0.039	Affect
Determination Coefficient	Adjusted R Square	0.087	X1, X2, X3 simultaneously able to influence or provide an explanation for the dependent variable, by 8.7%

According to Table 6, these findings demonstrate that the independent factors had an effect on the dependent variables simultaneously, with a statistically significant difference of 0.036 under the threshold of 0.05.

The outcome values of Table 6 suggest that the Sustainability Report and Green Accounting factors have no influence on the corporate value, with a value of significance of 0.110 more than 0.05 and 0.100 greater than 0.05, respectively. The leverage variable partially affects the corporate value, with a statistical significance of 0.039 below 0.05.

The outputs of the Determining Coefficient test in Table 6 means that 0.087, or 8.7%, constitutes the Adjusted R Square. The following implies that the Sustainability Report, Green Accounting, and Leverage variables may be able to simultaneously impact or explain 8.7% of the variable that is dependent on business value. The remaining 91.3%, however, is due to additional factors that the researchers did not take into account.

DISCUSSION

The Effect of Sustainability Report on Corporate Value

The Sustainability Report variable's t-value is 1.624, with a significance value of 0.110, according to the findings of the H1 hypothesis test between it and corporate value, which is the variable in this study. The first hypothesis is disproved, as this demonstrates that the sustainability report has no impact on the value of energy sector firms listed on the IDX between 2020 and 2023. A company's sustainability report should demonstrate to investors that it is committed to sustainable business practices (signal theory). Management estimates that potential investors will see this disclosure as good news (Gumanti, 2009), leading them to raise the value and price of the corporate shares. However, the study's findings suggest that investors may not always view sustainability report disclosure as a positive indication. This may be because investors favor traditional financial metrics, such as operational income and profit, over sustainability data or non-financial factors.

The findings of this investigation support the assertions of Rebecca (2024) that environmental sustainability reports do not affect company value but contradict the findings of Annisa et al. (2023) and Lestari & Khomsiyah (2023), which show that sustainability reports have a positive and significant impact on corporate value. Therefore, although the disclosure of sustainability reports reflects a corporate effort to implement sustainable practices, investors may not consider it a strong enough signal to influence their investment decisions. This is evident in this investigation on energy companies for the period 2020–2023, as the report does not show an immediate impact on business value.

The Effect of Green Accounting on Corporate Value

The outcome of the H2 test for the hypothesis between the Green Accounting variable and the corporate value variable in this investigation shows that the calculated t-value is -1.671, with a significance threshold of 0.100. By demonstrating that green accounting has no effect on the value of energy sector companies listed on the stock exchange in Indonesia between 2020 and 2023, the second hypothesis is refuted. This indicates that the corporate efforts to adopt environmental responsibility have not provided customers or investors with the confidence needed to evaluate the business. This outcome contradicts the legitimacy theory, which holds that a company is legitimate if it has demonstrated its concern for the environment and is therefore regarded as such by stakeholders, the community, and investors. Ultimately, investors are motivated to allocate their earnings to corporate investments, thereby influencing business performance. However, in practice, investors and shareholders may place greater emphasis on conventional financial metrics such as profit and operating income. Therefore, even if a firm uses green accounting to represent environmental responsibility, this does not necessarily serve as the key factor in enhancing corporate value.

The investigation is consistent with previous studies by Pratiwi et al. (2024), Rebecca (2024), and Sapulette & Limba (2021), which found that green accounting has no impact on corporate value. However, this study does not align with Yani and Wijaya (2024), who reported different results, indicating that green accounting has a statistically significant effect on corporate value.

The Effect of Leverage on Corporate Value

According to the findings of the H3 hypothesis test, the Leverage variable's t-value is -2.108, with a statistical significance value of 0.039 when compared to the corporate value variable in this research. This indicates that the third hypothesis is supported, as leverage has a negative impact on the value of energy sector businesses listed on the stock exchange in Indonesia between 2020 and 2023. The causal link proposed by signal theory is supported by this investigation. According to this theory, if a firm provides investors with valuable information, the volume of its stock price will fluctuate because the company signals information to potential investors. Conversely, significant negative findings in this study indicate that a high debt ratio results in less favorable information for investors, leading to a decline in corporate value.

Investors will consider a company's debt level when evaluating it to determine how much of the borrowed funds are being utilized by the business. The amount of debt a firm holds may also indicate whether its finances are sound; in general, high debt levels lead to financial difficulties. A rise in business and company value may occur when debt is used prudently and in a managed ratio, which would be encouraging to investors (Suwardika & Mustanda, 2017). Meanwhile, the trade-off theory suggests that the optimal capital structure strikes a balance between the benefits and drawbacks of employing debt. If the cost of using debt outweighs its benefits, additional debt should not be necessary. However, the typical energy company in this study has a high debt burden, leading to overuse and surpassing the stated optimal limits. As a result, investors lose confidence in the business, leading to a sharp decline in its value.

The discoveries of the present inquiry are in harmony with investigations by Dewi & Abundanti (2019), Rejeki & Haryono (2021), and Susesti & Wahyuningtyas (2022), which indicate that leverage has a detrimental impact on corporate value. When leverage is both negative and substantial, it can reduce a company's worth. However, this research contradicts the findings of Khotimah et al. (2020), who stated that leverage has no significant impact on corporate value. Additionally, Imanullah & Syaichu (2023) and Pratiwi et al. (2024) claimed that leverage positively influences corporate value.

CONCLUSION

The test findings and the discussion above clarify that the purpose of this study was to determine how leverage, green accounting, and sustainability reports affect corporate value. The value of the corporation is unaffected by the sustainability report. Even if the disclosure of the sustainability report is seen as meeting sustainability and CSR requirements, it has not been able to attract investors' attention, which has not impacted corporate value. Green accounting also does not influence corporate value. One of the main reasons for this is that the application of green accounting is not a primary factor affecting corporate value. Shareholders and investors may place greater emphasis on conventional financial metrics such as operational income and profit. Therefore, non-financial factors like green accounting still do not meet investor requirements to enhance company value. Conversely, leverage lowers the value of the firm. It has been shown that businesses continue to have high debt ratios, leading investors to perceive the company's financial condition as generally poor, which, in turn, lowers corporate value.

Regarding the test's outcome, researchers may advise investors that leverage can be an indicator of a company's worth. Inadequate debt management can negatively impact investor confidence, serving as a warning sign for potential investors. According to this study, many energy businesses currently listed on the public exchange have not engaged in PROPER operations. The PROPER program aims to provide a more thorough and in-depth evaluation of a business's efforts to establish environmental care programs and ensure compliance with relevant laws and regulations.

LIMITATION

Among the study's drawbacks is the adjusted squared R square value of 0.087, or 8.7%. The dependent variable, the 8.7% corporate value, may be influenced or explained simultaneously by the elements of financial performance, sustainability report, information asymmetry, and green accounting. The remaining 91.3%, however, is explained by other characteristics that the study's researchers did not examine. In other words, researchers persist in employing too few independent factors, or the independent factors' capacity to explain the dependent variable continues to be limited.

Other factors, including profitability, liquidity, information asymmetry, carbon emission disclosure, and so forth, might be added or used to quantify a company's worth, according to study recommendations. Apart from that, you can use companies from other sectors with the aim of comparing research results in the energy sector with those of other sectors. In this research, many samples experienced inappropriate conditions, especially when green accounting was put into practice. This is because, in the 2020 - 2023 period, there are still many companies that have not fulfilled their obligations to provide environmental aspects such as PROPER. Companies and the government are advised to synergize well so that non-compliance with regulations can be minimized. Future researchers can also try other indicators in green accounting, such as environmental costs, distributing dummy environmental accounting, and other methods. Future researchers can also look at the character of a company and relate it to the variables that will be used.

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No potential contradictions related to interests have been made known by the authors of this article.

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