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ENVIRONMENTAL ACCOUNTING DISCLOSURE ON FIRM VALUE (STUDY OF MANUFACTURING COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE 2017-2020)

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ABSTRACT

Increasing the value of the company needs to be done so that the company's internal and external parties can improve their environmental performance through appropriate environmental accounting disclosures. This study aims to obtain empirical evidence regarding the effect of environmental accounting disclosures and environmental performance on firm value in the manufacturing sector listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period. This study uses a sample of 43 manufacturing companies in Indonesia where the data needed in this study is in the form of financial report data obtained from the Indonesian Stock Exchange Gallery. The sampling method is purposive sampling. The data analysis technique used is single linear regression using SPSS. The results showed that the environmental accounting disclosure variable had a significant effect on firm value. Meanwhile, the environmental performance variable has no effect and is not significant on firm value. The single linear regression model in this study has an R2 value of 77.48%, which means the firm value can be explained by using the variable value of environmental accounting disclosures, where the remaining 22.52% is influenced by other factors, variables outside the model that have been studied.

Keywords: Company Value, Environmental Accounting Disclosure, and Environmental Performance

INTRODUCTION

In the era of industrialization, accompanied by changes in an increasingly dynamic business environment, environmental issues have become a problem that needs attention. According to Burhany, D.I. and Suwondo, S. (2020: 317), environmental issues arise because of the interaction between industrial activities and the environment. This is due to the increase in industrial activity, which has simultaneously increased the impact of operations on the environment. Problems that often occur as a result of operations are air pollution, corporate waste disposal, and depletion of natural resources. This has led to various demands for companies to pay more attention to their responsibilities towards the environment and surrounding communities.

Pandemics such as COVID-19 are also one of the problems and challenges for the sustainability of all affected industrial sectors. As a response to the pandemic, the Indonesian government conducted a regional quarantine and imposed a PSBB (Large-Scale Social Restrictions) scheme to prevent the spread of the virus. As a result of these regulations, there are employee restrictions for the operational activities of each industrial sector. This has led to a decrease in company production activities along with a decrease in the impact of company operations such as waste and pollution, namely carbon emissions.

Decreased company operations should have good implications for environmental issues. However, according to Rossita, Annuri (2020) although the distancing measures to prevent the spread of COVID-19 have resulted in a decrease in air pollution, the level of other greenhouse gases, namely carbon dioxide emissions, has increased during this pandemic. This shows the phenomenon that even though there are restrictions on company operations, it does not have a direct impact on reducing the impact of operations such as carbon emissions into the atmosphere.

Every company not only aims to maximize profits but they also pay attention to increasing and maximizing their company value. According to Ni Komang et al (2021; 182) There are four factors that affect firm value such as Investment Opportunity Set, Good Corporate Governance (GCG), Corporate Social Responsibility (CSR) and Suistainability Report. Of these factors, one of them is closely related to environmental issues, namely Corporate Social Responsibility (CSR). Implementing CSR in the long run will foster a sense of community acceptance of the company's presence which can provide economic benefits in the form of increased company value (Karina, D. R. M. & Setiadi, I., 2020: 37). In addition, the government has also made CSR or social responsibility mandatory for every company through Law Number 40 of 2007 concerning Limited Liability Companies (PT Law). Article 74 paragraph (1) states that "companies that carry out business activities in the field of and / or related to natural resources are required to carry out Social and Environmental Responsibility". Not only that, the government also issued Indonesian Law Number 32 of 2009 concerning Environmental Protection and Management, in article 68 it is stated that "every person who conducts business and / or environmental performance activities affects the value of the company, either directly or through the disclosure of the environment". F. E. (2020: 97). The research findings strengthen the stakeholder theory that companies are responsible to

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stakeholders. Good environmental performance will influence stakeholder perceptions and reduce doubts in uncertainty by reporting details of their environmental information. Thus, good environmental performance will encourage more environmental disclosure through environmental accounting disclosures (Daromes. F. E., 2020: 97).

Environmental accounting disclosure is informatively an alternative measure for environmental performance (Clarkson et al., 2013). Environmental accounting disclosure will support firm value. Because environmental accounting disclosure aims to disclose and report activity costs related to environmental performance as well as can facilitate companies to document their environmental activities.

Currently, the company's average PROPER rating is considered not optimal. The manufacturing sector is a company that needs attention compared to other types of companies because not only is the waste produced but the waste has great potential to damage the environment Burhany, D.I. and Zainab, Aqila. (2020:992. Currently, the average environmental performance of manufacturing companies as indicated by the PROPER rating is still not optimal, as shown in Figure 1 below:

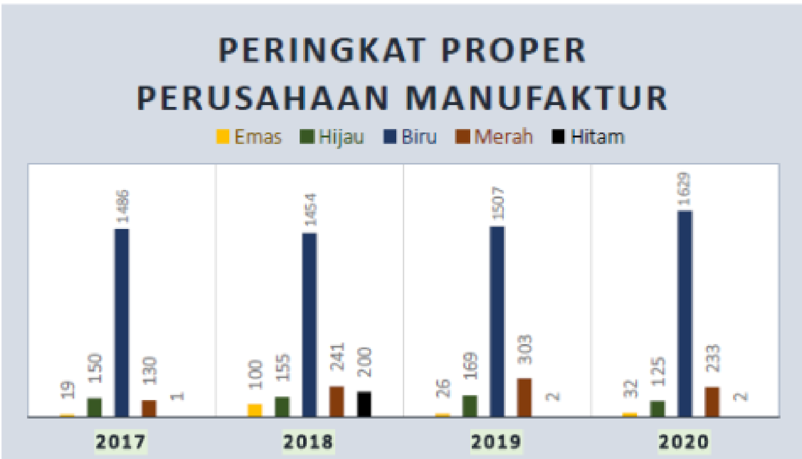

Figure 1 PROPER Ranking of Manufacturing Companies in 2016-2019

From Figure 1 above, it can be concluded that the red rating which indicates that environmental management efforts have not met the requirements has increased from 2017 to 2019, on the other hand, the blue rating which indicates environmental management efforts that are in accordance with the requirements has decreased from 2017 to 2019. Whereas good environmental performance tends to get external benefits such as attention from investors which will have a good impact on financial performance. Tempo.co (2013) explained that there are eight sectors that pollute the environment, and it is dominated by manufacturing companies. The Ministry of Environment and Forestry (KLHK) highlights the manufacturing sector in environmental management. Sigit Reliantoro as Secretary of the Directorate

General of Pollution Control and Environmental Damage (KLHK) said of the 2,045 manufacturing companies that registered to be assessed for environmental compliance aspects and only 83 companies were eligible to receive green PROPER. If examined further, there are only 23 manufacturing companies in the green category and one company in the gold category. This number is a small number besides the small innovation of the manufacturing industry in managing the environment.

According to previous research, environmental accounting disclosure has a significant effect on firm value (Aristha, 2017: 186). In another study, it was explained that environmental accounting disclosure has an effect and is significant to firm value (Ethika et al, 2019: 131).

Based on the phenomena that have been stated above and the results of several previous studies that show mixed and inconsistent results. Therefore, further research will be conducted on the relationship between environmental accounting disclosure and firm value in manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) in 2017-2020.

LITERATURE REVIEW

Environmental Accounting

Disclosure of environmental costs can provide information related to the distribution of environmental costs that are useful for improving and controlling environmental performance. Disclosure of environmental costs is said to be good if it provides cost information based on the type of activity. If environmental cost reporting is separated by type of activity, the company will easily identify the costs that have been incurred from each type of activity (Ridwan, 2020). The activities include:

1. Environmental prevention costs, namely costs related to the prevention of waste or waste.
2. Environmental detection costs, namely costs related to activities carried out to determine that products, processes, and other activities in the company are in accordance with established environmental standards.
3. Environmental internal failure costs are costs for activities undertaken due to the production of waste and garbage, but not discharged to the external environment.
4. Environmental external failure costs are costs for activities performed after releasing waste or garbage into the environment.

The purpose of environmental accounting is to provide relevant environmental cost information to those who need it. In addition, the disclosure of environmental accounting can help entities in setting strategies to respond to environmental issues and provide a positive image in order to meet the increasing demands of external parties (investors etc.).

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The functions and roles of environmental accounting are divided into two forms, namely internal functions and external functions (H. D. & Sarra, 2020):

1.Internal Function

Internal functions are functions related to the company's own internal parties. Internal parties are parties who organize businesses, such as consumers and production households and other services. The actor and the dominant factor in this function is the company leader. Because the head of the company is the responsible factor in every decision-making and determination of every internal company policy. Internal functions make it possible to manage environmental conservation costs and analyze the costs of environmental conservation activities that are effective and efficient and in accordance with decision making. In this internal function, environmental accounting is expected to function as a business management tool that can be used by managers when dealing with business units.

2. External Function

The external function is a function related to the financial reporting aspect. In this function, an important factor that needs to be considered by the company is the disclosure of the results of environmental conservation activities in the form of accounting data. The information disclosed is the quantitatively measured results of environmental conservation activities. This includes information about a company's economic resources, claims to those resources and the effects of transactions events and conditions that change economic resources and claims to those resources.

The external function authorizes the company to influence the decision-making of stakeholders, such as customers, business partners, investors, residents and administration. Therefore, the company must provide information on how the company's management is accountable to the owners for the use of economic resources entrusted to it.

The success of environmental accounting depends not only on the accuracy of classifying all costs made by the company. However, the ability and accuracy of the company's accounting data in reducing the environmental impact of the company's activities.

Company Value

Obtaining maximum profit using existing resources is the short-term goal of a company, while the long-term goal of the company is to maximize the company's value (A. & Chess, 2021). Firm value is also considered the market value of the company's outstanding debt and equity securities. Firm value is considered important because the higher the firm value, the higher the welfare of shareholders (A. & Chess, 2021).

Company value can be analyzed with seven measurements, namely as follows (M. & Ethika, 2020):

1. Price to Book Value (PBV) is the ratio between the share price and the book value of the shares.
2. Market to Book Ratio (MBR) is the ratio between the stock market price and the book value of the shares.
3. Market to Book Asset Ratio is the market's expectation of company growth by measuring the ratio of the market value of assets to the book value of assets.
4. Market Value of Equity (MVE) is calculated by summing the outstanding shares and then multiplying it by the price per share.
5. Enterprise Value (EV) is calculated by the value of market capitalization plus total liabilities plus minority interest and preferred shares and then deducting total cash and cash equivalents.
6. Price Earnings Ratio (PER) is the price offered by the buyer to the company to be sold. PER is calculated by dividing the price per share and earnings per share (EPS).
7. Tobin's Q is a comparison between the market value of a company and the replacement value of the company's assets.

In this study, the proxy used to measure firm value is Tobin's Q. Tobin's Q ratio is used to compare the market value to the replacement value of the company's assets. Performance measurement using Tobin's Q not only provides an overview of the fundamental aspects, but also the extent to which the market assesses the company from various aspects seen by outsiders including investors.

According to the concept, the Tobin's Q ratio is superior to the market value to book value ratio because it focuses on how much the company is currently worth relative to how much it would cost to replace it today. Here is the calculation formula:

$$Tobin's\ Q = \frac{MVE + Debt}{Total\ Asset}$$

Description:

MVE: Stock Price x number of shares outstanding
Debt: Book value of total debt (short-term debt + long-term debt)
Total Asset: Book value of total assets

Research Hypothesis

The hypothesis proposed is a temporary conjecture by the author that needs to be proven correct in the theory. The hypotheses of this study include:

H0: Environmental Accounting Disclosure has a negative effect on Firm Value

Ha: Environmental Accounting Disclosure has a positive effect on Firm Value

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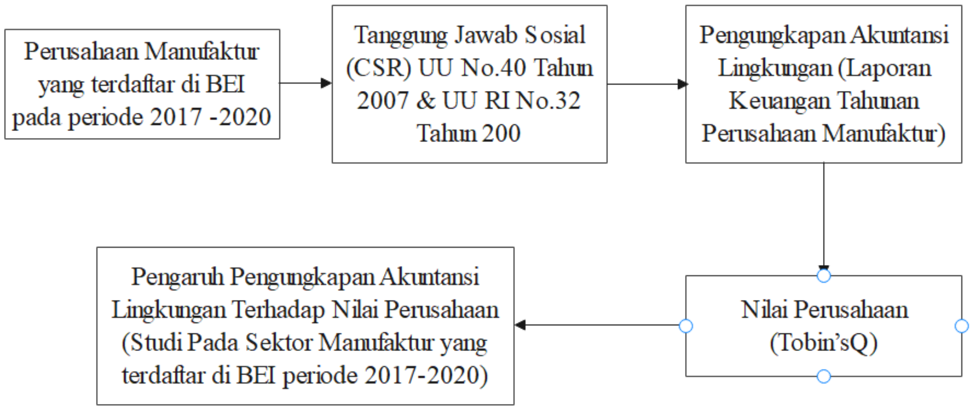

Figure 2 Theoretical framework

RESEARCH METHOD

Data and Data Sources

In this study, researchers used quantitative methods. Quantitative method is a research method used to examine certain populations or samples, and data collection is statistical with the aim of testing predetermined hypotheses (Sugiyono, 2007: 5). Quantitative approaches are used by researchers to assess and analyze data in the form of numbers using statistical analysis.

Population and Sampling Techniques

The population used in this study are all manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the 2017-2020 period, totaling 208 companies. From this population, several samples were taken to be studied.

Sampling in this study using purposive sampling technique, which means that the sample is taken by determining certain criteria by taking into account the considerations made by the researcher related to the research being conducted. The criteria used as a method of determining the sample in this study include:

1. Manufacturing companies have gone public or listed on the Indonesia Stock Exchange in the 2017-2020 period.
2. Manufacturing companies that publish audited annual financial reports on the company's website or the IDX website during the 2017-2020 period.
3. Companies that are registered as PROPER participants during the 2017-2020 period.
4. Companies that have complete data in accordance with the variables used in the study.

Based on the criteria that have been determined above, the authors conclude the number of samples to be studied as follows:

Table 1 Sample Criteria

No.	Criteria	Total
1.	Manufacturing companies have gone public or are listed on the Indonesia Stock Exchange in the 2017-2020 period.	208
2.	Manufacturing companies that publish audited annual audited annual financial statements on the company's website or the IDX website during the 2017-2020 period.	113
3.	Manufacturing companies that are registered as participants PROPER during the 2017-2020 period.	44
4.	Companies that have complete data in accordance with variables used in the study.	1
Sample Total		43

Source: Observation results from the IDX website and each company's website (June, 2022)

Based on these criteria and requirements, the researchers determined the number of samples taken in this study as many as 43 companies in the manufacturing sector listed on the Indonesia Stock Exchange (IDX). From the number of manufacturing companies, the following details are obtained:

Table 2 Sample Details of Manufacturing Companies

No.	Company Code	Company Name
1.	AMFG	Asahimas Flat Glass Tbk
2.	ARNA	Arwana Citramulia Tbk
3.	ASII	Astra International Tbk
4.	AUTO	Astra Otoparts Tbk
5.	BELL	Trisula Textile Industries Tbk IPO 3 Oktober 2017
6.	BOLT	Garuda Metalindo Tbk
7.	CAMP	Campina Ice Cream Industry Tbk IPO 19 Desember 2017
8.	CEKA	Cahaya Kalbar Tbk
9.	CPIN	Charoen Pokphand Indonesia Tbk
10.	CTBN	Citra Tubindo Tbk
11.	DLTA	Delta Djakarta Tbk
12.	FPNI	Lotte Chemical Titan Tbk
13.	GDST	Gunawan Dianjaya Steel Tbk
14.	GGRM	Gudang Garam Tbk
15.	HMSP	Hanjaya Mandala Sampoerna Tbk
16.	ICBP	Indofood CBP Sukses Makmur Tbk

17.	INDS	Indospring Tbk
18.	INKP	Indah Kiat Pulp & Paper Tbk
19.	INRU	Toba Pulp Lestari Tbk
20.	INTP	Indocement Tunggal Prakasa Tbk
21.	JPFA	Japfa Comfeed Indonesia Tbk
22.	KAEF	Kimia Farma Tbk
23.	KBLF	Kalbe Farma Tbk
24.	KBLI	KMI Wire & Cable Tbk
25.	KIAS	Keramika Indonesia Assosiasi Tbk
26.	KINO	Kino Indonesia Tbk
27.	KRAS	Krakatau Steel (Persero) Tbk
28.	MAIN	Malindo Feedmill Tbk
29.	MERK	Merck Indonesia Tbk
30.	MLBI	Multi Bintang Indonesia Tbk
31.	MRAT	Mustika Ratu Tbk
32.	MYOR	Mayora Indah Tbk
33.	NIKL	Pelat Timah Nusantara Tbk
34.	PSTN	Sat Nusapersada Tbk
35.	SMBR	Semen Baturaja Tbk
36.	SMGR	Semen Indonesia (Persero) Tbk
37.	SPMA	Suparma Tbk
38.	TFCO	Tifico Fiber Indonesia Tbk
39.	TIRT	Tirta Mahakam Resources Tbk
40.	TPIA	Chandra Asri Petrochemical
41.	ULTJ	Ultra Jaya Milk Industry and Trading Company Tbk
42.	UNVR	Unilever Indonesia Tbk
43.	VOKS	Voksel Electric Tbk

Source: Data processed by the author (June, 2022)

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Data Analysis Technique

The data used in this study is quantitative data which is analyzed using a statistical test tool in the form of SPSS. Statistical testing is carried out to test the hypothesis of descriptive research and provide a description of the variables in the study. Descriptive statistics aim to describe data into clearer information so that it is easy to understand. In this study, researchers will describe the effect of environmental accounting disclosure on firm value conditions in manufacturing sector companies listed on the Indonesia Stock Exchange (IDX).

Simple Linear Regression Analysis

Simple linear regression analysis is used to predict future demand based on past data or to determine the effect of one independent variable on one dependent variable in this study.

The simple linear regression formula is:

$$Y = \mathrm{a} + \beta 1 X1 + e$$

Noted:
Y = Dependent Variable (Company Value)
A = Constant
β1 = Regression coefficient for
X1, = Free Variable
e = Standard error

The meaning of the β coefficient is that if the β value is positive (+), then there is a unidirectional relationship between the independent variable and the dependent variable. In other words, an increase or decrease in the magnitude of the independent variable will be followed by an increase or decrease in the magnitude of the dependent variable.

Hypothesis Test

Hypothesis testing aims to determine whether there is a significant influence between the independent variable and the dependent variable. Hypothesis testing in this study uses partial testing with the T test.

Partial Testing (t test)

In this study, the t test was conducted to determine the significance of the partial role between the independent variable and the dependent variable by assuming that the other independent variables are considered constant. The t test shows how far the influence of the independent variable partially on the dependent variable is so that a conclusion can be drawn whether Ho is rejected or Ha is accepted from the hypothesis that has been formulated. The t test can be formulated as follows:

$$t = \frac{n-2}{1-r^2}$$

Noted:

t = The t test value
r = Correlation coefficient
r2 = Coefficient of determination
n = Number of samples observed

The next stage is to compare the calculated t-value with the t-table value with a significance level of 0.05 so that a hypothesis is obtained with conditions:

If the significance value ≥ the real level (0.05), then Ho is accepted, and Ha is rejected.

If the significance value is ≤ the real level (0.05), then Ho is rejected, and Ha is accepted.

Coefficient of Determination

The coefficient of determination (R^2) shows the percentage of influence of all independent variables on the dependent variable both partially and simultaneously. The coefficient of determination can be formulated as follows:

$$Kd = R^2 \ x \ 100\%$$

The coefficient of determination (Kd) is the square of the correlation coefficient as a measure to determine the magnitude of the influence of the independent variable, namely the effect of environmental accounting disclosure on firm value expressed on a ratio scale. A small Kd value indicates that the ability of the independent variables to explain the dependent variable is very limited.

RESULT AND DISCUSSION

Descriptive Statistical Test

Descriptive statistical analysis is carried out to provide an overview of the sample data used. This analysis produces the minimum value, maximum value, average value, and standard deviation. Descriptive statistical analysis in this study was calculated using the IBM SPSS 25 application.

Previously it was concluded that there were 43 companies for 4 years that could be sampled so that 160 observations were obtained. After adjusting and removing samples that have extreme data, the sample that can be used in this study is 143 observations.

The results of the descriptive statistical test in the table show that the maximum value of environmental accounting disclosure in the manufacturing sector is 3.4904. With a minimum value of 2.0384 and an average value (mean) of 2.4613. The environmental accounting disclosure variable has a standard deviation of 0.30556. These results indicate that the value of the independent variable, namely environmental accounting disclosure, is smaller than the standard deviation, which means that the data used does not vary or the data is not grouped.

Furthermore, the results of the descriptive statistical test for the dependent variable, namely the company value, the results of the descriptive statistical test show that the maximum value is 4.31875 with a minimum value of 2.67063. The company value has a standard deviation of 1.31182 with an average value (mean) of 0.0000. These results indicate that the average value is smaller than the standard deviation, which means that the data used varies or the data is not grouped.

Simple Regression Analysis

Regression analysis aims to test the linear effect between independent variables on the dependent variable. The regression analysis used in this study is a simple regression analysis. This analysis is needed to determine the direction of influence between the independent variable and the dependent variable whether the independent variable has a positive or negative effect and to predict the value of the dependent variable if the value of the independent variable increases or decreases.

From the table of multiple regression test results above, the regression equation can be drawn as follows:

NP = 1.397 + 1.665 PAL + e

Based on the regression equation above, it can be concluded that the constant value obtained by the environmental accounting disclosure variable is 1.397 units and the coefficient is positive. Where it means that if the environmental accounting disclosure variable is 0, then the value of the dependent variable, namely firm value, is 1.397.

Furthermore, when viewed partially, the regression coefficient value of the environmental accounting disclosure variable is 1.665 units, the coefficient is positive. This means that if there is an increase in the value of the environmental accounting disclosure variable by one unit, the company value will increase by 1.665 units.

Research Hypothesis Testing Results

This study aims to examine the effect of environmental accounting disclosure and environmental performance on the value of a company in the manufacturing sector listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period.

Results of Determination Coefficient Test

The coefficient of determination (R2) test is used to determine how far the model's ability to explain variations in the dependent variable. The greater the coefficient of determination, the greater the ability of the independent variable to explain the dependent variable. In this study, the coefficient of determination analysis is used to explain the percentage of environmental accounting disclosure variables and environmental performance on firm value. The coefficient of determination is indicated by the adjusted R square value of the regression model.

Based on the results of the coefficient of determination above, the Adjusted R Square number is 0.77476 or 77.48%. This shows that the percentage of environmental accounting disclosure variables on firm value is 77.48%. While the remaining 22.52% is explained by other variables outside this study. According to Ni Komang et al (2021: 182) in their research, there are four factors that affect firm value starting from Investment Opportunity Set, Good Corporate Governance (GCG), Corporate Social Responsibility (CSR) and Suistainability Report.

Partial Significance Test (T Test)

The T test aims to test how the influence of each independent variable on the dependent variable. Testing is done using a significance level of 0.05 (alpha = 5%). Rejection or acceptance of the hypothesis is done with the criteria, namely:

a. If tcount < ttable and significance> 0.05 then the hypothesis is rejected or the regression coefficient is not significant, which means that partially the independent variable has no significant effect on the dependent variable.

b. Conversely, if tcount> ttable and significance <0.05, the hypothesis is accepted or the regression coefficient is significant, which means that partially the independent variable has a significant effect on the dependent variable.

DISCUSSION

The Effect of Environmental Accounting Disclosure on Firm Value

From the test results above, it is stated that environmental accounting disclosure has a positive and significant effect on firm value. The results of this study are supported by the significance value of the environmental accounting disclosure variable of 0.016 where the value is greater than 0.05. This proves that the environmental accounting disclosure variable affects the firm value variable. In addition, the effect of environmental accounting disclosure on firm value is positive. This is known from the results of multiple regression analysis where the regression coefficient value of the environmental accounting disclosure variable is 1.665 units. Then, it is again reinforced by the results of the t test which shows that the t value on the environmental accounting disclosure variable is 2.435, where the value is greater than the t table value of 2.017.

The significant effect of environmental accounting disclosure on firm value occurs because investors begin to pay attention to the costs allocated by the company related to environmental prevention and improvement activities. Although the disclosure of environmental accounting is still voluntary, the information provided will cause a positive assessment from both investors and the surrounding community. If the information disclosed is good, there will be a positive image that can increase the company's value and have an impact on the company's profitability.

The results of this study are also in line with legitimacy theory, that environmental accounting disclosure can have a positive impact on the company, one of which is an increase in company value. This theory explains the behavior of companies or organizations in implementing and developing voluntary disclosure of social and environmental information to external parties, namely investors and the public. Environmental accounting disclosure through sustainability reports is a means to describe its social and environmental responsibilities in order to gain acceptance from the public or investors which in turn can increase company value and also have an impact on company profitability.

Empirical facts that can be used as support for the results of the above research that environmental accounting disclosure has a significant effect on firm value are shown by PT Multi Bintang Indonesia Tbk, which is ranked first in disclosing environmental accounting. Where in the annual report of PT Multi Bintang Indonesia Tbk, various corporate social responsibility (CSR) programs of the company are presented in preserving the environment. In addition, PT Multi Bintang Indonesia Tbk has routinely presented a sustainability report every year. The disclosure of voluntary environmental responsibility carried out by PT Multi Bintang Indonesia Tbk has a good impact on the company. This is indicated by the highest company value score achieved by PT Multi Bintang Indonesia Tbk in this study.

The results of this study support research conducted by Aristha (2017) which states that environmental accounting disclosure has a significant effect on firm value. Research conducted by Ethika et al (2019) also states the same thing that environmental accounting disclosure has a significant effect on firm value. These results are also in line with the research of Rico et al (2021) and Nurmiswar & Nurlaeli (2022) which state that firm value is influenced by environmental accounting disclosures. In addition, Francis & Madeleen (2020) strengthen the research results by stating that community recognition through environmental activities has a positive impact on the company's image in the community. Thus, the implementation of environmental performance by utilizing environmental disclosures will increase investor confidence and company value in tandem.

Meanwhile, the results of this study do not support the results of research conducted by Livia & Ethika (2021) which state that environmental accounting disclosure has a significant negative effect on firm value. Fraditha et al (2021) also do not support the results of this study because voluntary reporting is often used as a cliché for companies not to disclose environmental accounting.

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CONCLUSION

Environmental accounting disclosure has a significant effect on the value of manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2020 period. This is because although environmental accounting disclosure is still voluntary, most companies in the manufacturing sector have disclosed it in their annual reports. Companies in the manufacturing sector have understood that comprehensive environmental accounting disclosure information is needed for investors to see whether the company has done and allocated its funds for environmental prevention because the cost of repair will be greater than the cost of prevention and will also have an impact on the continuity of the company's business / operations.

Research Contribution

The results of this study are expected to be useful for several parties, namely:

1. Academics, it is hoped that this research can provide an understanding of environmental accounting, especially the effect of its disclosure on firm value.
2. Companies, it is hoped that this research can be used as a source of information regarding the importance of environmental responsibility that can be presented when starting to focus on environmental accounting to become a strategy for companies to increase their company value.
3. The author, to provide understanding and add insight into environmental accounting and its effect on firm value.
4. Government or other parties who have comparable authority, this research can be used as a source of information considering that there is no clear policy in regulating the implementation of environmental accounting disclosures in Indonesia.

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