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# THE INFLUENCE OF GREEN ACCOUNTING AND PROFITABILITY ON THE FIRM VALUE OF THE COAL INDUSTRY IN 2019-2023

**Dewi Sri Rahayu[1*], Achmad Wicaksono[2], Kafidin Muzakki[3], Dian Fahriani[4]**
Universitas Nahdlatul Ulama Sidoarjo
32421034.mhs@unusida.ac.id[1*], wicaksono405.akn@unusida.ac.id[2],
kafidinmuzakki.akn@unusida.ac.id[3], dianfahriani.akn@unusida.ac.id[4]

***ABSTRACT***

*The study aims to analyze the impact of green accounting implementation and profitability levels on the firm value of coal industry companies listed on the Indonesia Stock Exchange (BEI) from 2019 to 2023. Green accounting reflects a company's transparency in disclosing environmental-related costs, while profitability provides insights into its ability to generate profits. This research adopts a quantitative approach using descriptive methods and multiple linear regression analysis to evaluate the relationships between variables. The sample consists of 15 companies selected based on specific criteria. The findings indicate that the implementation of green accounting significantly affects firm value, as companies with more transparent environmental reporting tend to have higher valuations. Furthermore, profitability plays a crucial role in enhancing firm value, suggesting that companies with stable earnings are more attractive to investors. Overall, these two factors simultaneously influence firm value, although other variables also contribute. These findings highlight the importance of implementing green accounting as part of a sustainability strategy and improving profitability to strengthen a company's competitiveness in the capital market.*

***Keywords: Green accounting; Profitability; Firm Value; Coal Industry; Indonesia Stock Exchange***

## INTRODUCTION

Publicly traded companies bear greater and more intricate responsibilities compared to those that have not yet entered the stock market. They must consider the interests of many stakeholders, including the government, workers, local communities, and society at large, in addition to meeting the expectations of shareholders as publicly listed companies. One crucial factor determining the sustainability of public companies is firm value. According to Ningrum (2022), firm value signifies a company's total economic worth and reflects the market's perception of its overall standing. More comprehensively, firm value demonstrates the market's evaluation of a company's capability to generate long-term value through effective operations, strong management, and potential growth opportunities. For investors, firm value is a crucial consideration, as it offers insights into a company's attractiveness as a long-term investment.

One of the key sectors attracting significant investor attention on the IDX is the mining industry, particularly the coal sector. In 2023, the mineral and coal sector played a major role

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in Indonesia's economy, contributing IDR 2,198 trillion or approximately 10.5% of the total national GDP, which reached IDR 20,892 trillion. The coal industry's substantial contribution to Indonesia's economy, particularly through exports as a source of foreign exchange, makes it a strategic sector. Indonesia is among the countries with the largest coal reserves and production in the world. According to data from the Geological Agency of the Ministry of ESDM in 2020, Indonesia had a total coal resource of 143.73 billion tonnes, with 38.80 billion tonnes identified as reserves. Although this represents only about 3.7% of global reserves, Indonesia contributed 9.0% to global coal production in 2019. This industry not only serves as a key revenue source for the country but also plays an essential role in exporting strategic commodities. However, companies in this sector face challenges such as volatile commodity prices in the global market and increasingly stringent environmental regulations. Nevertheless, the high global demand for coal, particularly for energy and industrial needs, continues to make this sector attractive to investors (Pahlevi et al., 2024).

However, the significant economic contribution of the coal industry often comes at a high cost with substantial environmental impacts. The process of coal mining can cause environmental damage, such as deforestation, water pollution, and increased greenhouse gas emissions (Rahma et al., 2022). The pressure to shift from the use of fossil fuels to more environmentally friendly resources is also exerted by the international community on this sector. Although Indonesia still relies on coal as its main energy source, particularly in the power generation sector, there is increasing pressure to reduce the negative impact on the environment (Pahlevi et al., 2024). The coal business in this situation faces a dilemma between maintaining profitability and complying with strict environmental regulations because they must weigh the financial benefits and the environmental impact of their activities.

Amidst these issues, the concept of green accounting is becoming increasingly relevant. Green accounting is an approach in accounting that not only focuses on asset management and financial transactions but also encompasses aspects of corporate social and environmental responsibility. This approach aims to integrate business, economic, and development systems with community and state life. Green accounting specifically emphasizes the social and environmental aspects surrounding companies, making it an essential tool for supporting sustainability (Almunawwaroh et al., 2022).

In the context of coal companies, implementing green accounting can serve to demonstrate corporate commitment to environmental sustainability. Businesses can record various environmental costs by using green accounting techniques, such as investments in eco-friendly technology, pollution control expenditures, and land rehabilitation costs following mining operations. This implementation reflects compliance with regulations and contributes to enhancing the company's public image and reputation among shareholders, ultimately increasing firm value. Furthermore, companies that prioritize environmental responsibility are more likely to gain access to green financing, which is increasingly prominent in the capital market (Ningsih, 2024).

However, research on the influence of green accounting on firm value has yielded inconsistent results. Yuliani & Prijanto (2022) state that green accounting implementation influences firm value because it reflects corporate environmental awareness, as disclosed in environmental cost reports. Conversely, Hutabarat (2024) discovered that the implementation of green accounting has no significant impact on firm value, suggesting that incorporating environmental costs into financial reports does not necessarily influence investors' perceptions of a company's worth.

Apart from environmental factors, profitability is also a crucial determinant of firm value. Profitability measures the extent to which management can generate returns from investments (Lestari & Wicaksono, 2023). In the coal industry, profitability is significantly influenced by operational efficiency, cost management, and fluctuations in global coal prices. When commodity prices rise, companies tend to increase profit margins and profitability, strengthening financial stability and firm value. High profitability levels are often a key metric for investors in assessing the viability of investment in this sector (Indriani & Anwar, 2022).

Similar to green accounting, studies examining the relationship between profitability and firm value have produced mixed results. Sari & Dewi (2023) reported that profitability positively and significantly influences firm value, indicating that strong profitability enhances firm value by showcasing a company's ability to generate sustainable earnings. In contrast, Malik et al. (2023) found no direct impact of profitability on firm value, with some findings even suggesting a negative correlation. This implies that within the mining sector, high profitability does not always act as the key determinant of firm value.

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The inconsistent results of earlier studies on the connection between green accounting, profitability, and business value highlight the need for more investigation, especially in sectors with unique features like coal. Taking these things into consideration, this study aims to investigate how profitability and green accounting affect the firm value of publicly listed coal businesses from 2019 to 2023. This research is expected to offer a more comprehensive understanding of how environmental factors and profitability influence firm value in a sector with substantial environmental consequences. Additionally, the findings are anticipated to enrich the existing literature on environmental accounting and financial management while providing recommendations for coal mining companies to adopt sustainable business practices aimed at enhancing firm value.

## LITERATURE REVIEW

### *Legitimacy Theory*

According to legitimacy theory, companies need to ensure that their operations conform to societal values, norms, and expectations to secure social acceptance and support (Nurhidayat et al., 2020). In the coal mining industry, social legitimacy is crucial as this sector often faces pressure due to its environmental impact. One way for companies to maintain legitimacy is by implementing green accounting, which allows them to record and report the environmental consequences of their operational activities. By ensuring transparency, companies can showcase their dedication to environmental sustainability and fulfill stakeholder expectations, which in turn enhances their social legitimacy and strengthens their corporate reputation (Asmeri et al., 2017).

Moreover, legitimacy theory plays a crucial role in explaining the connection between profitability and firm value. Companies that maintain profitability while adopting environmentally friendly policies are more likely to gain public and investor support, ultimately enhancing their market value (Permatasari et al., 2019). In other words, the implementation of green accounting is not only a compliance strategy but also an instrument for building public trust, reinforcing corporate image, and ensuring long-term business sustainability (Saputra & Murwaningsari, 2021).

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***Stakeholder Theory***

According to stakeholder theory, companies have obligations to multiple parties with an interest in their operations, extending beyond just shareholders (Putri et al., 2023). In the coal mining industry, stakeholder relationships are crucial, as this sector faces high demands regarding social and environmental responsibility. According to Freeman et al. (2021), stakeholders refer to individuals or groups that can impact or be impacted by a company's achievement of its objectives. Stakeholder interests must thus be considered by firms when making choices, particularly those pertaining to the implementation of green accounting. By using green accounting, businesses can make sure that the environmental effects of their operations are transparently disclosed, which builds stakeholder trust and supports long-term operational sustainability (Tuti & Sisdianto, 2024).

Furthermore, stakeholder theory plays a crucial role in explaining the connection between profitability and firm value. When companies actively address social and environmental concerns, they tend to gain greater stakeholder support, which can reduce reputational risks and enhance long-term profitability (Pradesa & Agustina, 2020). Support from stakeholders is crucial to achieving business sustainability, particularly in the mining sector, which has a significant environmental effect. Businesses may preserve their social legitimacy and raise their perceived worth among investors and shareholders by implementing green accounting, which promotes transparency and meets stakeholder expectations (Sitohang & Suhendro, 2024).

***Green Accounting***

Green accounting is an accounting framework that goes beyond traditional financial reporting by incorporating corporate social and environmental responsibilities. This approach aims to align business activities with both economic and environmental sustainability, enabling companies to improve transparency in disclosing the ecological impact of their operations (Almunawwaroh et al., 2022). According to Lako (2018), green accounting involves a comprehensive process of identifying, measuring, recording, reporting, and managing financial, social, and environmental transactions. By adopting green accounting practices, companies can assess and regulate the costs and benefits related to their environmental impact, ensuring that business decisions not only drive financial performance but also contribute to sustainable environmental management (Deswanto, 2022). Furthermore, green accounting

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plays a strategic role in enhancing corporate transparency on environmental issues. Its implementation allows companies to be more accountable to stakeholders by providing relevant, reliable, easily understandable, comparable, and verifiable information (Karlina, 2022).

***Profitability***

Profitability serves as a crucial measure of a company's financial performance, indicating its capacity to generate earnings from its operational activities and available resources (Setiawan, 2022). Profitability not only measures the effectiveness of asset and equity management but also serves as an evaluation tool for assessing management’s effectiveness in achieving established financial targets (Fitriana, 2024). Furthermore, investors use profitability ratios to evaluate a company's competitiveness and long-term viability in the sector since they provide insightful information about possible investment returns (Jirwanto et al., 2024).

***Firm Value***

Firm value serves as a key measure in evaluating a company's performance, as it is reflected in the stock price within the capital market (Mayangsari, 2018). This stock price is influenced by the supply and demand mechanism, which reflects investors' perceptions of the company’s future potential. A high firm value signifies strong company fundamentals and investor confidence, ultimately contributing to increased shareholder wealth (Ningrum, 2022). Additionally, available investment opportunities also influence firm value, as rising stock prices reflect market expectations regarding the company’s growth and profitability in the future (Irnawati, 2021).

## RESEARCH HYPOTHESIS

Green accounting is an accounting method that integrates environmental factors into corporate financial reporting. Within the coal mining industry, the adoption of green accounting demonstrates a company's dedication to sustainability and environmental accountability, which may ultimately contribute to increasing its value in the capital market (Ningrum, 2022). The adoption of green accounting allows companies to be more transparent in disclosing environmental costs incurred, thereby increasing investor and stakeholder confidence in the company (Irnawati, 2021). Effective management of environmental aspects through green accounting enhances the potential for an increase in firm value within the capital market.

Profitability plays a vital role in assessing a company's financial performance. A high profitability level signifies the firm's capability to efficiently allocate its resources to generate earnings (Setiawan, 2022). Profitability ratios serve as essential metrics for evaluating management's effectiveness in utilizing assets and equity (Jirwanto et al., 2024). Furthermore, strong profitability can attract a larger pool of investors, contribute to stock price growth, and ultimately elevate the firm's overall market value (Fitriana, 2024).

Accordingly, this study formulates the following hypotheses:

H1: Green accounting has a significant impact on the firm value of the coal mining industry from 2019 to 2023.

H2: Profitability has a significant impact on the firm value of the coal mining industry from 2019 to 2023.

H3: Green accounting and profitability collectively have a significant impact on the firm value of the coal mining industry from 2019 to 2023.

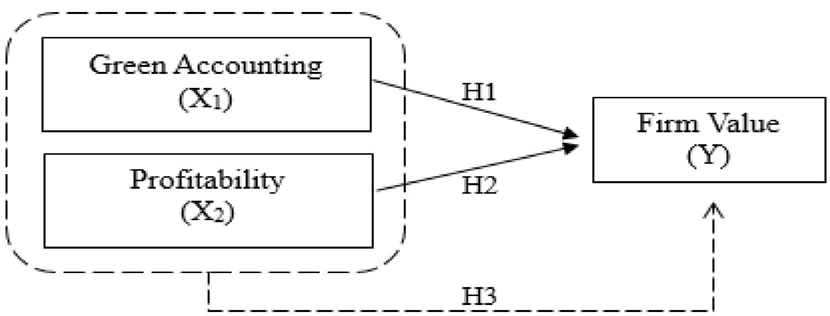


**Figure 1.** Conceptual Framework

## RESEARCH METHODS

This research utilizes a quantitative method with a descriptive approach to examine the relationship between green accounting, profitability, and firm value. The study relies on secondary data obtained from the financial and annual reports of coal mining companies listed on the Indonesia Stock Exchange (IDX) for the 2019–2023 period. The quantitative method enables a systematic analysis of causal relationships between variables using numerical data and statistical techniques, while the descriptive approach is used to provide an in-depth depiction of the phenomenon, ensuring that the research findings accurately reflect actual

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conditions. This study considers a population of 34 coal mining companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2023. The sample is determined using a purposive sampling technique based on specific criteria:

1. Coal mining companies listed as issuers on the IDX from 2019 to 2023.
2. Companies that consistently publish financial and annual reports throughout the study period.
3. Companies that participate in the Corporate Performance Rating Program (PROPER) or mention their participation in this program in their annual reports during the study period.

Based on these criteria, the final research sample comprises 15 companies. Given that the study spans five years, the total data processed in this research amounts to 75 observations.

Green accounting is evaluated through the PROPER system established by the Ministry of Environment and Forestry, which categorizes corporate environmental performance into five color-coded levels. The Gold category is awarded to companies that demonstrate excellence in sustainable practices, while the Green category is given to those that comply with regulations and go beyond the required standards. The Blue category indicates standard regulatory compliance, whereas the Red category represents partial non-compliance. Lastly, the Black category is assigned to companies that have committed serious violations resulting in pollution or environmental damage (Muljono & Dyna Rachmawati, 2024).

The Return on Equity (ROE) indicator is used to measure profitability. This ratio reflects the effectiveness of managing equity capital and serves as a measure of profitability on shareholder investment (Fahriani, 2020). ROE is calculated using the formula:

$$Rasio\ \mathrm{ROE} = \frac{\text{Net Income after Tax}}{\text{Equity}} \times 100\%$$

To determine if a stock is worth more or less than the company's book value, one might use the price-to-book (PBV) ratio. Increased market confidence in the company's potential for expansion and profitability is reflected in a growing PBV ratio (Istiqomah & Winarsih, 2024). PBV is calculated using the formula:

$$Rasio\ PBV = \frac{Price\ of\ Stock}{Book\ Value\ per\ Share}$$

## RESULTS OF RESEARCH AND DISCUSSION

### Descriptive Statistical Analysis

**Table 1 Descriptive Statistics**

| | N | Min | Max | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Green Accounting | 75 | 1,00 | 3,00 | 2,1867 | ,74785 |
| Profitability | 75 | ,00 | ,80 | ,2411 | ,19995 |
| Nilai Perusahaan | 75 | ,47 | 4,24 | 1,6640 | ,98639 |
| Valid N | 75 | | | | |

Source: Researcher Data Processing Results (2025)

Descriptive statistical analysis shows an overview of the research data. Based on the SPSS data processing results, Green Accounting has a minimum value of 1.00, a maximum value of 3.00, with an average of 2.1867 and a standard deviation of 0.74785. Meanwhile, Profitability has a minimum value of 0.00, a maximum value of 0.80, an average of 0.2411, and a standard deviation of 0.19995. The Company Value has a minimum value of 0.47, a maximum value of 4.24, an average of 1.6640, and a standard deviation of 0.98639. The relatively small standard deviation indicates that the data does not spread too far from the average.

### *Normality Test*

**Table 2 Normality Test**

| One Sample Kolmogorov Smirnov Test | | |
|---|---|---|
| | | Unstandardized Residual |
| N | | 75 |
| Normal Parameters[a,b] | Mean | ,0000000 |
| | Std. Deviation | ,21739456 |
| Most Extreme Difference | Absolute | ,065 |
| | Positive | ,060 |
| | Negative | -,065 |
| Test Statistic | | ,065 |
| Asymp. Sig. (2-tailed) | | ,200[c,d] |

Source: Researcher Data Processing Results (2025)

The results of the normality test using the Kolmogorov-Smirnov Test showed a significance value of 0.200, which is greater than 0.05, thus it can be concluded that the data is normally distributed. Thus, the normality assumption in the statistical analysis is met, allowing the model used to provide valid and accountable results.

***Multicollinearity Test***

**Table 3 Multicollinearity Test**

| Coefficients[a] | | |
|---|---|---|
| | Collinearity Statistics | |
| Model | Tolerance | VIF |
| Green Accounting | ,997 | 1,003 |
| Profitability | ,997 | 1,003 |

Source: Researcher Data Processing Results (2025)

The multicollinearity test shows that the tolerance value for Green Accounting is 0.997 with a VIF of 1.003, and the tolerance value for Profitability is also 0.997 with a VIF of 1.003. Because the tolerance value is greater than 0.1 and the VIF is less than 10, there is no multicollinearity in the regression model. Thus, the regression model used in this research meets the classical assumptions and can be relied upon to interpret the relationship between variables.

***Heteroscedasticity Test***

**Table 4 Heteroscedasticity Test**

| Coefficients[a] | |
|---|---|
| Model | Sig. |
| (Constant) | ,415 |
| Green Accounting | ,062 |
| Profitability | ,294 |
| ABRESID | |

Source: Researcher Data Processing Results (2025)

The heteroscedasticity test using the Glejser test shows that the significance value of Green Accounting is 0.062 and Profitability is 0.294, both of which are greater than 0.05, thus it can be concluded that there is no heteroscedasticity in this regression model. In other words, the variance of the residuals in this research is distributed homogeneously, so the regression model used meets the classical assumptions and can produce more accurate and reliable estimates.

***Autocorrelation Test***

**Table 5 Autocorrelation Test**

| Model Summary[b] | | | | |
|---|---|---|---|---|
| Model | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | ,250 | ,229 | ,22039 | 2,255 |

Source: Researcher Data Processing Results (2025)

The autocorrelation test using Durbin-Watson (DW) shows a DW value of 2.255 with a lower limit (du) of 1.6802 and an upper limit (4-du) of 2.3198. Because the DW value is between the two limits, there is no autocorrelation in the model. This indicates that there is no systematic relationship between the residuals in the model, so the autocorrelation assumption is met. Thus, the results of the regression analysis obtained can be trusted and used to interpret the relationship between variables more accurately.

***Multiple Linear Regression Analysis***

**Table 6 Multiple Linear Regression Analysis**

| Coefficients[a] | | | | | |
|---|---|---|---|---|---|
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | B | Std. Error | Beta | | |
| 1 (Constant) | ,017 | ,144 | | ,117 | ,907 |
| Green Accounting | ,211 | ,095 | ,227 | 2,221 | ,030 |
| Profitability | ,206 | ,46 | ,457 | 4,472 | ,000 |

Source: Researcher Data Processing Results (2025)

The results of multiple linear regression analysis produce a regression equation of Firm Value = 0.017 + 0.211 Green accounting + 0.206 Profitability + e. The constant of 0.017 indicates that if Green Accounting and Profitability are zero, then the Firm Value remains at 0.017. The Green Accounting regression coefficient of 0.211 means that every 1 unit increase in Green Accounting will increase the Firm Value by 0.211, assuming other variables remain constant. Meanwhile, the Profitability regression coefficient of 0.206 indicates that every 1 unit

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increase in Profitability will increase the Firm Value by 0.206.

**T-Test**

**Table 7 T-Test**

| Coefficients[a] | | | | | |
|---|---|---|---|---|---|
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | B | Std. Error | Beta | | |
| 1 (Constant) | ,017 | ,144 | | ,117 | ,907 |
| Green Accounting | ,211 | ,095 | ,227 | 2,221 | ,030 |
| Profitability | ,206 | ,46 | ,457 | 4,472 | ,000 |

Source: Researcher Data Processing Results (2025)

Hypothesis testing is conducted to test the effect of each independent variable on the dependent variable. The results of the T-test show that Green Accounting has a t-count value of 2.221 with a significance value of 0.030, while Profitability has a t-count value of 4.472 with a significance value of 0.000. Because the significance value of both variables is less than 0.05, it can be concluded that Green Accounting and Profitability have a significant effect on Company Value partially.

**F-Test**

**Table 8 F-Test**

| Anova[a] | | | | | |
|---|---|---|---|---|---|
| Model | Sum of Squares | df | Mean Square | F | Sig. |
| 1 Regression | 1,165 | 2 | ,582 | 11.988 | ,000[b] |
| Residual | 3,497 | 72 | ,049 | | |
| Total | 4,662 | 74 | | | |

Source: Researcher Data Processing Results (2025)

The F test is used to test the simultaneous influence of independent variables on the dependent variable, and the results show that the F-count value is 11.988 with a significance of 0.000. Because the significance value is less than 0.05, Green Accounting and Profitability simultaneously have a significant effect on Company Value.

***Coefficient of Determination ($R^2$) Test***

**Table 9 Coefficient of Determination ($R^2$) Test**

| Model Summary[b] | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | ,500 | ,250 | ,229 | ,22039 |

Source: Researcher Data Processing Results (2025)

The coefficient of determination ($R^2$) in this study is 0.229, which means that 22.9% of the variation in Company Value can be explained by the Green Accounting and Profitability variables, while the remaining 77.1% is explained by other variables outside this research model. Thus, it can be concluded that the regression model used has a good level of explanation. Overall, the results of this study indicate that the better the implementation of Green Accounting and the higher the Profitability of a company, the higher the Company Value in the coal industry.

## DISCUSSION

***The Influence of Green Accounting on Firm Value***

The results of hypothesis testing reveal a positive relationship between the implementation of green accounting and firm value. This indicates that green accounting significantly contributes to increasing a company's value. In other words, the more transparently and effectively a company applies green accounting, the higher the value it can attain and maintain.

This study highlights that the application of green accounting plays a significant role in enhancing firm value. Companies that implement green accounting practices and disclose environmental costs in their financial statements showcase their dedication to environmental sustainability (Ramadhan et al., 2023). This transparency helps build a positive corporate image and attracts various stakeholders, including investors. Some investors are more inclined to invest in companies that show a strong commitment to sustainability, as it reflects sound risk management and the potential for sustainable profitability in the future. Thus, ensuring transparency in green accounting reporting not only strengthens a company's public reputation but also increases shareholder trust, which in turn positively influences the company's stock value.

From the perspective of legitimacy theory, companies strive to gain public legitimacy to sustain and grow. However, in the context of the capital market, the legitimacy obtained from the public can also influence investor decisions. When a company is recognized as an environmentally responsible entity, it creates a positive perception among investors regarding the sustainability of the business. Modern investors, especially those who apply sustainable investing principles, tend to allocate their equity to companies with a strong reputation in Environmental, Social, and Governance (ESG) aspects. Consequently, green accounting not only helps build corporate legitimacy in the eyes of the public but also increases the company’s attractiveness to investors, thereby positively impacting stock value (Tino & Sudana, 2025).

The results of this study align with the findings of Fini & Astuti (2024) and Istiqomah & Winarsih (2024), which indicate that the application of Green Accounting significantly influences firm value.

***The Influence of Profitability on Firm Value***

The results of the hypothesis test reveal that profitability has a significant impact on firm value. This finding suggests that an increase in profitability leads to a corresponding rise in firm value, thereby supporting the proposed hypothesis.

This research emphasizes that profitability is a key factor in significantly increasing firm value. A high level of profitability indicates a company's ability to efficiently utilize its resources to generate maximum profits (Herawati & Muzakki, 2021). Return on Equity (ROE) is commonly used as a measure to evaluate profitability, serving as a crucial indicator for investors in assessing a company’s financial performance (Wairisal, 2024).

Research by Kusumaningrum & Iswara (2022) suggests that highly profitable companies are more appealing to shareholders due to their potential to generate greater returns. This advantage enhances the company's competitiveness in the capital market, as investors generally prefer firms that provide optimal financial gains. Therefore, high profitability not only reflects efficiency in business operations but also serves as a strategic factor that strengthens firm value and builds investor confidence.

From the stakeholder theory perspective, highly profitable companies have a greater capacity to fulfill the interests of various stakeholders, such as investors, management, creditors, employees, and society. However, in practice, differing interests among stakeholders can lead to potential conflicts. For instance, when profitability increases, management may prefer to reinvest profits into business expansion for long-term growth. On the other hand, investors, particularly shareholders, often expect higher dividends as a return on their investment. This conflict of interest highlights the challenge in applying stakeholder theory, where companies must balance multiple interests.

According to the research by Kharisma & Priyadi (2023), one strategy that companies can adopt to manage such conflicts is implementing balanced policies, such as setting fair and transparent dividend policies while still allocating part of the profit for business development. By doing so, companies can maintain legitimacy among stakeholders, satisfying both investors who seek financial returns and management that aims for business sustainability. Moreover, higher profitability enables companies to improve employee well-being by providing incentives and supporting social development through Corporate Social Responsibility (CSR) programs, thereby fostering stronger relationships with various stakeholders.

The results of this study are consistent with the findings of previous research by Sonjaya et al. (2021) and Sari & Dewi (2023), which indicated that profitability has a positive and significant impact on firm value.

***The Influence of Green Accounting and Profitability on Firm Value***

The results of the simultaneous test demonstrate that the regression model used in this study is sufficiently valid for further analysis. These findings indicate that the application of green accounting and the achievement of optimal profitability have a statistically significant impact on enhancing firm value, which is confirmed.

Furthermore, the coefficient test results indicate that the green accounting and profitability variables collectively account for 22.9% of the variations in firm value, while the remaining 77.1% is influenced by other factors not considered in this study. This indicates that although green accounting and profitability play a crucial role in determining firm value, there are still other contributing variables such as capital structure, dividend policy, company growth rate, and macroeconomic conditions. Hence, future research may incorporate additional factors to achieve a more comprehensive understanding of the determinants of firm value.

These findings confirm that the successful application of green accounting practices can improve firm value, especially for companies in the mining sector, which are under growing pressure from stakeholders concerning environmental sustainability issues. Profitability is also an essential consideration, as financially successful organizations are better positioned to reward shareholders. This ultimately enhances investors' perception of firm value (Adnyana et al., 2024). Therefore, it is concluded that green accounting and profitability collectively influence firm value, although external factors should also be considered in further research.

## CONCLUSIONS AND ADVICE

Based on the findings and discussion, this study concludes that green accounting and profitability significantly influence the firm value of coal companies listed on the Indonesia Stock Exchange from 2019 to 2023, both individually and collectively. Companies that transparently disclose environmental costs tend to exhibit higher firm value, as they attract investors who emphasize sustainability. Furthermore, high profitability enhances firm value by indicating strong financial performance. However, factors beyond the scope of this study may also contribute to variations in firm value.

As a suggestion, coal businesses should strengthen the use of green accounting not only for regulatory compliance but also for sustainability and capital market competitiveness. Profitability can be maintained through operational efficiency and business diversification.

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