

## Disclosure of Corporate Social Responsibility, Green Accounting and Financial Performance on Stock Price with Company Value as an Intervening Variable

Herawansyah<sup>1\*</sup>, Indah Oktari Wijayanti<sup>2</sup>, Danang Adi Putra<sup>3</sup>

Faculty of Business and Economics, Universitas Bengkulu, Bengkulu, Indonesia

\* Corresponding Author: [herawansyah@unib.ac.id](mailto:herawansyah@unib.ac.id)

**Abstract:** This study investigates the impact of corporate social responsibility (CSR) disclosure, green accounting, and financial performance on share prices, using company value as an intervening variable. The research adopts a quantitative approach, focusing on companies within the mining and plantation sectors, as listed on the idx.co.id website. The sample was selected through purposive sampling, based on specific criteria set by the researchers. Data analysis was conducted using multiple linear regression analysis, processed via EViews software. Findings indicate that CSR disclosure, green accounting, and financial performance each significantly influence share prices, underscoring the importance of these factors in shaping investor perception and market value. However, company value does not serve as a successful intermediary variable for the relationship between CSR disclosure, green accounting, financial performance, and share prices. This suggests that while these factors independently impact share prices, the assumed mediating role of company value does not materialize in this context. These results contribute to the understanding of how environmental and financial disclosures, alongside financial health, directly influence share prices, highlighting the need for companies to consider direct stakeholder communication strategies to improve market performance, independent of perceived company value adjustments.

**Keywords:** Company Value; Disclosure of Corporate Social Responsibility; Financial Performance; Green Accounting; Share Prices.

### 1. Introduction

Corporations are increasingly prioritizing their social responsibilities, recognizing that sustainable success hinges on a positive relationship with society and the environment (Scholtens, 2008; Paul, 2006). The adoption of Corporate Social Responsibility (CSR) programs is shown to enhance stakeholder value, thus supporting long-term corporate survival (McWilliams & Siegel, 2001). Government regulations, such as Indonesia's Law No. 40 of 2007, reinforce CSR's importance by mandating environmental and social responsibility for companies engaged with natural resources. Studies indicate that CSR, alongside environmental accounting or "green accounting," can substantially influence financial performance and corporate value. For example, research on Indonesian mining companies highlights that CSR positively affects financial performance, potentially increasing stock prices and investor confidence (Suryani & Jumaida, 2022), (Anggraeni & Dewi, 2022). Green accounting further promotes transparency by integrating environmental costs into financial statements, which can bolster corporate value, especially when CSR acts as a moderating variable (Hasibuan et al., 2023). In heavily polluting sectors, green accounting significantly supports sustainable growth and aligns with investor expectations, enhancing corporate reputation and resilience (Dhar et al., 2021). These findings underscore the growing demand for CSR and green accounting as essential frameworks for balancing environmental responsibilities with profitability.

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Green accounting is increasingly valued as a tool for reducing future environmental damage and building a competitive edge through environmentally friendly practices. By integrating environmental costs into corporate accounting, companies not only comply with social expectations but also enhance their public image, which can boost consumer interest and, ultimately, sales (Rangkuti, 2023). This strengthened reputation also fosters investor trust, as green accounting demonstrates a commitment to sustainable practices, which can increase the attractiveness of a company's shares (Sumiati et al., 2022). Empirical evidence suggests that green accounting positively influences profitability by allowing companies to reduce costs related to waste, energy use, and insurance, all of which contribute to improved bottom lines and shareholder (Lusiana et al., 2021). Furthermore, the enhanced transparency from environmental disclosures aligns with investor interests, making green accounting an appealing aspect for those looking for long-term sustainable investments. Studies on Indonesian mining companies, for example, reveal that firms applying green accounting attract increased investor engagement, as these disclosures reassure stakeholders of the company's commitment to environmental stewardship and financial performance (Sidarta et al., 2023). Green accounting, therefore, not only addresses environmental and social responsibilities but also contributes to financial resilience, reinforcing the view that sustainability and profitability can go hand in hand.

This research focuses on mining and plantation companies due to their reliance on natural resources, which heightens their environmental risk profile. Excessive resource exploitation in these sectors often leads to environmental degradation, negatively impacting biodiversity, water quality, and local communities (Chamorro Gonzalez & Herrera Mendoza, 2020). Mining companies, for instance, face public scrutiny over environmental pollution, making it essential for them to uphold a positive public image. By adopting green accounting practices, these companies aim to mitigate their environmental impact and enhance transparency regarding their ecological footprint. Green accounting not only records environmental costs but also reflects the company's commitment to sustainability, which has been shown to boost corporate value by improving stakeholder trust (Putri et al., 2019). Furthermore, research indicates that integrating green accounting with environmental performance measures can positively impact financial performance, as it aligns corporate actions with regulatory standards and public expectations, contributing to long-term profitability (Sumiati et al., 2022). These practices help companies in high-risk industries like mining and plantation to not only manage environmental risks but also bolster their market reputation.

## 2. Literature review

Signaling theory, as explained by Brigham and Houston (2013), suggests that corporate actions serve as key indicators for investors, reflecting management's view on the company's future prospects. Positive signals, such as profit growth or increased dividends, tend to attract investor interest and drive up stock prices, as they suggest robust financial health and promising growth (Ambarish et al., 1987). Conversely, negative signals, like reduced dividends or executive share sales, often result in declining investor confidence, potentially leading to lower stock prices (Wang & Wang, 2018). Studies have shown that dividend announcements are particularly influential, with positive announcements yielding positive abnormal returns, while negative announcements tend to decrease returns (Puspitaningtyas, 2019). This highlights the importance of credible signals in reducing information asymmetry, where accurate and transparent signals can guide investor decision-making effectively, ultimately stabilizing or enhancing the company's market valuation (Yaşar et al., 2020). Signaling theory thus emphasizes that timely, accurate communication from management is essential for maintaining investor trust and supporting stock price stability.

Corporate Social Responsibility (CSR) disclosure is crucial for companies aiming to demonstrate accountability and mitigate the negative impacts of their activities across economic, social, and environmental dimensions. This practice is increasingly aligned with the Global Reporting Initiative (GRI) guidelines, which emphasize a "triple bottom line" approach covering profit, people, and planet. GRI-based sustainability reporting allows organizations to systematically address economic, social, and environmental aspects, thereby enhancing transparency and corporate credibility (Motwani & Pandya, 2016).

The use of GRI's framework, which categorizes CSR indicators into six main areas—economy, environment, labor practices, human rights, community, and product responsibility—encourages companies to adopt a more holistic view of their impact. Studies show that companies adhering to GRI guidelines benefit from improved stakeholder relationships and better reputation management, as these disclosures meet both regulatory and societal expectations.

tations (Ismail et al., 2021). Furthermore, the application of GRI standards fosters organizational legitimacy by building trust among stakeholders, making it a preferred framework for multinational corporations globally (Crisóstomo et al., 2016).

Green accounting has emerged as a pivotal framework for fostering corporate environmental responsibility, compelling companies to account for their environmental impact within their financial decisions. By integrating environmental costs into corporate accounting, companies gain a clearer understanding of the ecological footprint associated with their activities, which can guide more sustainable decision-making (Khan & Gupta, 2023). Implementing green accounting allows companies to track and report environmental costs associated with waste, emissions, and resource usage, which not only aligns with regulatory requirements but also strengthens public and investor trust by showcasing corporate commitment to sustainability (Rangkuti, 2023).

Studies show that green accounting can contribute to long-term profitability by enhancing eco-efficiency, reducing waste, and fostering a competitive advantage, especially for companies in environmentally sensitive industries like manufacturing and mining (Sumiati et al., 2022). Moreover, green accounting practices often serve as a foundation for sustainability reporting, allowing companies to transparently communicate their environmental and social impacts to stakeholders, thereby enhancing their corporate image and stakeholder engagement (Wiredu et al., 2023).

Stock prices fluctuate continuously in the capital market, primarily driven by supply and demand dynamics (Revita, 2018). Investors interpret stock prices as a reflection of knowledge, expectations, and concerns surrounding a company's prospects. Positive stock price movements can attract investor interest, as rising prices generate capital gains, enhancing investor profits. Furthermore, companies that prioritize corporate social responsibility (CSR) and environmental stewardship often appeal more to socially conscious investors. Research indicates that CSR-focused companies, particularly in markets with heightened environmental awareness, experience increased investor interest and potentially higher stock valuations due to positive public perception and reduced regulatory risks (Motta & Uchida, 2017). Consequently, companies that actively engage in social and environmental initiatives may see favorable stock price movements as investors perceive these actions as indicators of sustainable business practices and reduced operational risk.

Corporate value is defined as the market value of a company, serving as a crucial indicator of shareholder wealth maximization. High corporate value suggests effective resource management and successful business strategies, attracting investor confidence and investment. Research highlights that corporate value correlates positively with stock prices, which, in turn, reflect investor perception of a company's success in leveraging assets for growth and profitability (Goel, 2015). This value is particularly significant for publicly traded companies, where stock price fluctuations directly affect perceived corporate value and investor sentiment. Additionally, corporate governance mechanisms, such as strong internal controls and transparency, play a significant role in bolstering corporate value, as they enhance investor trust and reduce risks associated with poor management practices (Hasanah & Dewi, 2012). Effective corporate governance structures are crucial for aligning managerial actions with shareholder interests, thereby supporting value creation. Overall, corporate value serves as a comprehensive measure of a company's market strength and the effectiveness of its management strategies, offering investors a reliable gauge of the firm's potential for long-term growth.

Financial statements serve as a critical source of information for evaluating corporate performance, offering insights into a company's financial health and operational success. They provide essential data for analyzing assets, liabilities, and equity, helping stakeholders gauge profitability, liquidity, and solvency (Hasanaj & Kuqi, 2019). Financial performance reflects continuous managerial decisions aimed at achieving set objectives effectively and efficiently. Accurate financial reporting and analysis allow companies to demonstrate their capacity to generate profit, ultimately enhancing investor trust and supporting sound decision-making (Spiridonov & Podkhvatilina, 2023). Moreover, financial statements are indispensable for potential investors and stakeholders, as they assess the company's value and forecast future performance, directly influencing investment decisions and corporate strategy.

According to signaling theory, companies disclose information they believe will positively influence their market value, with CSR disclosures serving as an essential signal to investors regarding a company's commitment to social and environmental responsibilities (Ji et al., 2019). Increasingly, investors are looking beyond quantitative financial metrics to assess a company's qualitative attributes, such as CSR activities, as these reflect ethical and sustainable practices, enhancing corporate image and potentially stabilizing stock prices (Dai et al., 2019).

In a competitive market, the equilibrium price of assets like stocks is shaped by supply, demand, and the collective interpretation of available information (Jogiyanto, 2003). CSR disclosures provide critical insights, as they often lead to greater stock price informativeness and reduced volatility, enhancing investor confidence (Marhfor et al., 2020). Positive CSR-related information thus tends to be well-received, often contributing to an increase in share prices as investors respond to the perceived alignment with sustainable values.

#### H1 : CSR Disclosure Affects Stock Price

Green accounting implementation allows companies to calculate both the present and future environmental costs and benefits associated with their operational activities. This framework prioritizes sustainable resource use, focusing on efficiency and the long-term impact of business processes (Endiana et al., 2020). By adopting green accounting, companies not only enhance transparency but also position themselves as responsible corporate citizens, attracting environmentally-conscious investors. Such disclosures play a significant role in shaping investor perceptions, as transparent environmental practices suggest a lower risk profile and align with growing investor demand for sustainable practices (Putri et al., 2019). According to signaling theory, green accounting disclosures reduce information asymmetry by signaling a commitment to environmental responsibility, thus attracting more investor interest (Lestari & Restuningdiah, 2021). Studies further indicate that effective green accounting can lead to improved stock prices, as it cultivates a positive corporate image, enhancing both firm value and market performance (Alexander, 2023).

#### H2 : Green accounting affects stock prices.

Return on Assets (ROA) is a key financial performance metric that assesses a company's efficiency in utilizing its assets to generate profit. ROA is calculated by dividing net income by total assets, representing the return on every dollar invested in the company's assets (Sawir, 2001). High ROA values indicate that management is effectively optimizing the company's resources to produce earnings, which can positively impact stock prices. Research shows that companies with higher ROA tend to experience stronger investor confidence, as they are perceived to be better at leveraging assets for profit, which often leads to a higher market valuation (Fangohoi et al., 2023). Additionally, studies indicate that ROA, when combined with other metrics like Return on Equity (ROE) and Earnings per Share (EPS), significantly influences stock prices, as these metrics provide a holistic view of a firm's financial health and profitability potential (Bayhaqiy et al., 2022). Therefore, a high ROA not only reflects operational efficiency but also acts as a signal to investors, aligning with signaling theory by communicating the company's robust financial performance and growth potential in the competitive market.

#### H3 : Financial Performance Affects Stock Price.

Firm value is a critical measure reflecting investor perception, which can be directly observed through changes in stock prices. Positive company performance generally leads to a favorable market evaluation, driving up demand for shares and thereby increasing stock prices. As stock prices rise, so does the capital gain, which is a key component of shareholder returns (Harianja, 2013). Research shows that Price to Book Value (PBV), a common proxy for firm value, is significantly correlated with stock returns, indicating that companies with high PBV ratios attract more investor interest and enhance shareholder wealth (Sunarsih & Dewi, 2019). Furthermore, profitability metrics like Return on Assets (ROA) and Return on Equity (ROE), which influence PBV, also contribute to a positive stock market response when they reflect strong financial performance (Salim & Firdaus, 2020). Therefore, as companies work to optimize PBV through financial performance, they strengthen their attractiveness to investors, directly impacting stock price appreciation and, consequently, shareholder capital gains.

#### H4 : The Company's value to the share price.

Companies disclose information, particularly regarding Corporate Social Responsibility (CSR), if they believe it will enhance their market value. This aligns with signaling theory, where firms use disclosures to communicate valuable information to investors, reducing information asymmetry and attracting investment (de Villiers et al., 2020). Recently, management has recognized that investors consider not only financial metrics but also qualitative factors like CSR. Research shows that CSR disclosures in annual reports can significantly impact stock trading volume and price, especially in high-profile firms where investor scrutiny is higher (Sabatini & Sudana, 2019). This increase in trading volume around CSR report publication reflects investor interest in the firm's ethical and sustainable practices. Moreover, as CSR activities enhance company reputation, they contribute to an increase in firm value, with observed positive stock market reactions following CSR disclosures. This effect highlights the importance of comprehensive and transparent CSR reporting, as it serves as a strategic tool

for enhancing firm value and aligning with investors' growing preference for socially responsible investments.

H5 : CSR on Stock Price with Company Value as an Intervening Variable.

Green accounting disclosure significantly influences corporate development by attracting environmentally conscious investors who prioritize transparency and sustainability. By providing detailed insights into a company's environmental costs and activities, green accounting reinforces a company's commitment to sustainable practices, which enhances its appeal to potential investors (Rangkuti, 2023). This transparency serves as a positive signal under signaling theory, reducing information asymmetry and increasing investor confidence (Siregar & Satria, 2023). Empirical studies confirm that companies adopting green accounting practices often witness an increase in stock prices, as these disclosures can enhance corporate reputation and align with investor expectations for sustainable operations (Putri et al., 2019).

H6 : Green Accounting for Stock Price with Company Value as an Intervening Variable.

Financial performance, often represented by profitability ratios such as Return on Assets (ROA), plays a critical role in illustrating a company's operational efficiency and value generation. ROA specifically measures how effectively a company utilizes its assets to generate profit, and a higher ROA is generally indicative of strong financial health. As noted by Rahman et al. (2017), ROA's positive relationship with firm value highlights its relevance as an essential indicator for investors evaluating corporate profitability (Rahman et al., 2017). This aligns with signaling theory, which posits that high ROA signals robust management performance and inspires investor confidence, potentially leading to increased stock demand and, subsequently, higher share prices. Furthermore, studies on various markets, including Indonesia, demonstrate that ROA's impact on firm value is observable across sectors, with consistent evidence supporting its significance in enhancing market perceptions of firm profitability and stability (Goklas & Thamrin, 2023). Thus, ROA not only serves as a key metric for evaluating financial performance but also as a determinant of investor behavior, further solidifying its role in corporate valuation.

H7 : Financial Performance Relative to Stock Price with Company Value as an Intervening Variable.

### 3. Proposed Method

The mining sector companies listed on the Indonesia Stock Exchange (IDX), accessible through [idx.co.id](http://idx.co.id), were chosen as the research population due to their environmental impact and regulatory relevance. To gather a representative sample, purposive sampling was applied based on specific criteria, ensuring the inclusion of companies that align with the study's objectives. The companies selected for analysis met the following criteria: (1) they operate in the mining or plantation sectors and are listed on the IDX during the research period of 2018-2023; (2) they publish annual reports consistently from 2018 to 2023, providing the necessary data for longitudinal analysis; and (3) they actively participate in Indonesia's PROPER program, an environmental performance evaluation initiative, within the same period. This program is crucial for assessing and ensuring the companies' commitment to environmental standards, as PROPER ratings serve as indicators of environmental accountability. By focusing on companies meeting these standards, the study aims to explore how environmental and financial disclosures influence investor perception and firm performance in environmentally sensitive sectors.

Stock prices in the capital market are determined by supply and demand mechanisms. When stock prices rise, it indicates excess demand, whereas falling prices suggest excess supply. According to Sulia and Rice (2013), the closing price at year-end is often used to represent stock price fluctuations over a period, as it encapsulates the year's market dynamics effectively. Companies rely on investor support to sustain their operations, making stock price growth an essential factor in attracting continued investment. Stock returns, as defined by Brigham and Houston (2013), are the difference between the amount received and the amount invested, divided by the amount invested, providing a measure of investment profitability. Stock price growth is calculated using stock returns, where the difference between the current year's stock price and the previous year's price, divided by the current year's price, indicates the level of return (Zulhaimi, 2015). As stock price increases, it often draws greater investor interest, as high returns signal strong performance and growth potential (Yunita, 2021).

$$R = ((P_t - P_{t-1}) / P_{t-1})$$

Information:

R = Return on stock

P<sub>t</sub> = Closing price stock periode t

P<sub>t-1</sub> = Closing price stock periode t-1

CSR disclosure represents an ongoing commitment by businesses to uphold ethical behavior while actively contributing to economic development. Beyond financial growth, CSR efforts aim to improve the quality of life for employees and their families, embedding the business within the well-being of the local and broader community. By addressing social and environmental responsibilities, companies foster trust and loyalty among stakeholders, which can strengthen community relationships and enhance corporate reputation. This dual focus on ethical impact and community support positions CSR as a fundamental aspect of sustainable business practices.

Information:

CSR<sub>ij</sub> : Corporate social Responsibility Disclosure Index company j

n<sub>j</sub> : Item Quantity for the company j, n<sub>j</sub> ≤ 78

X<sub>ij</sub> : Dummy Variable, 1= if the item is disclosed, 0= if the item is not Disclosed

The Corporate Performance Rating Program in Environmental Management (PROPER), initiated by Indonesia's Ministry of Environment and Forestry (KLHK), serves as a tool to assess green accounting practices within companies for this study. PROPER assigns color-coded ratings to companies based on their environmental management performance: 1) Gold is awarded to companies that consistently excel in environmental management, showing responsibility and ethical commitment in their production processes. 2) Green is given to companies that exceed regulatory standards, efficiently use resources, fulfill social and environmental obligations, and implement environmental management systems. 3) Blue indicates companies that meet environmental management requirements as stipulated by law. 4) Red is assigned to companies that fall short of the regulatory standards for environmental management. 5) Black is for companies that neglect environmental management altogether, engaging in practices that cause pollution and environmental damage, ignoring administrative sanctions, and violating environmental laws.

A company's ability to generate profit from its assets is illustrated by its Return on Assets (ROA), a key profitability metric. ROA, in this study, refers to the ratio of net income after tax to total assets, providing insight into how efficiently a company utilizes its assets to drive profits. A higher ROA indicates a strong capacity to leverage assets for profit generation, showcasing efficient asset management and operational effectiveness. Conversely, a low ROA suggests challenges in asset management, implying that the company is less effective in converting its investments into profits. ROA thus serves as a crucial indicator for stakeholders to assess the company's operational efficiency and financial health, directly impacting investor confidence and influencing strategic decisions aimed at optimizing asset use.

$$ROA = (\text{Laba Setelah Pajak}) / (\text{Total Aset})$$

The value of a company is measured using Tobin's Q. The formula of Tobin's Q is:

$$\text{Tobin's Q} = \frac{MVE + DEBT}{TA}$$

Keterangan:

MVE = Equity market value (closing price x Number of shares outstanding)

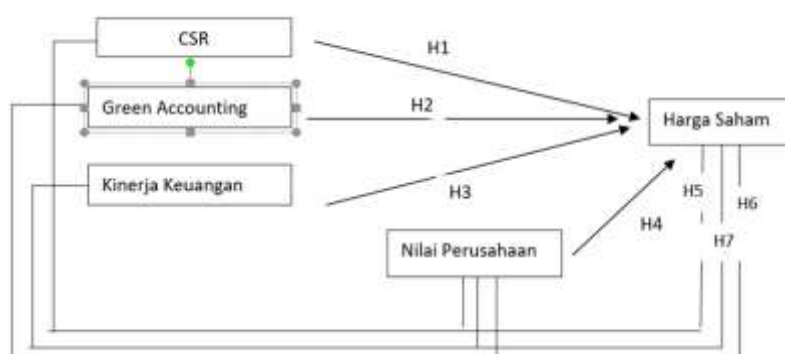
DEBT = Book value of total debt (Short-term liabilities+ long-term liabilities)

TA = Total Assets

The data was analyzed and processed using EViews software, which aligns with the study's analytical needs. This approach provides a clear overview of each research variable. Descriptive statistics are applied to summarize the dataset, highlighting the maximum, minimum, mean, and standard deviation values. The maximum and minimum values indicate the highest and lowest data points, respectively, while the mean represents the average level of the data. Standard deviation measures the extent of data variation from the mean, offering insights into the consistency or spread of the data. This analysis was carried out to find out if there was a relationship between independent variables and dependent variables. The following is a simple linear regression analysis:

Stock Price =  $a + b_1 \text{ Corporate Social Responsiveness Disclosure} + b_2 \text{ Green Accounting} + b_3 \text{ Financial Performance} + e$

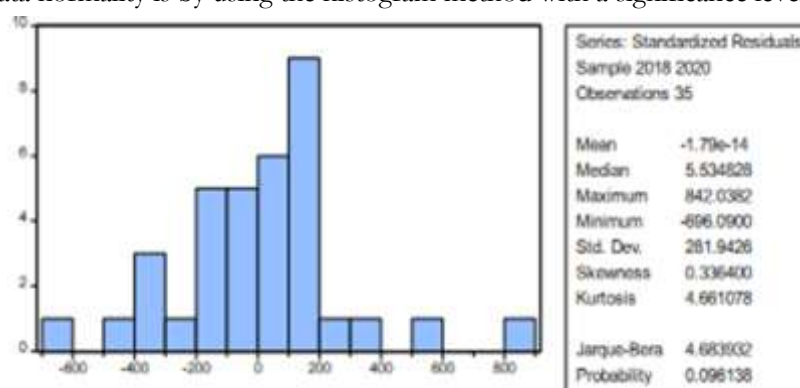
Company values =  $a + b_1 \text{ Corporate Social Response Disclosure} + b_2 \text{ Green Accounting} + b_3 \text{ Financial Performance} + b_4 \text{ Stock price} + e$



**Figure 1.** Research Outline

#### 4. Results and Discussion

**Population:** This study examines a sample of 240 mining sector companies listed on the Indonesian Stock Exchange (IDX) over a five-year period from 2018 to 2023. One way to test for data normality is by using the histogram method with a significance level of  $> 0.05$ .



**Figure 2.** Normalitas Test

The results of the Determination Coefficient test, shown in Table 6, indicate an Adjusted R-squared value of 0.828557, or 82.85%. This means that the independent variables included in the model explain 82.85% of the variation in the dependent variable, demonstrating the model's strong explanatory power. The remaining 17.15% of the variation is influenced by other factors not included in this model. This high Adjusted R-squared value suggests that the selected variables provide a robust understanding of the dependent variable's behavior.

**Table 1.** F Test

|                    |          |                    |          |
|--------------------|----------|--------------------|----------|
| R-squared          | 0.347334 | Mean dependent var | 26554.91 |
| Adjusted R-squared | 0.828557 | S.D. dependent var | 6482.729 |
| S.E. of regression | 5656.876 | Sum squared resid  | 9.60E+08 |
| F-statistic        | 3.193069 | Durbin-Watson stat | 2.311703 |
| Prob(F-statistic)  | 0.119856 |                    |          |

*Source: processed data, 2024*

Based on the test results, it shows that the results of the F test in this study have a coefficient value of 3.193069 with a prob (F-statistic) of 0.119856  $> 0.05$  which means that the independent variable simultaneously (simultaneous) has a negative and significant influence on Return On Asset.

**Tabel 2. T Test**

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|----------|-------------|------------|-------------|-------|
| C        | 2.094       | 1.136      | 1.841       | 0.070 |
| CSR      | 11.44       | 6.468      | 2.135       | 0.043 |
| GA       | 2.743       | 4.051      | 0.380       | 0.412 |
| KK       | 7.000       | 2.875      | 3.314       | 0.000 |
| HS       | 0.612       | 5.598      | 0.156       | 0.613 |
| NP       | 22.165      | 20.949     | 2.320       | 0.000 |

*Source: data processed, 2024*

The results reveal various insights into the model's predictors and their significance in explaining the dependent variable. The constant (C) has a coefficient of 2.094 with a p-value of 0.070, which is slightly above conventional significance levels, suggesting a marginal but not definitive impact. Corporate Social Responsibility (CSR) has a positive coefficient of 11.44 and a statistically significant p-value of 0.043, indicating a meaningful positive relationship with the dependent variable. Green Accounting (GA) has a coefficient of 2.743 with a p-value of 0.412, showing a positive but statistically insignificant effect, implying that this variable does not strongly impact the dependent variable in this model. The Financial Performance variable has a coefficient of 7.000 and a highly significant p-value of 0.000, highlighting a strong positive effect. Meanwhile, Stock Price has a coefficient of 0.612 with a p-value of 0.613, indicating a positive but insignificant relationship. Lastly, Firm Value shows a substantial coefficient of 22.165 with a highly significant p-value of 0.000, indicating a strong positive impact on the dependent variable. Overall, CSR, Financial Performance, and Firm Value emerge as significant predictors, with Financial Performance and Firm Value having particularly strong impacts.

Companies disclose information when it is expected to influence their value, aligning with signaling theory, which suggests that companies use disclosures to convey valuable information to the market. Recently, corporate management has recognized that investors are not solely focused on quantitative metrics; they also value qualitative aspects, including Corporate Social Responsibility (CSR) activities. CSR disclosures serve as positive signals to investors, suggesting that the company is committed to social and ethical practices, potentially enhancing investor trust and market reputation. Studies confirm that CSR disclosures reduce stock price volatility and attract investor interest by mitigating information asymmetry between management and external stakeholders (Li, 2021), (de Villiers et al., 2020). As CSR disclosures improve transparency, they contribute to a firm's stock price informativeness, allowing investors to make more informed decisions and often resulting in higher share prices (Ji et al., 2019). This positive relationship underscores the importance of CSR as a strategic tool to enhance corporate value and attract socially conscious investors in competitive markets.

Implementing green accounting helps companies assess future costs and benefits associated with their current operations, prioritizing sustainability and resource efficiency (Endiana et al., 2020). Green accounting disclosures have been shown to positively influence company growth, as they enhance transparency and appeal to environmentally-conscious investors who value sustainable practices (Lestari & Restuningdiah, 2021). Through the lens of signaling theory, companies use green accounting disclosures to reduce information asymmetry by communicating a commitment to environmental responsibility. This commitment signals positive information to external stakeholders, encouraging investor interest and boosting the firm's market value. Studies show that companies adopting green accounting practices often experience stock price growth, as these disclosures align with investor expectations for responsible business practices (Alexander, 2023). Further, companies achieving high PROPER ratings in Indonesia gain a favorable image, which can lead to increased investor confidence and capital inflow, positively impacting stock price performance (Zulhaimi, 2015). The research suggests that green accounting can play a strategic role in improving company image and attracting investment, ultimately contributing to financial growth and sustainable development.

Return on Assets (ROA) serves as a key profitability metric that evaluates a company's ability to generate profits from its assets. A high ROA reflects efficient management and effective utilization of assets, which can positively impact investor perception and stock prices. Research indicates that ROA positively influences stock prices in various sectors, as it signals strong operational performance to investors, thus attracting interest and potentially boosting share value (Fangohoi et al., 2023). This aligns with signaling theory, where financial ratios like ROA communicate a company's profitability and financial health to stakeholders.

In studies on insurance and other financial sectors, ROA has consistently been associated with increased stock prices due to its role in demonstrating effective asset management and profitability potential (Bustani, 2020) (Bustani, 2020). Thus, ROA not only provides insight into financial performance but also strengthens a company's appeal to investors.

Firm value reflects investors' perception of a company's performance, often observed through fluctuations in stock prices. A strong performance positively influences market perception, leading to increased demand and thus, higher stock prices. This price appreciation directly impacts capital gains, a critical component of stock returns. Prior research, such as Harianja (2013), indicates that firm value, proxied by Price to Book Value (PBV), has a significant positive effect on stock returns, as it communicates the market's valuation of a firm relative to its book assets. Additionally, the relationship between Corporate Social Responsibility (CSR) disclosures and stock prices becomes apparent through signaling theory, which posits that companies disclose CSR information to signal quality and reliability to investors. Recent studies have shown that CSR activities impact firm value by enhancing stock trading volumes, especially for high-profile companies where market participants respond positively to CSR disclosures in annual reports (Anggraini & Herlina, 2018). Consequently, broader CSR disclosures can lead to increased trading activity around report publication, thus raising firm value and attracting more investor interest. This pattern reinforces the importance of CSR as a strategic component in sustaining and enhancing corporate value.

Green accounting disclosure has been shown to positively impact a company's growth, especially by attracting investors who prioritize environmental responsibility and transparency. Companies that practice green accounting offer a more comprehensive view of their environmental impact, aligning with investors' increasing demand for eco-friendly practices. Studies indicate that these disclosures can enhance a company's reputation and positively influence stock prices by providing clear signals of environmental stewardship to the market (Lestari & Restuningdiah, 2021). This is supported by research showing that green accounting practices improve corporate image and increase shareholder value by demonstrating a proactive approach to environmental management (Putri et al., 2019). As green accounting becomes a strategic factor in financial decision-making, it enhances investor confidence and supports long-term value creation for the firm.

Financial performance, measured through Return on Assets (ROA), serves as a critical indicator for evaluating a company's operational efficiency and profitability. A high ROA implies that a company effectively utilizes its assets to generate profits, which can positively impact investor perception and firm value. This aligns with signaling theory, where financial metrics like ROA communicate company health to the market, influencing investor decisions. Research shows that firms with robust ROA often see a rise in firm value, as investors interpret strong financial performance as a signal of stability and growth potential (Pramono & Rohman, 2023). Furthermore, the presence of strong ROA positively correlates with market value, especially when combined with sustainable practices like green innovation, which enhances corporate reputation and attracts socially conscious investors (Asni & Agustia, 2021). Thus, ROA not only reflects internal efficiency but also strengthens external perceptions, supporting sustainable corporate growth.

## 5. CONCLUSION

Based on the data analysis and discussion regarding the effects of Corporate Social Responsibility (CSR) disclosure, Green Accounting, and Financial Performance on stock prices with firm value as an intervening variable, several conclusions can be drawn. First, CSR disclosure has a positive impact on stock prices, indicating that companies with strong social and environmental commitments tend to attract more investor interest and enjoy higher stock valuations. This supports the hypothesis that CSR disclosure influences stock prices, as socially responsible companies often gain trust and loyalty from stakeholders, translating into financial advantages. Similarly, Green Accounting positively affects stock prices, showing that environmental transparency and sustainability practices contribute to enhanced corporate image and investor attraction. Companies implementing Green Accounting practices send a strong signal to the market, aligning with investor preferences for sustainable investments.

Financial performance, measured through profitability ratios like Return on Assets (ROA), also significantly influences stock prices. This suggests that investors closely monitor a company's financial health, with strong financial performance positively impacting stock valuation. Furthermore, when firm value acts as an intervening variable, it strengthens the relationships between CSR, Green Accounting, and financial performance on stock prices. This implies that firm value amplifies the effect of these variables on investor perceptions, ultimately driving stock price growth.

For future research, it is suggested to expand this model by including other potential variables that may impact financial performance and stock prices. Variables such as independent commissioners, company size, and governance structures could provide further insights into how companies manage investor relations and enhance market value. Such extensions would deepen understanding and add to the body of knowledge on how corporate governance and financial strategies impact overall firm performance and stock market dynamics.

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