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The Effect of Annual Report Readability, Carbon Emission Disclosure and Green Accounting Practices on Company Value

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Abstract

This study aims to analyze the effect of annual report readability, carbon emission disclosure and green accounting practices on company value with the research object of manufacturing companies listed on the IDX in 2020-2022. The approach used in this study is a descriptive quantitative using multiple linear regression. The sample of this study were 38 mining companies with an observation period of 3 years resulting in 114 research data. The results of this study found that the annual report readability, carbon emission disclosure and green accounting practices had a positive and significant effect on company value. This indicates that the easier an annual report is to read, the higher the quality of information received by its users, especially stakeholders, so that it greatly influences the decision making of investors. In addition, green accounting practices and carbon emissions disclosure is the first step that companies can take to minimize environmental problems faced by companies. This research is different from previous research, this study tries to combine how easy it is to read financial statements and also how environmental accounting and carbon emissions disclosure by companies can increase company value.

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1. Introduction

Many environmental problems such as air pollution, global warming, depletion of the ozone layer, water pollution, forest and land fires (karhutla) and excessive exploitation of nature have become a global concern for the world. The government as one of the stakeholders and as a policy maker has taken various effective steps to address this environmental problem as a form of realizing sustainable development (Agustina, 2013). Based on observations made by the international space agency or what we know as NASA (National Aeronautics and Space Administration), it says that the earth's temperature rose in 2016 from the last 35 years (NASA, 2018). Various factors have become triggers for global warming, one of which is the company's operational activities (Maharani and Handayani, 2020). Murniati and Sovita (2021) said that competition in the industry is currently very tight and harsh, forcing business actors to strive to improve the performance of their companies so that they can maintain business continuity and achieve business goals, namely to get maximum profits. This sometimes makes companies seem indifferent to the impact of the business activities carried out by the company on the surrounding environment (Rosaline and Wuryani, 2020). The amount of damage and environmental pollution resulting from the company's operational activities proves that some companies are still indifferent and ignore the importance of protecting the environment. Of all the existing cases, the case that is still fresh in my mind is the hot mud incident that occurred in Sidoarjo, Surabaya in 2006, until now it has not been resolved even though the company has provided compensation for the damage. The current global warming is also caused by the greenhouse effect which is increasingly being carried out by humans. Sulistyono (2012) in Halimah (2018) revealed that global warming, which is increasingly dangerous, is also triggered by the production of greenhouse gas effects carried out by humans. Climate change that is happening makes companies able to reduce the effects of gas emissions obtained from company business activities by carrying out carbon trading or what is known as emission trading.

Dwicahyanti and Priyono (2021) stated that currently companies are not only required to focus on the welfare of their owners and management but also all other stakeholders such as employees, consumers, the community and the environment where the company is located. Therefore good environmental performance will make companies able to carry out voluntary information disclosure of companies better to internal and external parties (Anggita, 2020). Companies are required to disclose information about company activities such as CSR activities not only as corporate financial disclosures. Disclosures related to environmental information carried out by companies are very influential for the survival of the surrounding community so that environmental damage can be avoided and also the survival of the company (Kusumaningtias, 2013). Thus, in the 4.0 era as it is now, the business world is increasingly implementing green accounting practices so that companies are able to avoid environmental problems.

In disclosing information related to carbon emissions and green accounting practices, companies use annual reports and company reports as information media. These two reports are used as information and also as company performance reports by investors as well as material for corporate accountability to investors. Therefore, the quality of a quality annual report is certainly very useful for stakeholders because it provides accurate information. Various previous studies have revealed that the quality of information produced by companies greatly influences how investment decisions are made by investors. Therefore, companies are expected to be able to build good and effective communication to recipients of information through their reports. This communication is related to the ease or readability of a sentence or vocabulary where the information or reading is sourced. So that the legibility or readability of an annual report, be it a financial report or a sustainability report, is very important so that misunderstandings of meaning for readers can be avoided.

2. Literature Review

Legitimacy Theory

Legitimacy theory according to Downling and Pfeffer (1975) in Sari and Budiasih (2021) is a status and condition that occurs when an organization's value system is the same as the value system of a larger social system in which the organization is part of that social system. Arum (2019) states that legitimacy has made the company have to create an image that the company has operated in accordance with the values or social norms that exist in society. This can also be done by disclosing information on the company's operational and non-operational activities in the company's report. In an effort to gain recognition or legitimacy from the public, companies must provide information related to their environmental activities by conducting an information disclosure. Disclosure of information related to environmental activities is very helpful in maintaining, improving and obtaining recognition. Therefore, Budiono and Dura (2021) say that companies must be responsive and more sensitive and sensitive to the impact caused by the company from its operational activities.

In order for the legitimacy gap to be reduced, the company must analyze various activities that remain under the control of the company and identify community needs in order to gain recognition or legitimacy from the community, especially where the company operates (Pradipta and Hadiprajitno, 2015). An entity or company can also carry out a disclosure of carbon emissions as a form of the company's concern for environmental sustainability to get an acknowledgment. Apart from the activities of disclosing carbon emissions, a company can also practice green accounting as an effort to increase recognition from community groups.

Hypothesis Development

Based on the theory of ambiguity or vagueness, it is stated that an ambiguity in disclosing information in the form of a reading can affect users of that information in interpreting the meaning contained in the reading. Therefore, based on the theory of vagueness, the more difficult it is for users to read the annual report, the lower the quality of the information received by these users, especially stakeholders. According to Luo, Li and Chen (2018), an annual report is a bridge that connects information providers with information users both within the company and outsiders. A good report must of course be balanced with good and interesting information and the report is useful for the reader. Because of this, the right information is needed in order to achieve the purpose of the report, namely the disclosure of company information. Narrative and interesting information becomes a forum for communication between the company and users and users of reports in order to provide confidence to users that the state of the company can provide benefits to the environment and stakeholders.

Wahyuni's research (2018) found the fact that reports made by directors regarding higher returns on sales have a better level of legibility. Lo et al (2017) also revealed that if a company has a tendency to carry out earnings management, it will also have a bad level of readability of its annual report. Therefore, it can be concluded that the level of legibility in the annual report is an important thing to remember because the annual report is a medium for information from a company to communicate with users of this information. Based on this explanation, the first hypothesis can be formulated, namely:
H_1 : Annual Report Readability has a positive and significant effect on the value of a company

A company or entity that discloses emissions will get an acknowledgment from community groups. In addition, the company will also be considered to have good operational activities as well. This will show that the management of resources by the company is utilized effectively and efficiently in order to reduce operational costs and generate a level of profit for a company. Legitimacy theory reveals that a company will tend to seek recognition from the surrounding environment where the company lives or operates in relation to the company's activities. This can be done by providing various information about a company's operational and non-operational activities which can have both good and bad impacts on the environment. Sari and Budiasih's research (2021) reveals that disclosure of carbon emissions has a positive effect on the value of a company. The results of this study are supported by the research of Alfayards and Setiawan (2021) which found the fact that a carbon emission disclosure has a positive effect on the value of a company. Because of these various explanations, the second hypothesis in this study is:
H_2 : Carbon emission disclosure has a positive and significant effect on the value of a company

The application of environmental accounting or what is called green is an initial step that companies can take to minimize or avoid environmental problems (Hamidi, 2019). Sapulette and Limba (2021) reveal that the implementation of environmental accounting reveals if the company has various concerns for the environment, through expenses related to environmental costs which are disclosed in the company's annual report to maintain the impact of the company's operational activities on the environment. Legitimacy theory also explains that if there is inequality or a legitimacy gap between the company's value system and the existing value system in society, the company can lose its legitimacy, so that the sustainability of the company will be threatened (Sulistiawati and Dirgantari, 2016). Sapulette and Limba's research (2021) shows the fact that the application of green accounting has no effect on the value of a company. However, a different matter was expressed by Maharani and Handayani (2021) who found the fact that green accounting has a positive influence on the value of a company. From the explanation that has been described, it can be concluded that the third hypothesis in this study is:

H_3 : Green accounting has a positive and significant effect on the value of a company

3. Research Methods

According to Sugiyono (2019), quantitative research is a research method based on the philosophy of positivism and is used to examine certain populations or samples. This study aims to analyze how the influence of annual report readability, disclosure of emissions (carbon emission) and practices from green accounting or environmental accounting or to company value with the object of research is mining companies listed on the Indonesian stock exchange in 2020-2022. The dependent variable (Y) or the dependent variable used in this study is a company value which according to Sapulette and Limba (2021) can be measured using the Tobin's Q formula, namely:

$$\textbf{Tobin's Q} = \frac{(\textbf{MVE} + \textbf{DEBT})}{\textbf{TA}}$$

Description:

Tobin's Q	= Company Value
MVE	= The number of shares outstanding multiplied by the closing price of shares at the end of the financial year
DEBT	= Long term liabilities plus short term liabilities
TA	= Total Aset

While the independent variable (X) in this study is the annual report (accounting) readability, carbon emission disclosure and green accounting. The variable annual report readability can be measured using a formula called the Gunning Fog Index which is formulated as follows:

$$\textbf{GFScore : 0,4 x } \frac{\textit{Words}}{\textit{Sentences}} \textbf{ + 100 x} \frac{\textit{Complexwords}}{\textit{Words}}$$

Description:
Words : number of words
Sentences : number of sentences
Complexwords : words that require a dictionary to understand

As for the carbon emission disclosure variable, it uses a score index calculated based on the item of disclosure. Calculation of carbon emission disclosure items by adopting Choi, et al., 2013 (in Pratiwi, 2018) which consists of several categories, such as climate change (risks and opportunities), greenhouse gas emissions (GHG), energy consumption, reduction of greenhouse gases and the cost and accountability of carbon emissions. while the green accounting variable uses a dummy variable to show whether a company practices green accounting or not.

4. Results

This study uses information obtained from the official website of the Indonesia Stock Exchange. This research focuses on the Mining sub-sector totaling 46 companies. However, after taking purposive sampling, a sample of 38 companies was obtained because there were 8 companies that did not disclose carbon emissions. The samples or research objects include:

Table 1. Research Samples

No	Company	No	Company
1	PT. Adaro Energy Indonesia Tbk	20	PT. Harum Energy Tbk
2	PT. Aneka Tambang Tbk	21	PT. Vale Indonesia Tbk
3	PT. Apexindo Pratama Duta Tbk	22	PT. Indika Energy Tbk
4	PT. Atlas Resources Tbk	23	PT. Indo Tambangraya Megah Tbk
5	PT. Ratu Prabu Energi Tbk	24	PT. Resource Alam Indonesia Tbk
6	PT. Astrindo Nusantara Infrastruktur Tbk	25	PT. Mitrabara Adiperdana Tbk
7	PT. Borneo Olah Sarana Sukses Tbk	26	PT. Merdeka Copper Gold Tbk
8	PT. Bumi Resources Minerals Tbk	27	PT. Medco Energi Internasional Tbk
9	PT. Baramulti Suksessarana Tbk	28	PT. Mitra Investindo Tbk
10	PT. Bumi Resources Tbk	29	PT. Samindo Resources Tbk
11	PT. Bayan Resources Tbk	30	PT. Perdana Karya Perkasa Tbk
12	PT. Cita Mineral Investindo Tbk	31	PT. J Resources Asia Pasifik Tbk
13	PT. Darma Henwa Tbk	32	PT. Indo Tambangraya Megah Tbk
14	PT. Central Omega Resources Tbk	33	PT. Petrosea Tbk
15	PT. Dian Swastatika Sentosa Tbk	34	PT. Radiant Utama Interinsco Tbk
16	PT. Elnusa Tbk	35	PT. Golden Eagle Energy Tbk
17	PT. Energi Mega Persada Tbk	36	PT. Super Energy Tbk
18	PT. Alfa Energi Investama Tbk	37	PT. Timah Tbk
19	PT. Golden Energy Mines Tbk	38	PT. TBS Energi Utama Tbk

Source: Indonesia Stock Exchange, 2023

Descriptive Statistic Analysis

This study uses a descriptive statistic test to describe or describe the value of Annual Report Readability, Carbon Emission Disclosure, Green Accounting Practices and the total sample studied. Based on table 4, it presents the minimum value, maximum value, average value (mean) and standard deviation of the company's value for 3 years from 2019 to 2021. The results of the descriptive statistical test of this study are as follows:

Table 2. Descriptive Statistic Test Result

	Y (Nilai Perusahaan)	X1 (annual report readability)	X2 (CED)	X3 (GA)
Mean	67.01944	19.35591	0.509259	0.868421
Median	13.14800	18.05188	0.500000	1.000000
Maximum	839.8296	46.13631	0.777778	1.000000
Minimum	0.101540	15.19465	0.333333	0.000000
Std. Dev.	162.4539	4.200993	0.114481	0.339525
Skewness	3.557947	4.066736	0.518633	-2.179797
Kurtosis	14.88905	21.77017	2.383864	5.751515
Jarque-Bera	911.9308	1987.744	6.913828	126.2403
Probability	0.000000	0.000000	0.031527	0.000000
Sum	7640.216	2206.574	58.05556	99.00000
Sum Sq. Dev.	2982215.	1994.263	1.480967	13.02632
Observations	114	114	114	114

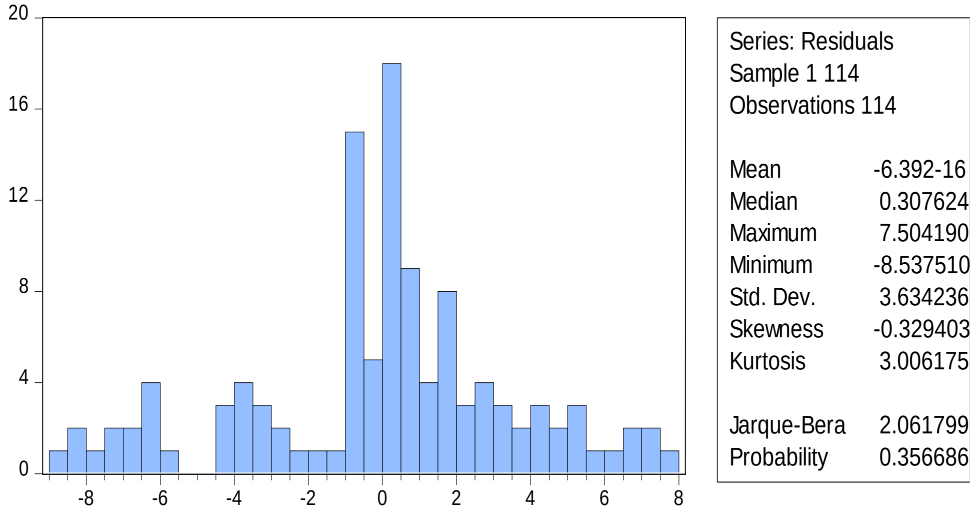
Source: Author, 2023

From Table 2 it is known that the variable annual report readability has a mean or average value of 19.35591, which means that the overall average annual report readability is 19.35591. The results of the descriptive statistics also show a standard deviation value of 4.200993, which means the size of the spread of the annual report readability variable is 4.200993 from 114 observational data. The results of the descriptive analysis show that the standard deviation value is smaller than the average value (mean), this means that there are many variants of the data that do not differ from the average value. The maximum value is 46.13631 and the minimum value is 15.19465.

The carbon emission disclosure variable has an average value (mean) of 0.509259, which means that the overall average carbon emission disclosure is 0.509259. The results of the descriptive statistics also show a standard deviation value of 0.114481, which means that the measure of the spread of carbon emission disclosure variables is 0.114481 from 114 observational data. The results of the descriptive analysis show that the standard deviation value is smaller than the average value (mean), this means that there are many variants of the data that do not differ from the average value. The maximum value is 0.777778 and the minimum value is 0.333333. Furthermore, the variable green accounting practices has an average value (mean) of 0.868421, which means that the overall average of green accounting practices is 0.868421. The results of the descriptive statistics also show a standard deviation value of 0.339525, which means a measure of the spread of the green accounting practices variable of 0.339525 from 114 observational data. The results of the descriptive analysis show that the standard deviation value is smaller than the average value (mean), this means that there are many variants of the data that do not differ from the average value. The maximum value is 1 and the minimum value is 0.

Normality Test

This normality test aims to analyze whether the data in this study are normally distributed or not. The data normality test with eviews was carried out by comparing the Jarque Bera (JB) values and the chi square table values as follows. If the probability value is greater than 0.05, then the data is said to be normally distributed. Meanwhile, if the probability value is less than 0.05, then the data is not said to be normally distributed. Following are the results of the normality test with eviews:



Source: Author, 2023

Picture 1. Normality Test Result

Based on the picture above, the results of the data normality test show that the probability value is 0.356686, which means that the probability value is above the significant value (α), which is 0.05. This indicates that the research data is normally distributed.

Multikolinearity Test

The multicollinearity test aims to test whether in the regression model a high or perfect correlation is found between the independent variables (Ghozali and Ratmono, 2020). A good regression model should not have a correlation between the independent variables. To detect whether there is multicollinearity in the regression model, an assessment is used by looking at the Variance Inflation Factor (VIF) value. If the VIF value < 0.80, it means that there is no multicollinearity in the regression model. Meanwhile, if the VIF value is > 0.80, it means that there is multicollinearity in the regression model. The following is the result of the multicollinearity test.

Table 3. Multikolinearity Test Result

Variance Inflation Factors
Date: 03/24/23   Time: 11:52
Sample: 1 114
Included observations: 114

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	10466.26	44.54098	NA
X1	14.42562	24.07406	1.073941
X2	19199.64	22.25185	1.061456
X3	2085.307	7.706699	1.014039

Source: Author, 2023

The results in table 3 show that the centered VIF value of the annual report readability variable is 1.073941, the carbon emission disclosure variable is 1.061456 and green accounting practices is 1.014039 where the value is less than 10, it can be stated that there is no multicollinearity problem in the prediction model.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether there is an inequality of variance from the residual of one observation to another in the regression model. If there is a similarity, it is called homoscedasticity, whereas if there is dissimilarity, it is called heteroscedasticity. A good regression model is one that has homoscedasticity or does not have heteroscedasticity. Heteroscedasticity can be determined by using the Glesjer test. If the probability value > α (0.05), then there is no heteroscedasticity. Meanwhile, if the probability value < α (0.05), then there is heteroscedasticity. Following are the results of the Glesjer test:

Table 4. Heteroscedasticity Test

Test Equation:
Dependent Variable: ARESID
Method: Least Squares
Date: 03/24/23   Time: 11:30
Sample: 1 114
Included observations: 114

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.040876	1.471341	2.066738	0.0411
X1	-0.036829	0.055773	-0.660338	0.5104
X2	2.574017	2.111460	1.219070	0.2254
X3	-1.060755	0.719928	-1.473419	0.1435

R-squared	0.025938	Mean dependent var	2.675028
Adjusted R-squared	-0.000627	S.D. dependent var	2.447156
S.E. of regression	2.447924	Akaike info criterion	4.662815
Sum squared resid	659.1563	Schwarz criterion	4.758822

Log likelihood	-261.7804	Hannan-Quinn criter.	4.701779
F-statistic	0.976391	Durbin-Watson stat	1.215495
Prob(F-statistic)	0.406678		

Source: Author, 2023

Based on table 4, the probability value of the annual report readability variable is 0.5104 and carbon emission disclosure is 0.2254 and green accounting practices is 0.1435. These values indicate that the probability values of all variables are > 0.05 so it can be concluded that there is no heteroscedasticity problem in this study.

Autocorrelation Test

The autocorrelation test is a statistical test that aims to find out whether in linear regression there is a correlation between residuals in an observation. According to Ghozali (2013: 138) that the autocorrelation test aims to test whether in a linear regression model there is a correlation between residual errors in the t period with errors in the t-1 period (previously). If there is a correlation, then there is called an autocorrelation problem. Autocorrelation arises because successive observations over time are related to one another. This problem arises because the residuals (confounding errors) are not independent from one observation to another. This is often found in time series data due to "disturbances" of the same individual/group in the next period.

Table 5. Autocorrelation Test Result

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	3.079106	Prob. F(2,108)	0.0501
Obs*R-squared	6.149677	Prob. Chi-Square(2)	0.1462

Test Equation:
Dependent Variable: RESID
Method: Least Squares
Date: 03/24/23 Time: 11:53
Sample: 1 114
Included observations: 114
Presample missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8.692609	101.0632	0.086012	0.9316
X1	-0.164209	3.749031	-0.043800	0.9651
X2	-5.687144	136.0394	-0.041805	0.9667
X3	-3.085960	45.05239	-0.068497	0.9455
RESID(-1)	0.237064	0.096023	2.468840	0.0151
RESID(-2)	-0.076458	0.096918	-0.788902	0.4319

R-squared	0.053945	Mean dependent var	1.84E-14
Adjusted R-squared	0.010146	S.D. dependent var	161.4825
S.E. of regression	160.6612	Akaike info criterion	13.04767
Sum squared resid	2787700.	Schwarz criterion	13.19168

Log likelihood	-737.7171	Hannan-Quinn criter.	13.10611
F-statistic	1.231642	Durbin-Watson stat	1.698260
Prob(F-statistic)	0.299334		

Source: Author, 2023

The Prob Chi Square value (2) which is the p value of the Breusch-Godfrey Serial Correlation LM test, which is 0.3600 where > 0.05 so accept H0 or which means there is no serial autocorrelation problem. Another way is to look at the Durbin Watson value in the output, which is 1.698260. This value is compared with the Durbin Watson table value using a significance level of 5% with the number of observations being 114. The dL value is 1.6410 and the dU value is 1.7488 and the Durbin Watson output value is 1.698260 which is in the middle of the dL and dU values so that in this study there is no

Hypothesis Test

The partial (statistical) t test essentially aims to show how far or how much influence one independent variable has on the dependent variable by assuming the other independent variables are constant (Ghozali and Ratmono, 2020). If the probability value is > (0.05), then there is no partial effect of the independent variable on the dependent variable. Meanwhile, if the probability value is < (0.05), then there is a partial influence of the independent variable on the dependent variable. The following presents the results of t statistics:

Table 6. Hypothesis Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-43.28244	102.3048	-0.423074	0.6731
X1	1.579656	3.798108	0.415906	0.0124
X2	96.09176	138.5628	0.693489	0.0169
X3	35.45581	45.66516	0.776430	0.0492

Source: Author, 2023

The Effect of Annual Report Readability on Company Values

Table 6 shows that the probability value of the annual report readability (X1) is 0.0124 which is less than the significance level of 0.05 or 5% so that it can be concluded that the variable annual report readability has a positive and significant effect on company value. The results of this study are in line with the theory of vagueness or the theory of obscurity which states that disclosing information that is not clear related to a text can affect the misunderstanding of meaning understood by users of the text. Therefore, referring to the theory of vagueness, the easier a report is for readers to understand, the higher the quality of information received by its users, especially stakeholders, so that it will greatly influence investors' decision making.

The results of this study are also in line with research conducted by Luo, Li and Chen (2018) which states that narrative information in financial reports is a means of communication between companies and users of financial statements to convince users that the company's condition will encourage companies to compose sentences in such a way so that users of financial reports become confident with the management of the company. In addition, it is also in line with research conducted by Wahyuni (2018) which states that director's reports that reveal higher returns on sales have a better level of readability. In addition, according to Lo et al (2017) states that companies that have a tendency to carry out earnings management have poor annual report readability.

The Effect of Carbon Emission Disclosure on Company Values
Table 6 shows that the value of the probability carbon emission disclosure (X2) is 0.0169 which is smaller than the significance level of 0.05 or 5% so that a conclusion can be drawn that the carbon emission disclosure variable has a positive and significant influence on company value. In line with legitimacy theory which reveals that a company will seek recognition from the environment in which the company operates in relation to the company's operational activities. One way is to disclose information related to the company's operational activities that have an impact on the environment. Alfayards and Setiawan (2021) say that a company that has received recognition from the community tends to further enhance its reputation and image in front of the community, which will have an overall effect on the value of the company. That way, an increase in emission disclosure will be able to help companies increase their company value.

The results of this study are in line with Sari and Budiasih's research (2021) which reveals the fact that disclosure of carbon emissions has a positive effect on the value of a company. However, these results contradict the results of research from Anggita, et al (2022) which indicate disclosure of carbon emissions does not have a significant effect on the value of a company. In other words, the regression coefficient (slope) of Emissions Carbon Disclosure is proven to have no significant effect on predicting company value. In other words, it is explained that resources that are used efficiently by the company will reduce operational costs and bring profits to the company (Sari and Budiasih, 2021).

The Effect of Green Accounting Practices on Company Values
In table 6 it can be seen that the probability value of green accounting practices (X3) is 0.0492 which is smaller than the significance level of 0.05 or 5% so that it can be concluded that the green accounting practices variable has a positive and significant effect on company value. The results of this study are in line with legitimacy theory which indicates that the application of green accounting is an initial step or stage that can be taken by a company to avoid environmental problems that will occur (Hamidi, 2019). The implementation of environmental accounting indicates that the company has concern or interest in environmental issues, this can be seen from the disclosure of environmental costs in the company's financial statements.

Legitimacy theory reveals that if there is a difference between the value system in the company and the value system in society (legitimacy gap), then the company will lose its image and legitimacy which will then affect the survival of the company (Sulistiawati and Dirgantari, 2016) . The results of this study indicate that the imposition and disclosure of environmental costs by companies can provide confidence for investors and consumers in the valuation of a company, thereby affecting the level of sales and profits of the company. Thus, the application of green accounting will assist companies in overcoming the inequality that occurs between the company's value system and society's value system (legitimacy gap). The results of this study are in line with the results of research conducted by Maharani and Handayani (2021), research by Anggita et al (2022) which shows that green accounting has an effect on company value, but contradicts research conducted by Sapulette and Limba (2021) which shows that green accounting does not have a significant effect on company value.

5. Conclusion and Suggestion

From the results of the research that has been described it is concluded that Annual Report Readability has a positive and significant effect on company value. This indicates that the easier a report is to read, the higher the quality of the information received by users, especially stakeholders. Variable Carbon Emission disclosure or disclosure of carbon emissions has a positive and significant effect on the value of a company. This reveals the fact that when a company discloses information related to carbon emissions, public trust in the company will increase. Meanwhile, green accounting practices also have a positive and significant influence on the value of a company. These results indicate that the application of environmental accounting or green accounting is an initial step that a company can take to avoid environmental problems that the company will face (Hamidi, 2019).

Suggestions that can be added to this research are to add other variables related to green economy and corporate social responsibility apart from the readability of annual reports, disclosure of carbon emissions and green accounting practices. Besides that, it can increase the period of observation data so that it can better describe research data that can better represent research variables.

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