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Green Innovation, Environmental Management Accounting, and Environmental Disclosure on Financial Performance

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Abstract: This study aims to analyze green innovation, environmental management accounting (EMA), and environmental disclosure effect on the financial performance of IDX manufacturing companies and examines the role of media exposure as a moderating variable. The research sample was IDX manufacturing companies for the period 2022-2024 and data analyzed using multiple linear and moderated regression analyses, using SPSS V25. The results show that green innovation positively affects financial performance as proxied by ROA but does not affect Tobin's q, while environmental management accounting and environmental disclosure do not significantly influence either financial performance proxies. There is no moderating effect of media exposure on the relationship between the independent variables and financial performance proxies. These findings conclude green innovation contributes in improving financial performance, but the application of environmental accounting, environmental disclosure, and media exposure has not been able to significantly strengthen financial performance. This study contributes to examining and supporting corporate green activities to enhance financial performance.

Keywords: environmental disclosure, environmental management accounting, financial performance, green innovation, media exposure

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INTRODUCTION

The disposal of polluted waste (B3), which is not optimally managed, remains a serious problem for the manufacturing sector because it has the potential to pollute the air, water, and soil and damage the ecosystem. Indonesia produces approximately 68 million

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tons of B3 waste annually, but only a portion of it can be handled through further management, indicating that the waste management system still needs improvement. This situation requires companies to increase their environmental responsibility as part of business sustainability efforts. Several manufacturing companies have begun to integrate environmentally friendly practices into their operations through energy efficiency, emission reduction, and waste management. This phenomenon concludes that environmental performance contributes to a company's financial performance.

One strategy used by companies to support sustainability is the implementation of green innovation, namely product, process, and technology innovations that aim to reduce negative impacts and improve environmental related resources (Afrida & Setyorini, 2024). This practice is in line with the PROPER program, which encourages companies to comply with regulatory obligations and make continuous improvements through environmentally friendly innovations (Nawawi & Murtanto, 2025). Based on stakeholder theory, environmental practices are viewed as a strategic response to stakeholder demands, while legitimacy theory explains that compliance with social and environmental norms strengthens public acceptance of companies. Artika et al. (2025) stated that green innovation can be a solution in creating competitive advantage for companies. Artika et al. (2025) findings show that green innovation can increase company value. Thus, green innovation is expected to enhance reputation and increase financial performance. However, there are still inconsistent findings; therefore, this relationship requires further testing.

In addition to innovation, companies also need a management system that can integrate environmental aspects into managerial decision making, namely, environmental management accounting (EMA). EMA identifies, measures, and manages the costs of environmental care and impact to improve operational efficiency (Lanita & Rachmawati, 2020). The implementation of EMA has the potential to strengthen transparency, cost efficiency, and stakeholder trust, which can improve financial performance (Maysaroh & Murwaningsari, 2023). However, previous research still shows mixed results; therefore, further testing is needed to obtain more consistent conclusions.

Another relevant environmental factor is environmental disclosure, which is the communication of environmental performance and its activities to the public through annual or sustainability reports. This disclosure serves as a means of transparency and a positive signal to investors and the public (Wahdah & Jayanti, 2023). Information disclosure increases stakeholders or public legitimacy and trust in a company. However, previous research results have not been entirely consistent in proving environmental

disclosure positive impact on financial performance (Asila & Falikhatun, 2023), so there is still a relevant research gap to explore.

Examining the effects of green innovation, EMA, and environmental disclosure on the financial performance is this study aims, of IDX manufacturing companies for the period 2022-2024. This study also uses company size and leverage control variables. Media exposure as a moderating variable is expected to strengthen the relationship between variables through increased company reputation and legitimacy (Maysaroh & Murwaningsari, 2023). The manufacturing sector was selected based on its characteristics of having a relatively high intensity of environmental impact, making it relevant for exploring sustainability practices and financial performance (Ghozali & Chariri, 2014).

Green innovation is a strategic pillar for companies to integrate innovative systems, techniques, and production processes that support the transition to environmentally friendly business models (Dewi & Rahmianingsih, 2020). The implementation of this innovation does not only focus on economic efficiency but is also designed to mitigate negative ecological impacts while strengthening competitive advantages in the market (Nawawi & Murtanto, 2025). Based on stakeholder theory, this practice is a response by companies to meet the expectations of investors who are increasingly concerned about sustainability. Meanwhile, legitimacy theory used to explain the variable relationship, green innovation serves as an instrument to obtain social support (social license to operate), which ultimately makes it easier for companies to attract strategic partners and increase their long term value. Supported by the findings of (Afrida & Setyorini, 2024) who show a positive correlation between green innovation and financial results.

H1: Green innovation affects financial performance positively.

EMA will facilitate management in formulating strategic decisions through comprehensive data extraction, both in the physical and monetary EMA dimensions (Afazis & Handayani, 2020). The EMA enables companies to accurately identify environmental costs so that they can reduce waste and improve operational efficiency. From the stakeholder theory perspective, the transparency of environmental information through EMA can increase stakeholder trust. According to legitimacy theory, this practice strengthens a company's image as a socially responsible and legitimate entity. In line with the research by Gozali & Januarti (2024); Luthfillah et al. (2024) prove that EMA contributes to financial efficiency and reputation, the following hypothesis is formulated:

H2: EMA positively affects financial performance.

Environmental disclosure could be used as a strategic communication tool used by companies to build positive perceptions and increase investor confidence in their financial performance (Fashikhah et al., 2018). By providing comprehensive sustainability information (such as GRI standards), companies send a strong signal of ecological commitment to stakeholders, which then translates into market support and increased revenue. From the perspective of legitimacy theory, this disclosure demonstrates the alignment of business operations with prevailing social norms. Although there are inconsistent research results, Asila & Falikhatun (2023) confirm that accurate environmental information transparency can increase financial performance and investment attractiveness.

H3: Environmental disclosure affects financial performance positively.

Media exposure serves as a strategic communication channel that expands the reach of information on green innovation practices to various stakeholders, such as investors, consumers, and the government. Through widespread publication, the media can strengthen positive public perceptions, which directly improves the financial performance of entities. Based on stakeholder theory, the media play a vital role in disseminating information that strengthens the relationship between companies and their constituents. Previous research Florencia & Handoko (2021) found that media exposure can encourage the level of voluntary disclosure of companies. Companies that can effectively manage media exposure tend to find it easier to gain support from the public, regulators, and investors. In line with the findings of (Afrida & Setyorini, 2024), which show green innovation impact on financial performance is more optimal when supported by strong media coverage.

H4: Media exposure strengthens green innovation and financial performance relationships.

EMA implementation should be supported by widespread communication through the media. Media exposure plays an important role in raising awareness among all stakeholders regarding a company's dedication to cost efficiency and environmental impact mitigation. The media increases transparency and strengthens legitimacy and financial performance in the public's eyes. This phenomenon is consistent with stakeholder theory, which emphasizes accountability and information disclosure as the key to a harmonious relationship between companies and their constituents. This is also supported by the argument in the research by Afazis & Handayani (2020) which states that the efficiency and

cost savings resulting from the implementation of EMA will have a more optimal impact on financial performance if managed effectively through media channels. Based on the above explanation, it proposes:
H5: Media exposure strengthens EMA and financial performance relationship.

Disclosure of environmental information has a more significant strategic impact on companies if it is effectively disseminated through mass media. The widespread dissemination of information about a company's ecological commitments will enhance stakeholders' positive perceptions and strengthen the corporation's overall reputation. Based on legitimacy theory, media exposure reinforces the public's view about company' social values; the more intense the media coverage of environmental transparency, the stronger the social legitimacy obtained. Therefore, the synergy between environmental disclosure and media exposure is believed to build public trust and increase investor interest and consumer loyalty, which ultimately leads to stronger financial performance. This media exposure is expected to have a reinforcing effect, as it enhances the company's visibility as a subject of public scrutiny (Asyari & Hernawati, 2023). Based on this description, it proposes:
H6: Media exposure strengthens environmental disclosure and financial performance relationships.

METHOD

Figure 1 shows the research model with manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the observation period of 2022-2024 as samples. Research sampling results shown in Table 1.

Financial performance as a dependent variable is measured using Return on Assets (ROA) and Tobin's Q. The ROA measure also used by Handoko & Santoso (2023) is calculated by dividing net income after tax by total assets, which reflects the company's ability to generate profits from its assets. Tobin's Q is calculated by comparing equity's market value plus the book value of liabilities to the total book value of assets. Green innovation was measured using the PROPER score from the Ministry of Environment and Forestry. The PROPER rating was converted into a numerical scale form 5 (gold) to 1 (black) which was also used by Widianto & Sari (2020). The higher the PROPER score, the better the company's innovation and environmental management performance is.

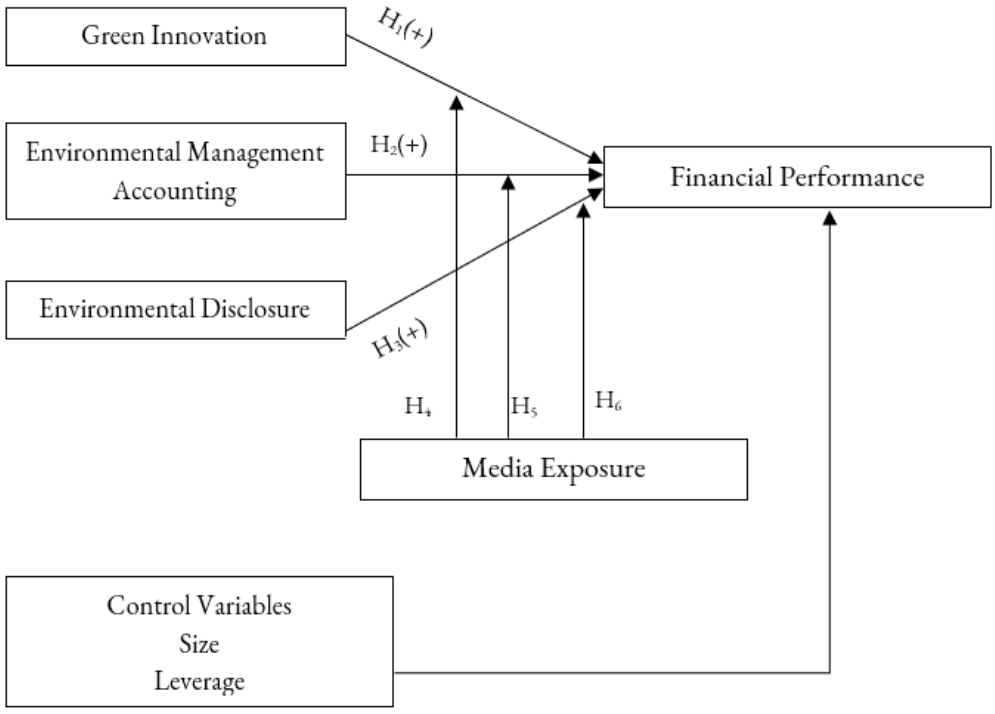


Figure 1 Research Model

Table 1 Research Sampling Result

Information	Sample
IDX Manufacturing companies listed during the 2022-2024	228
(-) Manufacturing companies not listed during the 2022-2024 period.	(0)
(-) Not publish a sustainability report and annual report during the 2022-2024 period.	(23)
(-) Not use the rupiah currency during the 2022-2024 period.	(26)
Number of Company Samples	179
Year of Observation	3 years
Total sample	537
Outlier data	(25)
Total Sample Data Studied	512

In this study, Environmental Management Accounting (EMA) is measured using a content analysis approach adapted from Lanita & Rachmawati (2020), with the EMA

disclosure items referring to Burritt et al. (2002). EMA is measured based on the application of Physical Environmental Management Accounting (PEMA) and Monetary Environmental Management Accounting (MEMA). PEMA is measured using six indicators that reflect the recording and management of physical information related to the use of energy, water, raw materials and waste or emissions, while MEMA is measured using four indicators related to the recognition and reporting of environmental costs, environmental investments, cost efficiency, and environmental cost control. The scoring process was conducted by the researcher through content analysis of the companies' report (Each indicator item was assigned a score of 1 if the relevant information was disclosed by the company and a score of 0 if the information was not disclosed). To minimize coding errors and maintain consistency in the scoring process, the researcher rechecked the coding result by comparing them with the information presented in the original company reports. The total score was then divided by the maximum number of indicators to obtain the EMA index.

Environmental disclosure is measured using the Global Reporting Initiative (GRI) index and content analysis method (1 for each indicator disclosed and 0 if not disclosed). The total score is then divided by the maximum number of indicators to produce the environmental disclosure index. The higher the index value, the more complete is the environmental information provided by the company. Media exposure is measured using a dummy variable (1 for CSR disclosed and 0 if CSR not disclosed) through the media or external publications. The research equation using moderation regression is as follows:

$$KK_i = \beta_0 + \beta_1 GI_i + \beta_2 EMA_i + \beta_3 ED_i + \beta_4 ME_i + \beta_5 GI*ME_i + \beta_6 EMA*ME_i + \beta_7 ED*ME_i + \beta_8 Size_i + \beta_9 Leverage_i + \varepsilon$$

Explanation:

KK	: Financial Performance (ROA or Tobin's Q)
β_0	: Constant
$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9$	: Regression Coefficients
GI	: Green Innovation
EMA	: Environmental Management Accounting
ED	: Environmental Disclosure
Size	: Company Size

Leverage	: Debt Level
ε	: Error
i	: Company

RESULTS

Descriptive statistics show that the number of observations used in this study was 512 after eliminating outliers. The financial performance variable, proxied by ROA, had an average value of .030 (s.d. .124), indicating that the ability of companies to generate profits from assets varied relatively widely between companies. Meanwhile, Tobin's Q has an average value of 1.000 (s.d .703). An average value close to one indicates that, in general, the market assesses companies to be in a relatively balanced condition between their market value and book value of assets, even though there are variations in investors' assessments of the company's prospects. The Green Innovation variable, measured using the PROPER score rating scale issued by the Ministry of Environment and Forestry (KLHK), where companies are scored from 5 to 1 based on their achievement: Gold (5), Green (4), Blue (3), Red (2), and Black (1). Meanwhile, companies that are not registered or evaluated under the PROPER program (non PROPER) are assigned a score of 0. This study shows that most companies are in the non PROPER and Blue PROPER categories, while companies with green and gold ratings are still relatively limited. This indicates that most companies are still focused on meeting environmental compliance standards, while the implementation of more advanced environmental innovations is not yet widespread in the industry.

The Environmental Management Accounting (EMA) variable shows .725 average value. This value indicates that, on average, companies disclosed approximately 72.5% of the total EMA indicators used. Therefore, it can be concluded that environmental accounting management and reporting practices have been sufficiently implemented, although they have not yet been fully optimized. The environmental disclosure variable, measured using the GRI index, has an average value of .770. On average, companies disclosed approximately 77% of environmental disclosure indicators. This value reflects a relatively good level of environmental transparency, with variations in disclosure between companies that are not too significant.

The Media Exposure variable, measured using a dummy variable, shows that around 62.1% of companies have disclosed their corporate social responsibility (CSR) activities through the media or external publications, while the rest have not made explicit

disclosures. This indicates differences in the level of sustainability information exposure between companies. The company size has a 26.868 average value and leverage has .227 average value of, which indicates that the company's funding structure is still dominated by equity compared with liabilities. The variation in size and leverage reflects the heterogeneity of the financial characteristics of the companies that are the subject of this study.

Normality testing using the K-S test showed that the data were not statistically normally distributed, but they were acceptable based on the central limit theorem because of the large sample size. The research model is free from multicollinearity and the Glejser method showed that the significance value of all variables was greater than .050 (no heteroscedasticity problem) and Durbin Watson test result showed that there is no autocorrelation problem. Based on the overall test results, it can be concluded that the regression model has met the classic assumptions, making it suitable for further analysis and hypothesis testing. The F-statistic test in Table 2 shows that the regression model is valid as indicated by significance values of .002 and .003 (less than .050), respectively.

Table 2 F Test Result for Model 1 and Model 2

Model	Sum of Squares	df	Mean Square	F	Sig.
Equation 1: Dependent Variable ROA					
Regression	.389	9	.043	2.903	.002
Residual	7.470	502	.015		
Total	7.859	511			
Equation 2: Dependent Variable Tobin's Q					
Regression	12.034	9	1.337	2.790	.003
Residual	240.565	502	.479		
Total	252.599	511			

Table 3 Hypothesis Testing Results for Model 1 and Model 2

	Unstandardized Coefficients		T	Sig.	
	B	Standard Error			
Equation 1: Dependent Variable ROA					
Constant	.041	.095	.433	.665	
GI	.017	.007	2.385	.017	H1 supported
EMA	-.055	.073	-.745	.456	H2 not supported
ED	-.058	.065	-.901	.368	H3 not supported
ME	-.118	.088	-1.335	.182	
SZ	.002	.002	.926	.355	

LEV	-.019	.016	-1.186	.236	
GI*ME	-.001	.008	-.076	.940	H4 not supported
EMA*ME	.103	.092	1.122	.262	H5 not supported
ED*ME	.045	.083	.544	.587	H6 not supported
Equation 2: Dependent Variable Tobin's Q					
Constant	.765	.539	1.419	.156	
GI	.046	.040	1.142	.254	H1 not supported
EMA	-.032	.416	-.076	.939	H2 not supported
ED	-.121	.368	-.329	.742	H3 not supported
ME	-.324	.501	-.648	.517	
SZ	.014	.014	1.031	.303	
LEV	-.379	.091	-4.156	.000	
GI*ME	-.006	.047	-.120	.904	H4 not supported
EMA*ME	.248	.522	.475	.635	H5 not supported
ED*ME	.192	.472	.406	.685	H6 not supported

DISCUSSION

The Effect of Green Innovation on Financial Performance

Table 3, Model 1 shows that Green Innovation (GI) positively and significantly affects the financial performance (ROA), with .017 coefficient value and p-value .017 (Sig < .050). This finding indicates that the higher environmentally friendly innovation implementation, the higher the performance. The implementation of green innovation encourages operational efficiency and optimizes asset utilization, thereby improving financial performance. These results reinforce the view that green innovation is not only oriented towards environmental compliance but also provides economic benefits through cost savings and increased efficiency, in line with stakeholder theory. These results are consistent with Afrida & Setyorini (2024) which states that green innovation can improve financial performance, but this is not necessarily directly reflected in an increase in the financial performance.

These results are also consistent with Saputra et al. (2024), who show that the implementation of environmental conservation programs and the development of innovations in business processes can improve a company's financial performance, particularly in terms of profitability, thereby earning positive appreciation from shareholders and the community. The organization's efforts to maintain environmental sustainability and create environmentally friendly innovations are seen as added value that has the potential to increase the company's price to book value. Investors believe that the application of green innovation reflects a company's ability to maintain its competitiveness

while ensuring its sustainability.

However, the results of testing Equation 2 show no impact of Green Innovation on Tobin's Q, as indicated by a significance value of .254 (Sig > .050). This finding indicates that market mechanisms have not yet fully made green innovation practices a primary consideration in assessing company financial performance, particularly in the short term. Investors tend to prioritize financial indicators that are direct and easy to measure over the economic benefits of environmental innovation, which are generally only felt in the long term. The investments required for the implementation of green innovation, process improvements, and the procurement of supporting facilities generally require large amounts of funds, which, in the short term, can put pressure on a company's financial performance. These significant investment expenditures have the potential to reduce the availability of financial resources and negatively impact profitability. This is also supported by the research of Nawawi & Murtanto (2025).

The Effect of EMA on Financial Performance

The results of the regression analysis in Equation 1 show that EMA does not have a significant effect on Return on Assets (ROA), as indicated by a significance value above .050. This finding implies that environmental cost accounting implementation and management has not had a direct impact on increasing company profitability during the research period. This shows that the benefits of implementing EMA are not felt in the short term. Furthermore, the results of the test in Equation 2 show that EMA does not have a significant effect on financial performance, as proxied by Tobin's Q. This finding indicates that information related to EMA practices is not yet perceived by the market as a relevant signal for assessing a company's financial performance. Investors still focus more on financial indicators that are direct and easily observable rather than internal and long term environmental cost management practices.

In line with Lanita & Rachmawati (2020), who state that the components of PEMA and MEMA also have no significant impact on company performance. These findings reinforce the research argument that EMA implementation is still normative and more oriented towards fulfilling formal requirements. Companies generally have waste management facilities, but these activities are not carried out optimally; therefore, they do not contribute significantly to improving company performance. This condition reflects practices that are still common in Indonesia, in line with waste management regulations implemented by the central and regional governments of Indonesia. However, various cases

of environmental pollution are still frequently observed. This shows a gap between the existence of facilities and the actual implementation of environmental management in companies' operations. Afazis & Handayani (2020) also revealed that EMA has no effect on financial performance. The application of environmental management accounting does not necessarily result in optimal environmental performance; therefore, it does not always support companies in building business legitimacy in the community.

In contrast, Maysaroh & Murwaningsari (2023) and Irwansyah & Hermawan (2025) state the positive effect of EMA and companies have the potential to reap economic benefits and positive assessments from stakeholders if they can implement environmental management accounting effectively and in accordance with applicable regulations. This implementation is important for companies that conduct environmental management because it can encourage cost savings through increased resource efficiency, improved management systems and productivity, strengthened relationships with stakeholders, improved eco innovation performance, better quality assurance, and more optimal pollution control. The results of Luthfillah et al. (2024) also show that EMA positively affects financial performance. The implementation of proactive strategies, particularly efforts to reduce the amount of waste produced by companies, can create a competitive advantage that ultimately improves financial performance. In addition to providing economic benefits, increasing eco efficiency minimizes the negative impact of company activities on the environment. This result suggests further research to prove its consistency.

The Effect of Environmental Disclosure on Financial Performance

The regression test results in Equation 1 show that environmental disclosure (ED) does not significantly affect company financial performance, as measured by Return on Assets (ROA), as reflected in a significance value above .050. This finding indicates that the level of environmental information disclosure in annual reports and sustainability reports has not been able to have a direct impact on increasing company profitability in the short term. Furthermore, the test results in Equation 2 show that environmental disclosure does not significantly affect financial performance, as proxied by Tobin's Q. This finding indicates that the market has not yet made the extent of environmental disclosure a major consideration in assessing a company's financial performance. Investors prioritize direct and easily measurable financial indicators over non-financial information related to environmental disclosure.

Consistent with Putri & Regina (2023) environmental disclosure has not been able to

significantly attract consumer interest to drive improved corporate financial performance. This condition is caused by low consumer initiative and attention to seeking and considering environmental disclosure information before making purchasing decisions. In addition, consumer purchasing decisions are based on other factors. In general, consumers tend to prioritize product benefits, feature completeness, and price levels over information related to environmental disclosure provided by companies. Consequently, environmental disclosure has not become a major factor influencing consumer purchasing decisions or improving company financial performance.

Asila & Falikhatun (2023), Handoyo & Akram (2022) and Maysaroh & Murwaningsari (2023) also found no environmental disclosure effect on financial performance. Each industry sector must adjust its strategic decisions regarding sustainability and environmental disclosure to the conditions and objectives of each company. In addition, when companies implement environmental policies, communication and transparency with stakeholders are important factors in explaining the policies' long term benefits. Thus, the results of this study confirm that environmental disclosure is only one of several factors that can affect a company's financial performance, while other factors, such as management quality, level of competition, and regulations.

Using nearly identical variables, Handoko & Santoso (2023) found a positive influence of disclosed green accounting practices on financial performance. This finding reinforces the view that companies consistently implementing environmental responsibility tend to disclose environmental information comprehensively. This practice shapes the company's image as a responsible entity that complies with environmental regulations, thereby increasing consumer confidence and driving sales growth. This increase in sales can attract investors to invest capital with the expectation of higher returns, including dividends.

The Influence of Moderating Variable

Green Innovation and Media Exposure (GI*ME) does not have a significant effect on ROA. This is reflected in the regression coefficient value of -.001, with a significance level of .940 (Sig > .050). This finding indicates that media exposure cannot strengthen the relationship between green innovation and ROA. In other words, although green innovation has a direct positive effect on financial performance, this effect does not increase when green innovation activities are promoted through the media. Improvements in financial performance are more influenced by the internal benefits of implementing green innovation, such as operational efficiency and cost savings, than by external effects, such as

media exposure.

Furthermore, the results of the moderation regression test in Equation 2 also show that the interaction between Green Innovation and Media Exposure (GI*ME) does not have a significant effect on Tobin's Q, with a regression coefficient of -.006 and a significance value of .904 (Sig > .050). These results confirm that media exposure does not play a role in strengthening the influence of green innovation on financial performance. Thus, the role of media exposure as a moderating variable is not proven in the relationship between green innovation and financial performance.

The results of the moderation regression test in Equation 1 show that the interaction between Environmental Management Accounting and Media Exposure (EMA*ME) does not significantly affect ROA. This is reflected in the regression coefficient value of .103, with a significance level of .262 (Sig. > .050), so the hypothesis that media exposure can strengthen the influence of EMA on financial performance is not supported. This finding indicates that EMA functions more as an internal mechanism for companies in managing costs and environmental activities, while the publication of these practices through the media has not provided an additional impact on increasing profitability in the short term.

Furthermore, the results of testing Equation 2 also show that the interaction between EMA and Media Exposure (EMA*ME) does not have a significant effect on company financial performance, as proxied by Tobin's Q, with a regression coefficient value of .248 and a significance level of .635 (Sig > .050). This indicates that media exposure has not been able to strengthen the relationship between the application of EMA and market perceptions of a company's financial performance, so that the effectiveness of EMA in influencing a company's financial performance is determined more by internal implementation than by the level of media coverage.

The results of the moderation regression test in Equation 1 show that the interaction between Environmental Disclosure and Media Exposure (ED*ME) has no significant effect on ROA. This is reflected in the regression coefficient value of .045, with a significance level of .587 (Sig. > .050), so that the hypothesis that media exposure can strengthen the effect of environmental disclosure on financial performance is not supported. This finding indicates that the publication of environmental information through the media has not been able to provide economic added value that directly impacts the increase in company profitability in the short term because environmental disclosure is seen more as a form of compliance and transparency rather than a determining factor of operational efficiency.

Furthermore, the results of the test in Equation 2 also show that the interaction

between Environmental Disclosure and Media Exposure (ED*ME) does not have a significant effect on Tobin's Q. The regression coefficient value of .192 with a significance level of .685 (Sig. > .050) indicates that the intensity of media exposure to environmental information has not strengthened the market perceptions of the company's financial performance. Thus, the role of media exposure in moderating the relationship between environmental disclosure and corporate financial performance has not been empirically tested.

Conclusion, Limitations, and Suggestions

The results indicate that green innovation has a positive and significant effect on corporate financial performance, as measured by Return on Assets (ROA), indicating that the implementation of environmentally friendly innovations can improve operational efficiency and asset optimization, thereby increasing profitability. However, green innovation has not been proven to have a significant effect on company value, as proxied by Tobin's Q. This shows that the market has not fully responded to green innovation practices as a major factor in company valuation, especially in the short term. Furthermore, environmental management accounting does not significantly affect financial performance or company value. These findings indicate that the implementation of environmental cost recording and management systems has not had a direct impact on company profitability or investor perception because the benefits of implementing environmental management accounting tend to be internal and long term. The results of this study also show that environmental disclosure does not significantly affect financial performance or company value. This indicates that the level of environmental information disclosed in company reports has not contributed significantly to the economy in the short term and is perceived more as a form of transparency and fulfillment of social responsibility than as a source of economic value creation. In addition, media exposure has not been proven to have a significant effect on financial performance or company value, indicating that the publication of social and environmental activities through mass media has not been able to directly increase profitability or influence investor perceptions of company value.

In line with these findings, the results of the moderation test also show that media exposure cannot strengthen the relationship between green innovation, environmental management accounting, environmental disclosure, financial performance, and company value. The moderation analysis reveals that media exposure, measured as a binary variable (0/1), fails to strengthen the relationships, likely due to low data variance. Additionally, a

prominent methodological limitation of this study lies in the measurement of the moderating variable, media exposure, which utilizes a binary dummy (0/1). This approach creates very low data variance, which serves as the primary reason why none of the moderating hypotheses (H4, H5, and H6) are statistically significant. Therefore, it can be concluded that the intensity of media exposure is not yet effective enough to increase the impact of corporate sustainability practices on financial performance and market value of companies. Further research should address this by enhancing media exposure measurements to include quantity, intensity, and sentiment, to overcome this low variance limitation.

Future research should extend the analysis by incorporating other financial performance measures, including Return on Equity (ROE) and Capital Adequacy Ratio (CAR), as suggested by the findings of Ponto & Santoso (2019). Future research can also explore several other green variables such as sustainable green strategy or green advantage (Wijaya & Handoko, 2025) or various ESG indicators. In addition, media exposure measurement can be developed by considering the aspects of quantity, intensity, and sentiment of news coverage related to CSR activities, so that the role of the media in influencing company performance and value can be analyzed more comprehensively. In practical terms, the results of this study are expected to provide input for companies that the implementation of green innovation needs to be supported by effective communication strategies to optimize economic and reputational benefits. For investors and stakeholders, this study is expected to be considered in evaluating company performance with an emphasis on the implementation of sustainable practices that are carried out substantially, not merely based on formal disclosures in company reports.

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