



# The Impact of Disclosures on Green Accounting, Corporate Social Responsibility, and Corporate Governance on Stock Returns

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## ABSTRACT

This research investigates the impact of disclosing sustainability reports, encompassing Environmental, Social, and Governance (ESG) aspects, on stock returns. Environmental factors are represented by green accounting, social by corporate social responsibility, and governance by corporate governance. The study employs quantitative methods using secondary data from sustainability reports of companies listed on the ESG Leaders index from 2017 to 2022 (total of 138 samples). Descriptive statistical analysis of panel data using Eviews 12 software was conducted. Results indicate that while green accounting does not significantly influence stock returns, both corporate social responsibility and corporate governance have a positive impact. This study suggests that companies can enhance their ESG reporting to cultivate a positive stakeholder image and potentially increase stock returns.

Keywords: Corporate Governance, Corporate Social Responsibility, ESG, Green Accounting, Stock Returns

## 1. Introduction

A stock index is a statistical measure that reflects the overall price movement of a set of stocks selected based on certain criteria and methodology and evaluated regularly. The Indonesia Stock Exchange (IDX) releases a new index every year. There are currently two indices listed on the Indonesia Stock Exchange that focus on the environment, society and governance, namely the SRI-KEHATI index and the ESG Leaders index. The ESG Leaders index includes 30 issuers, which have strong environmental, social and governance ratings, are not involved in material controversies, and have no trading obligations, good liquidity and financial performance. For more details, below is a diagram depicting a graph comparing the percentage of IDX ESG Leaders stocks each year listed on the Indonesia Stock Exchange.

Based on data from the Indonesia Stock Exchange, 2024, it can be seen that the IDXESGL Stock Return Percentage shows the comparison between the ESG Leaders, LQ 45 and Jakarta Composite Index (JCI) stock indices listed on the IDX each year as a reference for comparison of the three indices. The ESG Leaders stock index is one of the dominating indices and reflects the status of stocks in the capital market. Figure 1.1 shows that the performance of ESG leaders is between the LQ 45 index and the Jakarta Composite Index (JCI). In 2021, the ESG Leaders Index recorded a return of 4.1% compared to the previous year with an Index return value of 7.0% in 2020, and in 2022 the stock return value was 3.1% and in 2023 the stock return value was 1.2%. So from the analysis of the percentage stock return chart, the average return of the ESG Leaders index has periodically decreased stock returns.

Environmental, Social, and Governance (ESG) is a subset of non-financial corporate indicators that cover sustainability, ethics and corporate governance issues. Environment, social and governance (ESG) uses these

factors to assess the level of sustainability of companies and countries. The environment social governance (ESG) score itself is determined using the environment social governance (ESG) score which is divided into three pillars, namely environment, social and governance. In this study, each pillar is measured using representatives of each pillar. Green accounting represents the environmental pillar, corporate social responsibility represents the social pillar and Good Corporate Governance represents the governance pillar.

For the first pillar that represents the environment, it is explained that green accounting is one of the accounting applications where a company must apply costs for environmental protection or environmental welfare, often also called environmental accounting costs in corporate expenses. Companies that have a better understanding of the environment will provide more reliable information to their stakeholders. The increasing level of disclosure of a company is a positive signal for stakeholders and shareholders. Therefore, the stock price will be used to evaluate the application of green accounting in improving the company's good image, so that it will be easier for management to contribute to the company's profitability (Qodratilah, 2021).

The second pillar, which is represented by social, is corporate social responsibility. Corporate social responsibility (CSR) is a company's commitment to make a long-term contribution to certain social and environmental issues in order to create a better environment. (Sukrada et al., 2019). Research conducted by Saori & Umaimah (2024) found an influence between corporate social responsibility (CSR) information on stock returns. Corporate social responsibility disclosure is a way to proactively signal to investors and the market that the company has a vision for a sustainable future. One of the external stakeholders who benefit from corporate social responsibility (CSR) is the society.

The third pillar is governance, which is represented by good corporate governance. Good corporate governance is the practice of good corporate governance is the impact of the increasingly widespread corporate scandals that befall large companies in Indonesia and abroad. For the first time, the issue of good corporate governance emerged in Indonesia after a prolonged crisis since 1998 caused by unethical business practices carried out by economists (Kusumawardani, 2022).

Several previous studies have tested green accounting, corporate social responsibility and good corporate governance variables on stock returns. The results of these previous studies are still inconsistent or there are still contradictions (disputes) because there are still variables of green accounting, corporate social responsibility and good corporate governance that have a positive and negative effect on stock returns. As explained by research Sembiring & Yanti (2023), Darmasaputra & Machdar (2022) and Lesmana & Gunawan (2022) which reveal that green accounting has a positive effect on stock returns. Meanwhile, research conducted by Maria & Elisabeth (2022) and Aditama (2022) green accounting has a negative effect on stock returns.

There are studies that discuss the effect of corporate social responsibility (CSR) variables on stock returns such as those conducted by Ratnaningtyas et al. (2023), Mudzakir & Pangestuti (2023), and Sembiring & Yanti (2023) which states that CSR has a positive effect on stock returns, while according to the study, CSR has a positive effect on stock return, Ikrima & Asrori (2020), Toti & Johan (2022), and has a negative effect.

Research that discusses the effect of good corporate governance variables on stock returns shows that there are still differences in research results. According to Hutama & Budhidharma (2022), Mudzakir & Pangestuti (2023), dan Toti & Johan (2022) states that good corporate governance has a positive effect on stock returns, while according to the study, good corporate governance has a positive effect on stock returns. Kusumawardani (2022) good corporate governance has a negative effect on stock returns.

Based on the research gap that has been described, this research will be tested again. This research is conducted on companies listed on the Indonesia Stock Exchange with the ESG Leaders index in the period 2017-2022. There is an issue regarding ESG Leaders on stock returns that companies that perform well have high performance, meaning that ESG performance is directly proportional to the level of stock returns. Therefore, the research background of the ESG concept is how to make investors consider non-financial aspects when buying stocks. This research is a development of Sembiring & Yanti research (2023) which conducted research with the title "The Impact of Green Accounting Implementation on Environmental Performance and CSR Disclosure on Stock Returns". The difference between this study and previous research is that it adds good corporate governance variables as independent variables that are thought to affect stock returns. So based on previous research and the phenomena that occur, the purpose of this study is to test and analyse the effect of disclosure of green accounting, corporate social responsibility, and corporate governance on stock returns for companies listed on the ESG Leaders index in 2017-2022.

## **2. Methodology**

### **2.1. Research Design**

Quantitative research is a research approach based on positivism and is used to analyse this research. This research aims to test hypotheses that have been made previously. Other objectives are to measure the relationship between variables, find patterns, trends, and relationships, and empirically test theories and hypotheses (Purwohedi, 2022). The unit of analysis is a certain part that is the object of research and is taken into account. Companies listed in the index issued by the IDX, namely, the ESG Leaders index, are the unit of analysis in this study.

### **2.2. Research Sample**

The population used in this study includes companies listed on the Indonesia Stock Exchange (IDX) for the period 2017-2022 and obtained a performance assessment from Revinitif eikon Thompson Reuters in a row. This population considers the suitability of the research topic with the ESG Leaders stock index criteria in its issuers applying ESG principles in environmental, social, and governance aspects in 2020-2022. Samples were taken using non-probability sampling techniques with purposive sampling methods. According to Purwohedi (2022) non-probability sampling technique is a sampling technique where each element in the population does not have the same probability of being selected as a sample. Purposive sampling method is a sampling method using certain considerations and criteria. The criteria are determined based on the objectives, needs, and circumstances of the research population. Based on the previously mentioned population, a certain number of samples will be taken. The criteria used in determining the sample are as follows:

1. Companies listed on the Indonesia Stock Exchange with the ESG Leaders index and providing environmental, social governance and ESG disclosure assessments for the period 2017-2022
2. Companies that disclose complete ESG data as needed between 2017-2022.
3. Companies that disclose complete ESG data from the Eikon Thompson Reuters Revinitif data source obtained from the University of Indonesia Economics & Business Data Centre.
4. Companies that meet all ESG variable criteria.

Based on the above criteria, 23 Company samples were obtained. So that the number of research samples is 138 ESG data samples, which are obtained from a total of 23 companies x 6 years of research from 2017-2022. The data taken is secondary data regarding environment, social, governance (ESG) based on the Company's financial statements on Companies indexed as ESG Leaders by the IDX. The data was obtained by researchers through Revinitif eikon Thompson Reuters. The researcher gained access to the data from a fellow researcher studying at the University of Indonesia (UI). Specifically, this research focuses on the range of 2017-2022.

### **2.3. Data Analysis**

The analysis in this study was conducted by conducting partial testing with each variable, to see how environmental, social, and corporate governance disclosures affect stock returns. Researchers used Eviews 12 software and Microsoft Excel assistance in data processing. This research uses descriptive statistical analysis techniques, Panel Data Regression, and classic assumption tests.

## **3. Results and Discussion**

### **3.1. Result**

#### **3.1.1. Panel Data Regression Estimation / Equation Testing**

The approach in panel data analysis involves three methods to select the most appropriate regression model. According to Widarjono (2009) in Rachmadevi et al., (2023), panel data regression models consist of three types, namely common effect, fixed effect, and random effect. The calculation of the regression model estimation method is as follows.

### 3.1.1.1. Common Effect Model (CEM)

**Table 1. Common Effect Model Test (CEM)**

Dependent Variable: RETURN  
 Method: Panel Least Squares  
 Date: 06/29/24 Time: 22:59  
 Sample: 2017 2022  
 Periods included: 6  
 Cross-sections included: 23  
 Total panel (balanced) observations: 138

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.754093	0.177734	4.242807	0.0000
ENV	-0.056304	0.041653	-1.351727	0.1787
SOC	-0.113711	0.075071	-1.514718	0.1322
GOV	0.126058	0.061378	2.053789	0.0419
R-squared	0.056574	Mean dependent var		0.640674
Adjusted R-squared	0.035453	S.D. dependent var		0.172826
S.E. of regression	0.169735	Akaike info criterion		-0.680598
Sum squared resid	3.860543	Schwarz criterion		-0.595750
Log likelihood	50.96124	Hannan-Quinn criter.		-0.646118
F-statistic	2.678520	Durbin-Watson stat		1.588391
Prob(F-statistic)	0.049598			

Source: Eviews 12 Data Processing (2024)

The common effect model (CEM) in table 1 has a positive constant value of 0.754093 with a probability value of 0.0000. The environmental variable has a negative regression coefficient of -0.056304 with a p-value (sig) of 0.1787  $\alpha$  (0.05). The SOC variable with the proxy for corporate social responsibility has a negative regression coefficient of -0.056304 with a p-value (sig) of 0.1787  $\alpha$  (0.05). The GOV or corporate governance variable has a positive regression coefficient of 0.126058 with a p-value (sig) of 0.0419  $\alpha$  (0.05). The regression equation on adjusted R<sup>2</sup> of 0.035453 explains that environmental with green accounting, corporate social responsibility and corporate governance proxies is 03.54% and the remaining 96.46% is influenced by other factors that are not examined in the study.

### 3.1.1.2. Fixed Effect Model (FEM)

Fixed effect model (FEM) in table 2 has a constant value of 1.283445 with a probability value of 0.0004. environmental variables have a positive regression coefficient of 0.016567 with a p-value (sig) of 0.7657  $\alpha$  (0.05). The SOC or corporate social responsibility variable has a negative regression coefficient of -0.401633 with a p-value (sig) of 0.0022  $\alpha$  (0.05). the corporate governance variable has a positive regression coefficient of 0.159909 with a p-value (sig) of 0.0926  $\alpha$ . The regression equation on adjusted R<sup>2</sup> of 0.284120 explains that environmental, corporate social responsibility and corporate governance 28.41% and the remaining 71.59% are influenced by other factors that is not examined in the study.

**Table 2. Fixed Effect Model Test (FEM)**

Dependent Variable: RETURN  
 Method: Panel Least Squares  
 Date: 06/29/24 Time: 22:59  
 Sample: 2017 2022  
 Periods included: 6  
 Cross-sections included: 23  
 Total panel (balanced) observations: 138

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.283445	0.349146	3.675951	0.0004
ENV	0.016567	0.055451	0.298760	0.7657
SOC	-0.401633	0.127856	-3.141307	0.0022
GOV	0.159909	0.094259	1.696496	0.0926

Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.414755	Mean dependent var	0.640674	
Adjusted R-squared	0.284120	S.D. dependent var	0.172826	
S.E. of regression	0.146228	Akaike info criterion	-0.839244	
Sum squared resid	2.394851	Schwarz criterion	-0.287733	
Log likelihood	83.90785	Hannan-Quinn criter.	-0.615123	
F-statistic	3.174913	Durbin-Watson stat	2.351428	
Prob(F-statistic)	0.000016			

Source: Eviews 12 Data Processing (2024)

### 3.1.1.3. Random Effect Model (REM)

**Table 3. Random Effect Model Test (REM)**

Dependent Variable: RETURN  
 Method: Panel EGLS (Cross-section random effects)  
 Date: 06/29/24 Time: 23:00  
 Sample: 2017 2022  
 Periods included: 6  
 Cross-sections included: 23  
 Total panel (balanced) observations: 138  
 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.909560	0.230501	3.946010	0.0001
ENV	-0.025413	0.046176	-0.550357	0.5830
SOC	-0.218329	0.091661	-2.381925	0.0186
GOV	0.148054	0.072393	2.045149	0.0428

Effects Specification				
			S.D.	Rho
Cross-section random			0.088985	0.2702
Idiosyncratic random			0.146228	0.7298

Weighted Statistics				
R-squared	0.066803	Mean dependent var	0.356928	
Adjusted R-squared	0.045911	S.D. dependent var	0.150549	
S.E. of regression	0.147053	Sum squared resid	2.897677	
F-statistic	3.197479	Durbin-Watson stat	2.039013	
Prob(F-statistic)	0.025570			

Unweighted Statistics				
R-squared	0.042812	Mean dependent var	0.640674	
Sum squared resid	3.916861	Durbin-Watson stat	1.508453	

Source: Eviews 12 Data Processing (2024)

Random effect model (REM) in table 3 has a constant value of 0.909560 with a probability value of 0.0001. The environmental variable has a negative regression coefficient of -0.025413 with a p-value (sig) of 0.5830  $\alpha$  (0.05). The corporate social responsibility variable has a negative regression coefficient of -0.218329 with a p-value (sig) of 0.0186  $\alpha$  (0.05). The corporate governance variable has a positive regression coefficient

of 0.148054 with a p-value (sig) of 0.0428  $\alpha$  (0.05). The regression equation on adjusted R<sup>2</sup> of 0.045911 explains that environmental, corporate social responsibility and corporate governance are 04.59% and the remaining 95.41% is influenced by other factors that are not examined in the study.

### 3.1.2. The Panel Model Selection

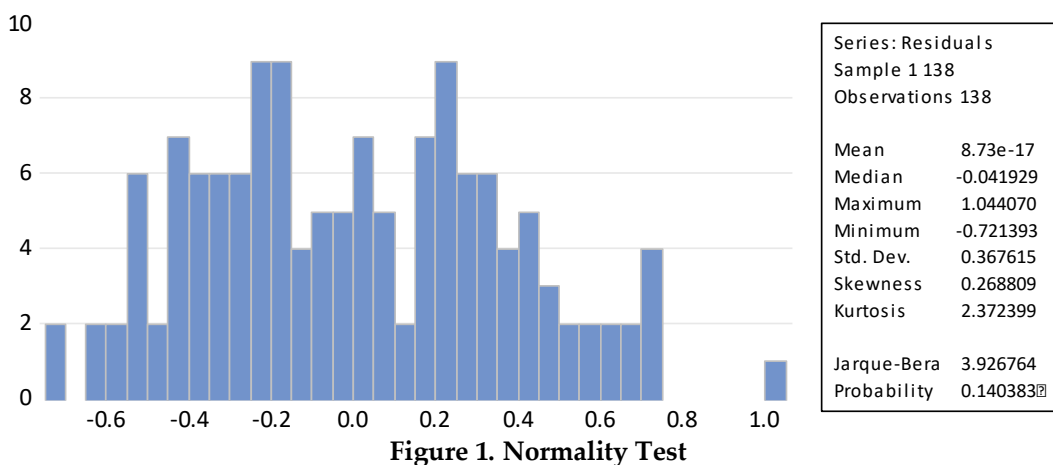
According to Gujarati in Maulid et al., (2021), the selection of the best model is carried out through several stages of testing. The Chow test is used to determine the best model between CEM and FEM. The Hausman test is used to determine the best model between FEM and REM. Meanwhile, the Breusch Pagan-Lagrange Multiplier (BPLM) test is used to determine the best model between REM and CEM. Based on the Chow test results, the Prob. Cross-section Chi-square value of 0.00, because this value is smaller than 0.05, the fixed effect model is considered better than the common effect model and the test continues to the Hausman test.

The results of the Hausman test obtained the value of Prob. Cross-section Chi-square value of 0.2109, this value is greater than 0.05, then the random effect model is considered better than the fixed effect model and the test proceeds to the Lagrange multiplier test.

The results of the Lagrange Multiplier test, obtained a Lagrange Multiplier value of 0.0000. Thus, the conclusion that can be drawn is that the Lagrange Multiplier value (0.0000) is smaller than the chi-square value (0.0000 < 0.05). This shows that the most appropriate regression model to use in this study is the random effect model. From the results of the chow test, hausman test and lagrange multiplier test, the test chosen is the Random Effect Model, so that for research on classical assumptions, determination (R<sup>2</sup>) and hypotheses used is the random effect model (REM) test.

### 3.1.3. Classical Assumption Test

#### 3.1.3.1. Normality Test



Source: Data processed by researchers (2024)

Based on the normality test results, it is found that the Jarque-Bera probability value is 0.140383 > 0.05. Therefore, it can be concluded that the data indicates a normal distribution.

#### 3.1.3.2. Autocorrelation Test

**Table 4. Autocorrelation Test Results**

Breusch-Godfrey Serial Correlation LM Test:  
Null hypothesis: No serial correlation at up to 2 lags

F-statistic	0.128063	Prob. F(2,132)	0.8799
Obs*R-squared	0.267249	Prob. Chi-Square(2)	0.8749

Source: Eviews 12 Data Processing (2024)

Table 4 presents the results to detect autocorrelation. It can be seen from the probability chi-square value of  $0.8749 > 0.05$ , which means that the regression model used does not occur autocorrelation. Therefore, the regression model used fulfils the basic assumption of no autocorrelation, which means that the residuals from one observation are not correlated with the residuals from other observations.

**3.1.3.3. Multicollinearity Test**

**Table 5. Multicollinearity Test**

Variance Inflation Factors  
 Date: 06/29/24 Time: 23:03  
 Sample: 1 138  
 Included observations: 138

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
ENV	0.001735	51.18448	1.659270
SOC	0.005636	209.2561	1.700191
GOV	0.003767	132.2016	1.441010
C	0.031590	151.3138	NA

Source: Eviews 12 Data Processing (2024)

The multicollinearity test in this study has a requirement to pass by looking at the centreed VIF value. If the VIF value is less than 10 then there is no multicollinearity. Based on the table above, all centered VIF values in this research data have a value of less than 10, so the research data does not experience multicollinearity problems. So that the multicollinearity regression model is said to be good because there is no correlation between the independent variables in the regression model.

**3.1.3.4. Heteroscedasticity Test**

**Table 6. Heteroscedasticity Test**

Heteroskedasticity Test: Breusch-Pagan-Godfrey  
 Null hypothesis: Homoskedasticity

F-statistic	0.703806	Prob. F(3,134)	0.5514
Obs*R-squared	2.140716	Prob. Chi-Square(3)	0.5437
Scaled explained SS	1.385036	Prob. Chi-Square(3)	0.7090

Source: Eviews 12 Data Processing (2024)

The heteroscedasticity test in this study uses the Breusch pagan godfrey test. The Breusch pagan godfrey test has a requirement to pass by looking at the Prob value. Chi-Square value on Obs \* R-squared. If the value of prob. Chi-Square on Obs R-squared is more than 0.05, then there is no heteroscedasticity problem. Based on the data above, it is known that the prob value. Chi-Squared on Obs\*R-squared is 0.5437 where the value is more than 0.05, so the research data does not experience heteroscedasticity problems.

**3.1.3.5. Panel Data Regression Analysis**

**Table 7. Panel Data Regression Analysis**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.909560	0.230501	3.946010	0.0001
ENV	-0.025413	0.046176	-0.550357	0.5830
SOC	-0.218329	0.091661	-2.381925	0.0186
GOV	0.148054	0.072393	2.045149	0.0428

Source: Eviews 12 data processing (2024)

The panel data regression analysis above was carried out using a sample of 23 companies with 6 years of observation, so 138 sample data were obtained. In the panel data regression analysis, the following multiple regression equation was obtained:

$$Y = 0.909560 - 0.025413 \text{ ENV} - 0.218329 \text{ SOC} + 0.148054 \text{ GOV} + e$$

The following information from the calculation results of the panel data regression analysis that has been processed is as follows:

1. The equation in the panel data regression analysis above is known to be a constant of 0.909560, meaning that if all independent variables, namely environment, corporate social responsibility and corporate governance and the dependent variable, namely firm value, are equal to zero, then stock returns will be 0.909560.
2. The environmental variable (ENV) has a negative regression coefficient of -0.025413 with a probability value of 0.5830. The coefficient value of -0.025413 means that every additional 1 environmentl, the stock return will increase by -0.25413.
3. The corporate social responsibility variable has a negative regression of -0.218329 with a probability value of 0.0186. The coefficient value of -0.218329 means that every additional 1 corporate social responsibility, stock returns will decrease by - 0.218329.
4. The corporate governance variable has a positive regression coefficient value of 0.148054 with a probability value of 0.0428. the coefficient value of 0.148054 means that every additional 1 corporate governance, stock returns will increase by 0.148054.

**3.1.3.6. T test (Partial)**

**Table 8. T test (Partial)**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.909560	0.230501	3.946010	0.0001
ENV	-0.025413	0.046176	-0.550357	0.5830
SOC	-0.218329	0.091661	-2.381925	0.0186
GOV	0.148054	0.072393	2.045149	0.0428

Source: Eviews 12 Data Processing (2024)

The t test (partial) hypothesis test was carried out using sample data as many as 138 samples. In testing the t (partial) hypothesis, it can be said to have an effect if the probability value is less than 0.05 and the tcount value is greater than ttable. The following information from the results of the t (partial) test that has been processed is as follows:

1. **The effect of green accounting on stock returns**  
The green accounting variable (ENV) has a probability value of 0.5830, where the probability value is greater than 0.05. The tcount value is -0.550357 and the ttable value is -1.65605, where the tcount value is smaller than the ttable value. From the probability value and tcount value, it can be concluded that environmentl has no significant effect on stock returns, so H1 is rejected and H0 is accepted.
2. **The effect of corporate social responsibility on stock returns**  
The corporate social responsibility variable has a probability value of 0.0186, where the probability value is smaller than 0.05. the tcount value is -2.381925 and the ttable value is -0.65605, where the tcount value is greater than the ttable value. From the probability value and the tcount value, it can be concluded that corporate social responsibility has a significant effect on stock returns, so H2 is accepted and H0 is rejected.
3. **The effect of corporate governance on stock returns**  
The corporate governance variable has a probability value of 0.0428 where the probability value is smaller than 0.05. The tcalculated value is 2.045149 and the ttable value is -0.65605, where the tcalculated value is greater than the ttable value. From the probability value and the tcount value, it



can be concluded that corporate governance has a significant effect on stock returns, so H3 is accepted and H0 is rejected.

**3.1.3.7. Test the coefficient of determination ( R<sup>2</sup>)**

**Table 9. Determination Coefficient Test (R<sup>2</sup>)**

Weighted Statistics			
R-squared	0.066803	Mean dependent var	0.356928
Adjusted R-squared	0.045911	S.D. dependent var	0.150549
S.E. of regression	0.147053	Sum squared resid	2.897677
F-statistic	3.197479	Durbin-Watson stat	2.039013
Prob(F-statistic)	0.025570		

Source: Eviews 12 Data Processing (2024)

The coefficient of determination (R<sup>2</sup>) test was carried out using a research sample of 138 samples. In the calculation of the coefficient of determination (R<sup>2</sup>) test above, it is known that the Adjusted R-squared value of 0.045911 (04.59%) means that the variation in Y can be explained by X1 and X2 and X3 by 4.59%, while the remaining 95.41% is explained by other variables outside the model. The Adjusted R-squared value is 0.0459, where the value is close to 1, so this research model is good.

**3.2. DISCUSSION**

**3.2.1. The Effect of Green Accounting Disclosure on Stock Returns**

The statistical analysis conducted shows that the effect of green accounting disclosure on stock returns cannot be said to be statistically significant. This can be seen from the probability value (p-value) of 0.5830, which is generally used to test the significance of a relationship. With a probability value greater than the commonly set significance level (0.05), there is not enough statistical evidence to support that green accounting disclosures have a significant influence on changes in stock returns. In addition, the obtained t-calculated value of -0.550357 also indicates that this t-statistic test result does not exceed the specified critical value (t-table value of -1.65605). Therefore, based on this analysis, it can be concluded that the alternative hypothesis stating that there is a significant effect of green accounting disclosure on stock returns (H1) is rejected, while the null hypothesis stating that there is no significant effect (H0) is accepted. This indicates that green accounting information reported by companies has no real impact on stock returns of companies listed on the Indonesia Stock Exchange with the ESG Leaders index in the 2017-2022 period.

**Table 10. Supporting results of green accounting hypothesis 1**

Tahun	UNVR		Tahun	SCMA	
	ENV	Return		ENV	Return
2017	74.812	-0.171	2017	19.328	-0.225
2018	74.068	-0.049	2018	0.176	-0.216
2019	82.796	-0.104	2019	2.255	0.624
2020	82.828	-0.422	2020	29.177	-0.288
2021	86.788	0.18	2021	32.391	-0.36
2022	87.544	-0.223	2022	32.642	-0.141

Source: data processed by researchers (2024)

Based on table 10, it can be seen that in 2017 PT Unilever Indonesia (UNVR) has a stock return value (Return) of -0.171, with a green accounting value of 74,812. Then in 2018 the ENV value decreased followed by an increase in return, the same thing happened in 2022. Then, in 2019 the ENV value increased followed by a decrease in return value, the same thing happened in 2020. This can happen because PT Unilever Indonesia is engaged in the Fast moving consumer goods industry, so competition focuses more on product innovation factors, prices, and marketing strategies. These factors may determine the company's performance which has an impact on stock returns rather than environmental factors.

Another case occurred at PT Surya Citra Media (SCMA), which in 2017 had a green accounting (ENV) value of 19.328 followed by a stock return value (Return) of -0.225. In 2018 there was a decrease in ENV value followed by an increase in return value. Then in 2020 there was an increase in ENV value followed by a decrease in return value, the same thing happened in 2022. This can happen because PT Surya Citra Media operates in the media and entertainment industry, where the company's main focus is more on advertising revenue, content strategy and growth of the audience or viewers. Some of these factors may be more dominant in influencing the company's performance that affects stock returns, so green accounting may not have a direct impact in this industry.

This study is in line with research Hakim & Aris (2023) and Selfiani & Yunita (2021) which states that green accounting has no significant effect on stock returns. This is because green accounting does not always have a significant effect on stock returns due to several factors. First, market awareness and acceptance of green accounting practices may be low, so the benefits are not fully recognised by investors in decision making. Given that the disclosure of green accounting is still relatively new, green accounting disclosure is not the main thing for investors to invest in. Second, the cost of implementing green accounting may be a barrier, given the initial investment required for technology and production process transformation. The following is added to the supporting explanation of the hypothesis results from the mean value, standard deviation, minimum value and maximum value

**Table 11. Supporting results of green accounting hypothesis 2**

Variable	Minimum Value	Company (Year)	Maximum Value	Company (Year)	Mean	Standard Deviations
Green Accounting (ENV)	0,176000	PT. Surya Citra Media Tbk (2018)	87,54400	PT Unilever Indonesia Tbk (2022)	0,042370	22,21297

Source: Processed by researchers (2024)

Table 11 serves as a support for the hypothesis results by presenting descriptive statistical analysis for Green Accounting (ENV) variables in various companies. This data shows that the minimum value for Green Accounting is 0.176000, which is observed in PT Surya Citra Media Tbk in 2018. In contrast, the maximum value recorded was 87.54400, found in PT. Unilever Indonesia Tbk in 2022. The average (mean) value of Green Accounting across the companies studied is 0.042370, indicating that most companies have relatively low Green Accounting values. The standard deviation that reaches 22.21297 indicates a significant variation in the application of Green Accounting between companies. This illustrates that although some companies show a high commitment to green accounting practices, there are still many companies that have not implemented it optimally.

### 3.2.2. The Impact of Corporate Social Responsibility Disclosure on Stock Return

Statistical analysis shows that corporate social responsibility (CSR) disclosure has a significant influence on stock returns, based on several key indicators. The obtained probability value (p-value) of 0.0186 indicates that this statistical test result is statistically significant at the 0.05 significance level. This indicates that there is sufficient evidence to support that CSR disclosure significantly affects stock returns. Furthermore, the obtained t-value of -2.381925 is greater than the relevant t-table value of -0.65605. In the context of the t-statistic test, if the t-count value exceeds the specified critical value (t-table), this indicates that the relationship between CSR disclosure and stock returns is statistically significant. Based on the results of this analysis, it can be concluded that the alternative hypothesis (H2) which states that corporate social responsibility disclosure has a significant effect on stock returns is accepted. In contrast, the null hypothesis (H0) stating that there is no significant effect is rejected. This suggests that companies that do a good job of CSR disclosure are likely to have a positive impact on their stock price, possibly through increased reputation, investor confidence, or other factors related to corporate social responsibility.

**Table 12. Supporting CSR Hypothesis Results 1**

	BBTN			BBCA	
Year	SOC	RETURN	Year	SOC	RETURN
2017	80.097	-0.278	2017	75.472	0.2
2018	85.277	-0.147	2018	77.935	0.301
2019	85.334	-0.184	2019	79.504	0.034
2020	88.092	0.003	2020	93.159	0.097
2021	78.492	-0.18	2021	92.796	0.194
2022	79.116	-0.042	2022	93.679	0.126

Source: Data processed by researchers (2024)

Based on table 12 above, it can be seen that the value of corporate social responsibility (SOC) disclosure at PT Bank Tabungan Negara (Persero) Tbk increased in 2018 and 2020 followed by an increase in return. Then in 2019 and 2021 the SOC value decreased followed by a decrease in return value. This shows that the results of corporate social disclosure have an impact on the company's return performance, and prove that investors see the company's social performance.

Furthermore, there is a second example of the company PT Bank Central Asia (BBCA) in 2017, 2019, 2020, 2021, and 2022 experiencing an increase in the value of social disclosure followed by an increase in the value of stock returns. This proves that conducting CSR programmes can improve the company's reputation and image in the eyes of the public and stakeholders. Companies considered to be socially responsible can attract customer attention and get more support from investors who consider sustainability aspects in making their investment decisions.

This research is in line with research conducted by Ratnaningtyas & Nurbaeti (2023) and Fitriani et al., (2021) The reason why Corporate Social Responsibility (CSR) has a positive effect on stock returns is because CSR activities can improve the company's financial performance, which in the long run contributes to increased profits and attracts socially orientated investors. This has a direct impact on the company's stock price and stock return. Furthermore, positive CSR activities can also motivate and increase employee satisfaction. Motivated and satisfied employees will work more productively, resulting in improved overall company performance, which in turn affects the company's stock price and stock return. Added supporting explanation of the hypothesis results from the mean value, standard deviation, minimum value and maximum value.

**Table 13. Supporting CSR Hypothesis Results 2**

Variable	Year	Companies	Parameters	Value
Corporate Social Responsibility	2018	PT Barito Pacific Tbk	Minimum	12,51500
	2022	PT Bank Central Asia Tbk	Maximum	93,67900
	-	-	Standard Deviation	19,54089
	-	-	Mean	61,86588

Source: Data processed by researchers (2024)

Table 13 shows Corporate Social Responsibility (CSR) data from two companies, PT Barito Pacific Tbk and PT Bank Central Asia Tbk, for the period 2018 to 2022. The CSR value is calculated based on the company's total CSR expenditure divided by the company's total revenue. Based on the table, it can be seen that the CSR value of both companies varies from year to year. The CSR value of PT Barito Pacific Tbk tends to increase from 2018 to 2022, while the CSR value of PT Bank Central Asia Tbk tends to fluctuate. The average CSR value of both companies during the period 2018 to 2022 is IDR 61.86588. This value shows that both companies have a fairly high commitment to their social responsibility. However, keep in mind that CSR value is only one indicator of a company's performance in carrying out its social responsibility. Further analysis is needed to assess the company's overall CSR performance. Based on stakeholder theory, if a company can focus on social responsibility, it can show that the company is not only focused on financial gain. Thus, investors will be more sympathetic and realise the importance of non-financial factors such as CSR in assessing long-term companies. Companies that can manage social aspects tend to experience lower stock price volatility and have a better risk profile.

### 3.2.3. The Effect of Corporate Governance Disclosure on Stock Returns

From the results of the statistical analysis conducted, it appears that corporate governance disclosure has a significant effect on stock returns, with a probability value (p-value) of 0.0428. This p-value is below the general significance level of 0.05, indicating that there is sufficient statistical evidence to support the relationship between corporate governance disclosure and company stock returns. Furthermore, the obtained t-value of 2.045149 also indicates that this relationship is significant. The positive t-value indicates that there is a positive relationship between good corporate governance practices and better stock performance. This is reinforced by the fact that the t-count value is greater than the relevant t-table value of -0.65605, indicating that the effect is statistically significant. Based on these results, it can be concluded that the alternative hypothesis (H3) stating that corporate governance disclosure has a significant effect on stock returns is accepted. Conversely, the null hypothesis (H0) stating that there is no significant effect is rejected. Thus, good practices in corporate governance not only support transparency and accountability, but also have the potential to increase firm value in the stock market.

This research is in line with research conducted by (Jao et al., 2019) and (Oktaviana et al., 2020) which reveals that corporate governance has a positive effect, this is because a good implementation of corporate governance shows the complexity in the factors that influence the relationship between corporate governance and stock performance, which is influenced by industry context, regulation, and specific management practices. Company management plays a crucial role in signalling to investors through transparent and accurate information about the company's condition and strategic decisions. This not only increases investors' confidence, but also has the potential to influence their response to such information, which has an impact on stock return movements. Thus, effective implementation of corporate governance not only enhances transparency and accountability, but also strengthens investor confidence and overall company stock performance. Added supporting explanation of the hypothesis results of the mean value, standard deviation, minimum value and maximum value.

**Table 14. Supporting Corporate Governance Hypothesis Results**

	BMRI			TLKM	
Tahun	GOV	RETURN		GOV	RETURN
2017	58.386	-0.054	2017	50.026	-0.116
2018	70.332	0.073	2018	59.511	0.103
2019	65.164	-0.136	2019	33.236	-0.124
2020	85.843	0.149	2020	37.771	0.281
2021	90.079	0.479	2021	31.086	-0.038
2022	88.632	0.282	2022	32.104	0.097

Source: Data processed by researchers (2024)

Table 14 shows corporate governance (GOV) data from two companies, namely PT Bank Mandiri (Persero) and PT Telkom Indonesia (Persero). In 2018, 2020 and 2021, the GOV value of BMRI has increased followed by an increase in stock returns. On the other hand, TLKM in 2018, 2020, and 2022 experienced an increase in GOV value which was then followed by an increase in stock returns. A high GOV value can show strong evidence that the company can support aspects of transparency, accountability and good risk management. By implementing good corporate governance practices, it can ensure compliance with regulations and maintain the company's reputation which can strengthen the company's position in the capital market which can have a positive impact on stock returns. Based on stakeholder theory, strong corporate governance values not only consider the interests of shareholders, but also other stakeholders such as the general public, employees, and customers. If the company considers various stakeholders, it can increase investor confidence and support the sustainability aspects of the company.

## 4. Conclusion

This study examines the effect of green accounting, corporate social responsibility, and corporate governance on stock returns with a study of companies listed on the ESG Leaders index in 2017-2022. Based on the results of testing and analysing the data that has been collected, as well as the findings of the research previously described, it can be concluded that the disclosure of Green Accounting (ENV), Corporate Social

Responsibility (SOC), and Corporate Governance (GOV) simultaneously has an influence on Stock Returns in companies listed on the Indonesia Stock Exchange with the ESG Leaders index in the 2017-2022 period. Disclosure of Green Accounting (ENV) does not show a significant effect on Stock Returns in companies listed on the Indonesia Stock Exchange with the ESG Leaders index in the 2017-2022 period. Corporate Social Responsibility (SOC) disclosure has a significant effect on Stock Returns in companies listed on the Indonesia Stock Exchange with the ESG Leaders index in the 2017-2022 period. Corporate Governance (GOV) also has a significant effect on Stock Returns in companies listed on the Indonesia Stock Exchange with the ESG Leaders index in the 2017-2022 period.

Investors are expected to consider information on stock returns of ESG Leaders indexed companies as part of their investment strategy. Involvement in companies that have good practices in terms of ESG (Environmental, Social, and Governance) can help minimise risk and achieve long-term investment goals. This study investigates the impact of green accounting, corporate social responsibility (CSR), and corporate governance on stock returns of companies listed in the ESG Leaders index from 2017 to 2022. The implications for the government are very important in formulating policies that support sustainable and socially responsible business practices. The government can strengthen regulations related to green accounting by encouraging companies to transparently report the environmental and social impacts of their operations, as well as providing incentives such as tax deductions and grants for innovative CSR projects. In addition, promotion and education on the importance of good corporate governance needs to be enhanced through training and support for international standards, which will help improve overall corporate governance.

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