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**THE INFLUENCE OF ENVIRONMENTAL PERFORMANCE,
ENVIRONMENTAL INFORMATION DISCLOSURE, ENVIRONMENTAL
COSTS ON COMPANY VALUE (CASE STUDY OF A MINING COMPANY)**

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Abstract

This research is driven by the increasing focus on corporate sustainability practices, especially within the mining sector, which significantly impacts firm value. The purpose of the study is to examine the effect of environmental performance, environmental information disclosure, and environmental costs on firm value. The study employs a quantitative approach using secondary data obtained from the annual and sustainability report of mining companies listed on the Indonesia Stock Exchange during the 2019-2023 period. The sample was selected using a purposive sampling method with a total of 74 observation. The result show that environmental performance has on significant effect on firm value, while environmental information disclosure has a significant positive effect and environmental costs have a significant negative effect on firm value. These findings indicate that transparent environmental disclosure can enhance investor confidence, where as environmental costs are still perceived as a financial burden. This study contributes theoretically by strengthening signaling theory and provides practical implications for companies to balance sustainability strategies with cost sufficiency.

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INTRODUCTION

Awareness of the importance of business sustainability is growing along with the increasing environmental impacts arising from corporate operational activities. One form of response to these challenges is the application of the Triple Bottom Line (TBL) concept put forward by Elkington in 1997, which emphasizes that the success of a company is not only assessed from the financial and economic aspects, but also from its social contribution and environmental responsibility (Salam & Afriyenti, 2025). This approach encourages companies to create value holistically and contribute to sustainable development in accordance with stakeholder demands and applicable regulations (Wahyuni & Febriansyah, 2023). Globalization and industrialization have also increased the use of natural resources to support economic development (Lestari & Khomsiyah, 2023). The mining sector, as part of the extractive industry, has a strategic role in providing important services such as infrastructure, energy, technology and other needs that support national and global economic growth (Yanti & Pratiwi, 2021). In Indonesia, this sector occupies an important position in the economy due to the abundance of immaterial reserves which have become an attractive force for companies in the field of exploration and management of natural resources (Cristy et al., 2018). Activities not only contribute to the country's income, but also open up employment opportunities for local communities (N & Merang, 2020).

Even though it provides economic benefits, mining operational activities often have negative impacts on the environment, such as damage to the ecosystem, water pollution, and emissions that worsen climate change. This condition is increasingly gaining attention from the government and stakeholders. Accordingly, firms must transition from a single bottom line orientation to a triple bottom line approach that integrates economic performance with social responsibility and environmental stewardship as core pillars of sustainable development. This paradigm underscores that long-term corporate viability is not solely determined by financial outcomes, but also by a company's contribution to societal welfare and the preservation of environmental resources (Parahdila et al., 2023). In response to these environmental impacts, the Indonesian government has enacted various regulations that strengthen corporate responsibility. Law Number 3 of 2020 affirms the obligation of IUP/IUPK holders to carry out environmental management, reclamation, and post-disaster management, including the provision of reclamation guarantee funds. In addition, the Financial Services Authority (OJK), through POJK No. 51/2017, requires public companies to present ESG-based sustainability reports (OJK, 2017). In accounting practice, environmental liabilities are regulated through PSAK 168 concerning fair value measurement, as well as PSAK 157 concerning provisions and contingent liabilities and the environment (Aptasari et al., 2024).

Furthermore, the Ministry of Environment and Forestry (KLHK) implements the Company Performance Rating Program (PROPER) as an instrument to supervise and evaluate corporate environmental management practices. This program serves not only as a regulatory monitoring tool but also as an incentive mechanism that encourages companies to enhance environmental compliance and transparency through public performance ratings (Ivan et al., 2020). This program is implemented based on the Minister of Environment and Forestry Regulation No. 2021 with stages of planning, implementation, ranking, as well as awards and sanctions. Through the rating assessment system of the Ministry of Environment and Forestry (gold, green, blue, red and black), it not only functions as a monitoring mechanism, but also as an immoral and reputational incentive for companies to improve the quality of environmental management (Surya et

al., 2023). However, field practices still show serious violations of environmental responsibility. The case of PT Timah Tbk in the period 2015-2022 is a real example, with total losses to the country reaching Rp 300 trillion, where Rp 271.1 trillion is an environmental loss (Kartika, 2025). According to calculations by environmental experts from IPB, these losses include ecological damage amounting to IDR 187.7 trillion, economic losses IDR IDR 74.4 trillion, and environmental restoration costs IDR IDR 12.1 trillion, according to the environmental and environmental protection regulations No. 7 Year 2014 (Rahmawati et al., 2024).

In line with the triple bottom line concept, the implementation of green industry has become an important strategy for companies to emphasize environmental impacts while simultaneously increasing efficiency and competitiveness (Seprina et al., 2023). In Indonesia, this practice has been promoted since 2010, one of which is through the PROPER program which has been implemented by the Ministry of Environment and Forestry since 2002 as an instrument for objective assessment of the environmental performance of companies (Khairiyani et al., 2019). The PROPER rating not only serves as a compliance indicator, but also serves as a reputational tool that encourages positive competition among companies and strengthens public and investor trust in sustainability commitments (Sagala & Aprilia K, 2023). Environmental performance essentially reflects a company's compliance with regulations and efforts to control operational impacts so that they remain below the specified threshold (Lestari & Khomsiyah, 2023). Through the green industry concept, the company strives to prevent and lead to achieving greater impact as part of its sustainability strategy (Seprina et al., 2023).

Success in environmental management not only improves business quality, but also becomes the basis for disclosing environmental information needed to maintain transparency and stakeholder trust (Mumtazah & Purwanto, 2020). Disclosure of environmental information in sustainability reports serves as a medium of communication between companies and shareholders and the community regarding commitments and performance in environmental management (Pratama et al., 2020). This non-financial information emphasizes the company's social responsibility and provides an overview of the environmental impacts of operational activities. In this way, environmental disclosure not only strengthens the company's reputation and sustainability, but also builds positive relationships with its stakeholders (Linda & Shanti, 2022).

In addition, environmental costs are also an important aspect related to corporate sustainability. Expenditures arising from a company's operational activities are classified as environmental costs. These costs include waste prevention, environmental restoration, and environmental conservation programs (Suryaningrum & Ratnawati, 2024) These costs are generally recorded in annual reports and sustainability reports and are often measured through the ratio of total environmental costs to net profit after tax as an indicator of their contribution to the company's value (Saputri et al., 2023). Thus, environmental costs are not merely seen as a burden, but rather as a strategic investment that supports sustainability, improves reputation, and strengthens investor and community trust (Ningsih et al., 2022). Therefore, the magnitude of environmental costs incurred by a company may signal its commitment to managing environmental impacts, which in turn could affect both its environmental performance and overall firm value.

Companies are accountable for minimizing the adverse environmental effects arising from their operational activities. This responsibility reflects a broader commitment to sustainable business practices that seek to balance operational efficiency with environmental protection and long-term ecological resilience. In Indonesia, the

assessment of corporate environmental performance is carried out through the Corporate Performance Rating Program in Environmental Management (PROPER), administered by the Ministry of Environment and Forestry (KLHK). This program provides a standardized framework for evaluating corporate compliance and proactive environmental initiatives, while also promoting accountability through public disclosure of environmental performance ratings. PROPER provides an assessment of a company's efforts in pollution control, energy efficiency, and natural resource conservation, thus becoming an important instrument in assessing a company's seriousness towards sustainability (Surya et al., 2023). This indicates that environmental performance, as represented by PROPER ratings, may depend on how extensively firms invest resources in environmental management activities, thereby underscoring the significance of analyzing the linkage between environmental expenditures and environmental outcomes. Examining this relationship is essential to understand whether corporate spending on environmental initiatives effectively translates into improved regulatory performance and sustainable practices.

Prior studies provide evidence of a positive association between environmental performance and firm value. Surya et al. (2023) demonstrate that strong environmental performance significantly enhances company value by strengthening investor trust and perceptions of long-term sustainability. This finding suggests that effective environmental management can serve as a strategic signal that reduces perceived risk and improves market valuation. Rohmah & Nazir 2022 found that high environmental performance is able to reduce the risk of reputation and improve market perception. Meanwhile, research by Putri & Susanti (2023) found more varied results, namely that environmental performance does not always have a significant effect, but simultaneously still has a significant effect on company value. This confirms that effective environmental management can be an important factor in increasing company value. Drawing on theoretical perspectives and empirical evidence from prior studies, it can be inferred that strong environmental performance represents a key indicator of corporate credibility and long-term sustainability, thereby fostering greater investor confidence. From an academic standpoint, such performance functions as a credible signal of sound governance and risk management, which can positively influence investors' expectations regarding future cash flows and firm stability. These findings imply that environmental performance may serve either as a mediating variable or as an independent determinant of firm value, thereby supporting the development of hypotheses examining the influence of environmental costs and environmental performance on firm value.

H₁: Environmental performance has a positive effect on company value.

Environmental information disclosure is the process of delivering data and reports by companies regarding the impacts and environmental management efforts carried out in their operational activities, usually through annual reports, sustainability reports, or special reports that refer to international standards such as the Global Reporting Initiative (GRI). Environmental information disclosure is considered capable of reducing misinformation between managers and investors in accordance with the theory of environmental disclosure. Thus, it can increase transparency and accountability of the company (Handoyo et al., 2022). Research by Rosiva et al. (2022) states that disclosure of social and environmental responsibility increases investor trust and company value. Meanwhile, research by Lestari & Khomsiyah (2023) found that the disclosure of sustainability reports positively influences market perceptions, as it signals a high level of transparency and effective risk management practices. Such disclosures reduce

information asymmetry between companies and investors, thereby enhancing stakeholder trust and supporting more informed investment decisions. These findings suggest that environmental information disclosure may serve as a strategic communication tool that strengthens the link between a company's environmental management practices and investor responses, thereby forming a basis for hypothesizing its direct influence on firm value.

However, it is different from Sari et al., (2025) which states that environmental information disclosure does not always have a positive effect on the company's value, although it still emphasizes that the quality of information greatly determines how the market responds. The different results of this study show that the context of quality, depth, and consistency of disclosure greatly affect effectiveness. Accordingly, it is important to test whether variations in disclosure practices consistently lead to improve firm value, supporting the development of hypotheses that examine its role as an independent variable influencing company value. Therefore, it may be concluded that the disclosure of environmental information contributes positively to corporate sustainability and is likely to enhance firm value. This positive effect arises because transparent environmental reporting strengthens stakeholder confidence and supports the company's long-term strategic positioning in the capital market.

H₂: Disclosure of environmental information has a positive effect on company value.

Environmental costs are all management allocated by companies to prevent, control, and overcome negative impacts on the environment, which can be in the form of waste control, environmental audits, pollution control, and investment in environmental technology (Setiawan & Honesty, 2020). Although these costs support long-term sustainability, in the short term, environmental costs are often perceived as a burden that can reduce the profitability of the company, thus causing doubts among investors (Uy & Hendrawati, 2020). This indicate that environmental costs may influence firm value either negatively through reduced profitability or positively when perceived as long-term strategic investments, making their overall effect an important subject for hypothesis development.

Research by Setiawan & Honesty (2020) shows that high environmental costs offset by increased efficiency and added value have the potential to reduce the company's attractiveness in the eyes of investors. Meanwhile, Uy & Hendrawati (2020) emphasize that environmental costs that do not result in profitability are instead viewed as a financial burden. This is consistent with the findings of Sholihah & Silalahi (2024) which emphasize that environmental costs only provide positive impacts if they are managed effectively and transparently. These inconsistent results indicate that the association between environmental costs and firm value depends on the effectiveness with which such costs are planned, controlled, and implemented. When environmental expenditures are managed strategically, they are more likely to generate economic benefits rather than merely being perceived as additional financial burdens. Thereby supporting the formulation of the hypotheses examining their direct and indirect effects on company value.

H₃: Environmental costs have a negative impact on company value.

Empirical evidence from prior studies regarding the effects of environmental performance, environmental information disclosure, and environmental costs on firm value remains inconclusive, as the reported findings exhibit considerable variation across different research contexts. A number of studies indicate that environmental performance and the disclosure of environmental information positively affect firm value by enhancing

corporate reputation and strengthening investor confidence. This effect arises because credible environmental practices and transparent reporting serve as important signals of responsible management and long-term business sustainability (Mardiana & Wuryani, 2019; Salam & Afriyenti, 2025; S. P. Sari, 2022). Conversely, other studies reveal that environmental costs may adversely affect firm value when they are not administered in an effective and efficient manner. In such circumstances, these costs are often perceived by investors as excessive expenditures that reduce profitability without generating corresponding strategic or environmental benefits (Afrimelta et al., 2024). This condition indicates a research gap that needs to be studied in depth, especially in Indonesia, which is currently promoting the implementation of sustainability principles through various regulations and programs such as PROPER. Therefore, this research is important to be conducted in order to test the relationship between environmental performance, environmental information disclosure, and environmental costs on company value, so that it can provide contributions both theoretically and practically in supporting sustainable business strategies.

METHOD

This study adopts a quantitative research design that emphasizes hypothesis testing and the systematic, measurable examination of relationships among variables. Such an approach enables objective analysis through statistical techniques, thereby enhancing the rigor and reliability of the research findings (Irfan Syahroni, 2022). This research activity was carried out from October 2024 to June 2025, by taking samples from all companies in the mining sector registered on the Indonesian Stock Exchange (IDX) in the time period from 2019 to 2023. The data employed in this study were collected from the Indonesian Stock Exchange website (www.idx.co.id) and the official websites of the respective companies. These data consist of secondary sources, specifically published annual reports and sustainability reports that are publicly available. The documentation method is used in data collection techniques which include the collection and management of irrelevant documents from business reports (Ardiansyah et al., 2023). This study uses all data and includes all companies listed on the IDX in the energy and basic immaterial industries. The samples used are all companies engaged in mining in the energy and basic immaterial fields. The criteria used in this sample are as follows: 1) Mining companies listed on the Indonesia Stock Exchange (IDX), 2) Companies that publish annual reports and sustainability reports for the 2019-2023 period, 3) Companies that include information on environmental costs, 4) Companies that disclose aspects of the Global Reporting Initiative (GRI), 5) Companies registered with the Corporate Environmental Performance Rating Program (PROPER) of the Ministry of Environment and Forestry (KLHK).

Hypothesis testing in this study was conducted using a series of statistical analyses processed with SPSS. The initial stage of analysis involved descriptive statistics, which were used to summarize and describe the distributional characteristics of each research variable. Subsequently, a series of classical assumption tests were performed, including normality testing using the Kolmogorov–Smirnov method, multicollinearity assessment through Tolerance and Variance Inflation Factor (VIF) values, autocorrelation testing using the Durbin–Watson statistic, and heteroscedasticity testing. These procedures were essential to confirm that the regression model satisfied the fundamental assumptions required for producing unbiased and reliable estimation results. The results indicate that the data are normally distributed, free from multicollinearity, do not exhibit

autocorrelation, and show no signs of heteroscedasticity, confirming that the regression model is appropriate for further analysis.

Hypotheses were tested through multiple linear regression analysis to evaluate the effects of environmental performance, environmental information disclosure, and environmental costs on firm value. The significance of each independent variable was assessed using the t-test, while the overall model fit was evaluated using the F-test. The adjusted R^2 value was used to determine the proportion of variation in firm value explained by the independent variables. This statistical approach allows for an objective and measurable assessment of the relationships among the variables being studied. The number of samples used in this research is as follows:

Table 1. Number of Samples Used

No	Information	Amount
1.	A number of mining companies are listed on the Indonesian Stock Exchange	86
2.	Mining companies that do not meet the criteria and completeness of data	68
3.	Mining companies that meet the criteria are samples	18
4.	Total observation data for the period 2019-2023	90
5.	Total observation data after outliers	74

Source: data processing result (2025)

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistics are used in this study to provide a comprehensive initial overview of the characteristics of each research variable before proceeding to more advanced statistical analyses. This stage aims to summarize the data through measurements such as minimum value, maximum value, mean, and standard deviation, allowing researchers to observe general trends and variations within the dataset. By examining these statistical indicators, it becomes possible to identify whether the variables exhibit wide or narrow distributions, as well as the degree of consistency across observations. The descriptive results also help in detecting potential anomalies or extreme values that may influence the subsequent regression analysis. Furthermore, the descriptive analysis provides an empirical basis for assessing the suitability of the data for further inferential testing and methodological decision-making. The complete descriptive statistical results for all variables used in this study are presented in Table 2.

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ENP	74	3.00	5.00	3.7838	.64681
EID	74	.32	.71	.4988	.08946
ENC	74	-.989	-.001	-.0900	.13982
COV	74	.32	2.13	1.1425	.36189
Valid N (listwise)	74				

Source: SPSS secondary data processing result (2025)

Based on the descriptive statistics reported in Table 2, the environmental performance (ENP) variable has a minimum value of 3.00 and a maximum value of 5.00, with an average score of 3.7838 and a standard deviation of 0.64681. This indicates that most mining companies demonstrate moderate to high levels of environmental performance, with relatively low variability among observations. The environmental information disclosure (EID) variable has a minimum value of 0.32 and a maximum value of 0.71, with an average value of 0.4988. This suggests that companies generally disclose approximately 50% of the environmental indicators, reflecting a moderate level of transparency in reporting sustainability-related information.

The environmental cost (ENC) variable ranges from -0.989 to -0.001, with a mean of -0.09003 and a standard deviation of 0.139819. Because this variable is measured as a ratio, the negative values indicate that environmental costs are relatively small compared to company financial performance, and the low mean value suggests that mining companies allocate limited resources to environmental-related expenditures. Lastly, the company value (COV) variable shows a minimum of 0.32 and a maximum of 2.13, while the mean value of 1.1425 indicates that company value varies considerably across firms, as reflected by the standard deviation of 0.36189. This implies that some mining companies exhibit significantly higher valuation levels than others, showing notable dispersion in market performance within the sector.

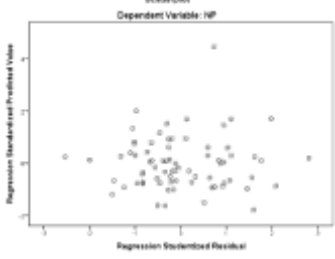
Overall, the descriptive statistics demonstrate that while environmental performance and environmental disclosure tend to fall within moderate levels, environmental costs remain relatively low, and company value shows substantial variation across mining firms listed on the Indonesia Stock Exchange.

Classical Assumption Test Results

This section presents the results of the classical assumption tests conducted to ensure that the regression model satisfies the fundamental statistical requirements. These diagnostic procedures are essential for assessing the reliability, validity, and overall robustness of the model. The analysis specifically evaluates normality, multicollinearity, heteroscedasticity, and autocorrelation, as these assumptions determine whether the estimated coefficients can be interpreted accurately. Meeting these assumptions helps prevent biased estimators, inefficient predictions, and misleading statistical inferences. In addition, the results of each test offer insights into whether further model adjustments or alternative estimation techniques are necessary. The detailed outcomes of the classical assumption tests are summarized in Table 3.

Table 3. Classical Assumption Test Results Table

No	Test Type	Criteria	Result	Decision
1.	Normality (Kolmogorov-Smirnov)	Sig. P-value > 0.05	0.065	Normally distributed data
2.	Autocorrelation (Durbin-Watson)	dl < d < 4 - du	1.536 < 1.591 < 2.262	No autocorrelation occurs
3.	Multicollinearity	Tolerance	ENP → 0.816 EID → 0.819 ENC → 0.980	There is no multicollinearity

	VIF	ENP → 1.225 EID → 1.221 ENC → 1.021	
4. Heteroscedasticity	There is no clear pattern, and the points are scattered on the Y-axis above and below the number 0.		There is no heteroscedasticity

Source: SPSS secondary data processing result (2025)

Based on the results presented in Table 3, the regression model satisfies all the required classical assumption tests. First, the normality test using the Kolmogorov–Smirnov method shows a significance value of 0.065, which is above the threshold of 0.05. This indicates that the residuals are normally distributed, allowing further parametric analysis. Second, the Durbin–Watson statistic falls between the lower and upper bounds ($1.536 < 1.591 < 2.262$), confirming that no autocorrelation is present in the dataset. Third, the multicollinearity test demonstrates acceptable Tolerance values (all > 0.10) and VIF values below 10 for all variables, meaning that multicollinearity is not an issue. Finally, the heteroscedasticity assessment, based on the scatterplot of residuals, reveals no visible pattern, with points distributed randomly above and below zero. This suggests that the variance of the residuals is constant across observations. Overall, these results confirm that the regression model meets the assumptions of normality, independence, absence of multicollinearity, and homoscedasticity, making it appropriate for use in further statistical analysis.

Hypothesis Test Results

This section reports the outcomes of the hypothesis testing aimed at assessing the effect of each independent variable on the dependent variable through multiple linear regression analysis. The analysis provides empirical evidence regarding the direction and significance of the relationships proposed in the research hypotheses.

Table 4. Hypothesis Test Results Table

Variables	<i>t table</i>	<i>t count</i>	<i>Sig.</i>	Information
ENP	1,770	,200	,842	H ₁ = rejected
EID	1,770	2,103	,039	H ₂ = accepted
ENC	1,770	-2,121	,037	H ₃ = accepted
F count	3,078			
<i>Sig.</i>	,033			
<i>Adjusted R²</i>	,025			

Source: SPSS secondary data processing result (2025)

The results of the hypothesis show that the environmental performance variable has a calculated value of $0.200 < \text{table value of } 1.770$ with a significance of $0.842 > 0.05$, so it does not significantly influence the company's value. The environmental information disclosure variable shows a calculated value of $2.103 > \text{table value of } 1.770$ and a significance of $0.039 < 0.05$, so it has a significant positive influence on the company's value. Meanwhile, the environmental cost variable shows that the calculated value (-2.121) is greater than the table value of 1.770 with a significance of $0.037 < 0.05$, which indicates a negative influence on the company's value. Simultaneously, the results of the if test simultaneously show a calculated F of 3.078 with a significance of $0.033 < 0.05$ and an adjusted R2 value of 0.025 or 2.5% .

DISCUSSION

Disclosure of Environmental Performance on Company Value

The findings of this research result in environmental performance not having a significant impact on the company's value, as reflected in the significant value of 0.842 which is greater than 0.05 . From a theoretical standpoint, these findings are inconsistent with legitimacy theory and signaling theory, which posit that strong environmental performance should enhance corporate reputational capital, reduce information asymmetry, and ultimately increase firm value. However, the absence of a significant effect suggests that investors may not fully incorporate environmental performance into valuation decisions. This outcome implies that environmental performance disclosures may still be perceived as secondary, non-financial attributes whose economic benefits are not immediately observable.

This interpretation aligns with previous empirical studies such as Sari, (2022) and Handoyo et al. (2022), which similarly reported that environmental performance does not significantly influence company value. These convergent findings indicate that, within the Indonesian market context, investors still prioritize financial fundamentals—such as profitability, liquidity, and growth prospects—over environmental indicators when making investment decisions. One possible explanation is that the market may perceive environmental initiatives as compliance-driven rather than value-creating activities, or that information regarding environmental performance has not yet reached a level of credibility and comparability sufficient to affect investor behavior. Consequently, despite theoretical expectations, the capital market's response to environmental performance remains limited.

The Effect of Environmental Information Disclosure on Firm Value

The hypothesis test yielded a significance value of 0.039 , which is lower than 0.05 , indicating that environmental information disclosure has a positive impact on firm value. From a theoretical perspective, this finding is consistent with signaling theory, which asserts that firms that voluntarily disclose environmental information send credible signals to the market regarding their commitment to sustainability and long-term risk management. Such disclosures reduce information asymmetry and enhance investor confidence, thereby increasing firm value. This result also aligns with legitimacy theory, as transparent environmental reporting helps firms maintain or strengthen societal legitimacy, which can influence stakeholders' perceptions and investment decisions.

This means that the higher the level of transparency of a firm in disclosing environmental information, the more positive the market response to the firm. The

market's positive reaction suggests that investors view environmental disclosure not merely as compliance, but as value-relevant information that reflects corporate responsibility, future risk mitigation, and strategic orientation.

This finding supports the research of Sari (2022) and Wulaningrum & Kusrihandayan (2020) which proves that environmental information disclosure has a positive and significant effect on firm value. The consistency of these results with prior studies reinforces the notion that environmental transparency has become increasingly important for investors, particularly in emerging markets where sustainability issues are gaining prominence. However, despite the positive influence, it is important to note that the extent to which environmental information affects firm value may depend on disclosure quality, industry sensitivity, and investor awareness—factors that future research should examine more critically.

The Effect of Environmental Costs on Firm Value

This study found that environmental costs have a significant negative impact on firm value, with a significance value of 0.037, which is less than 0.05. From a theoretical perspective, this finding appears to contradict the expectations of stakeholder theory and legitimacy theory, which suggest that firms allocating resources to environmental management should strengthen stakeholder trust and institutional legitimacy, ultimately enhancing firm value. However, the negative direction found in this study suggests that the market may interpret environmental costs primarily as an immediate financial burden that reduces short-term profitability. This interpretation reflects a dominant investor orientation toward short-term financial returns rather than long-term sustainability gains.

This indicates that the greater the environmental costs incurred by a firm, the lower the investor's assessment of the firm. The negative market response may also indicate that investors perceive environmental expenditures as non-strategic or compliance-driven rather than as investments that create future value. In such contexts, environmental spending is more closely associated with cost outflows rather than with reputational advantages, risk mitigation, or improved operational efficiency. This perspective underscores the persistence of information asymmetry, where investors may not have sufficient understanding or access to disclosures that clarify the strategic importance of environmental expenditures.

This finding is in line with the results of Wulaningrum & Kusrihandayani (2020) and Afrimelta et al. (2024) which also stated that environmental costs have a negative and significant effect on firm value. The alignment of these results across studies suggests that the Indonesian capital market may not yet fully internalize the long-term benefits of environmental investment. Consequently, although theory suggests that proactive environmental spending should enhance firm value, empirical evidence indicates that investors still prioritize short-term profit considerations over sustainability-oriented expenditures.

CONCLUSIONS AND SUGGESTIONS

Based on the findings regarding the impact of environmental performance, disclosure of environmental information, and environmental costs on the value of a company in the mining sector, it can be concluded that environmental performance has no significant impact on the value of the company. This indicates that aspects of environmental performance are of particular concern to investors when assessing a company's performance and future prospects. On the other hand, the disclosure of

environmental information has a significant influence on the value of the company, which means that the higher the level of transparency of the company in providing information related to environmental activities, the greater the trust and appreciation of investors towards the company. Regarding the company's value, this indicates that these costs are still viewed as an expense that can reduce profits, rather than as a long-term investment in supporting the company's sustainability.

This research has several limitations that need to be taken into account. First, the observation period of 2019-2023 coincides with the COVID-19 pandemic, which can influence external factors, including the company's sustainability reporting process. Second, not all companies consistently disclose environmental indicators in their annual reports or sustainability reports, so the information obtained is not yet fully complete. Third, there are differences in reporting formats between companies, where some only present environmental data in their annual reports, while others compile it separately in their more comprehensive sustainability reports, so the data obtained is relatively limited. Based on the study results and limitations found, the researcher conveys a number of suggestions. First, it is recommended to expand the research sample by including companies from various sectors, not only the mining sector, so that the research results are broader. Second, the use of other measuring tools such as Environmental, Social, and Governance (ESG) can be considered to make the data search process easier. Third, extending the observation period of company data can increase the reliability and trustworthiness of the research results, so that it can provide a more comprehensive picture of the relationship between environmental factors and company values.

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