ELEVATING FIRM VALUE: EXPLORING THE ESG FRAMEWORK'S INFLUENCE ON CORPORATE PERFORMANCE

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Abstract

The establishment of a company not only focuses on financial aspects, but also focuses on social and environmental aspects. The purpose of this study is to empirically prove that philanthropic activities, environmental performance and environmental costs affect the value of the company. This research was conducted by energy sector companies listed on the Indonesia Stock Exchange in 2011-2020 and used the purposive sampling method in determining samples. Data processing in this study was carried out using Microsoft Excel and SPSS 25 software. The data analysis technique in this study used multiple linear regression analysis. The results of this study prove that philanthropic activities have a positive and significant impact on the value of the company, while environmental performance has positive results but does not have a significant effect on the value of the enterprise. On the other hand, environmental costs have a negative result and do not have a significant effect on the value of the company. These findings suggest that companies should continue to prioritize philanthropic activities as a component of their CSR strategy, while also considering the environmental costs incurred as a result of their operations.

Keywords*: Philanthropy; Environmental performance; PROPER; Environmental Costs; The value of the company*

INTRODUCTION

Environmental, social, and governance (ESG) factors are increasingly important in determining a company's overall value (Zhou, G., Liu, L., & Luo, S. (2022). This is because ESG factors can have a significant impact on a company's financial performance and long-term prospects. In addition, ESG factors are becoming increasingly important to investors, as they seek to align their investments with their values and have a positive impact on society and the environment. Companies with strong ESG performance are often seen as having a competitive advantage and can command higher valuations (Atan, R., Alam, M. M., Said, J., & Zamri, M., 2018).

In Environmental factors, Companies that prioritize environmental sustainability and operate in an environmentally responsible manner can reduce their exposure to regulatory risk and increase their competitiveness in the marketplace. In the environmental aspect, one of them is environmental performance is an environmental management system that is preserved and maintained by the company. Prevention efforts in environmental pollution which is environmental performance management to be able to achieve a green industry with the aim of avoiding consequences in environmental aspects in the future and directing to *zero impact* (Tjahjono & Eko, 2013). Environmental performance can be measured from PROPER (Company Performance Rating Program) which has 5 ratings based on predetermined colors, namely: gold, green, blue, red and black. In the application of measurements from the Ministry of Environment, environmental management is part of the principles of good governance which are accountable, fair, transparent and community involvement.

The application of environmental accounting by companies can increase efforts to prevent environmental damage so that it will increase business, control and reduce environmental costs and the company will be more likely to get company profits without compromising in environmental aspects (Santoso, 2012). Environmental costs will be identified, measured, assessed until they are reported in the financial statements. The costs of environmental improvement efforts caused by the company's operational activities result in the occurrence of pollution and environmental damage, legal and environmental tax implications, waste management and purchasing techniques in pollution control. With the efforts to protect the environment by the company, namely environmental accounting which has the aim that the company can overcome environmental impacts and costs and implement laws and regulations regarding the environment (Sambharakreshna, 2009).

In the perspective of Social factor, Companies that prioritize social responsibility and ethics can improve their reputation, enhance customer loyalty, and attract and retain talent. Indonesia in 2018 established the Indonesian Philanthropy and Business Platform for SDGs (FBI4SDGs) to support philanthropic activities in business activities that aim to achieve the Sustainable Development Goals (SDGs). The FBI4SDGs platform is supported by several associations and represents around 500 companies and philanthropists. Philanthropy is considered as a form of Corporate Social Responsibility (CSR) and is one aspect of the triple bottom line, namely the social aspect. Companies' philanthropic activities can add value to their reputation, increase their value, and improve public confidence in the quality and performance of the company. Additionally, supporting companies to be socially responsible through philanthropy can help companies in building reputation, brand recognition, and retaining their workforce. The Charities Aid Foundation (CAF) World Giving Index 2021 has named Indonesia as the most generous country in the world, which highlights the importance of philanthropy in the country.

Philanthropy is a form of generosity towards fellow human beings and is considered as a part of Corporate Social Responsibility (CSR). It can provide positive feedback and value from the community towards the company and contribute to social justice by serving as an intermediary between the rich and the poor. Philanthropic activities carried out by companies, such as the construction of facilities and provision of scholarships, are not limited to just monetary donations and can have a significant impact on the community. Companies that exhibit exemplary behavior in their philanthropic activities can be viewed positively by society, as noted by Goodfrey (2005). Overall, philanthropy can be a powerful tool for companies to not only contribute to society but also enhance their reputation and relationship with the community.

In governance factors, companies that have strong governance practices, such as transparency, accountability, and ethical behavior, are more likely to have a positive reputation and attract investment. The company has to implement good governance to manage and increase the value of the company. Transparent and company responsibility for the environment will attract more attention and certainly be safer, credible in the future financial prospects of investors and other stakeholders (Cormier & Magnan, 2007). Improvement of company reputation can also be built from issues environment by having the company's concern and commitment in managing corporate responsibility.

Indonesia's economic development that participates in international trade and has a role as a provider of energy resources is the energy sector. The mining industry is one of the sectors contained in the energy sector that has a development role in the field of regional or state economy, namely electrification support and national energy security, government revenues such as taxes including royalties by contributing the export part of foreign exchange receipts and creating jobs. However, the industrial sector that is directly related to the environment when carrying out operational activities is the mining sector because the company directly uses natural resources on Earth (Siregar et al., 2019). The company's business activities in the energy sector have an impact on society and the environment such as carrying out mining operations that can damage the environment which in the company's main operations conduct searches, mining by conducting excavations, managing the results of searches and sales of minerals that have an impact on environmental aspects that can cause damage and environmental pollution.

Therefore, ESG factors can have a direct and indirect impact on a company's value, and companies that prioritize ESG performance are more likely to perform better financially and have a more positive reputation, both of which can contribute to higher firm value. Financial reports are an important tool for companies to communicate their financial performance to investors, but it's also important to consider the company's broader impact on the environment and society. This is where the concept of the triple bottom line comes in, which considers a company's social, environmental, and financial performance. However, some companies may prioritize financial performance over environmental and social considerations, leading to negative impacts on the environment. It's important for investors to take a holistic view of a company's performance and consider the potential long-term impact of their business practices.

The triple bottom line concept is a holistic approach to measuring a company's performance, encompassing not only its financial performance but also its social and environmental impact. By examining the influence of the triple bottom line on a company's value and sustainability, this research aims to provide a more comprehensive understanding of the impact of a company's activities on the environment and society. By considering both philanthropic activities and environmental performance, this study can shed light on the broader impact of a company's operations and provide insights into the importance of balancing financial performance with environmental and social considerations. However, as you mentioned, there may be inconsistent research results regarding the influence of the triple bottom line on a company's value and sustainability.

This study aims to answer the research questions that aimed at understanding the influence of the triple bottom line on the value of energy sector companies listed on the Indonesia Stock Exchange (IDX). By analyzing the relationship between corporate philanthropic activities, environmental costs, and environmental performance with firm value, this study aims to provide insight into the importance of considering both financial and non-financial factors in evaluating a company's value. This research can contribute to the broader understanding of the impact of companies' actions on both the environment and society, and inform decision-making for companies and investors.

LITERATURE REVIEW

Definition of ESG framework and the Importance of ESG framework to firm value

ESG factors play a critical role in determining a company's long-term performance and value, as they can impact the company's financial performance, reputation, and ability to attract and retain talent, among other things. Companies that prioritize ESG performance are more likely to have a positive reputation, attract investment, and be viewed as having a competitive advantage. As a result, companies with strong ESG performance are often valued more highly by investors.

Additionally, the integration of ESG factors into investment decisions is becoming increasingly important, as investors seek to align their investments with their values and have a positive impact on society and the environment. By considering ESG factors in investment decisions, investors can gain a more comprehensive understanding of a company's performance and future prospects, which can help to reduce risk and increase returns.

Therefore, the ESG framework is a critical tool for companies and investors alike, as it helps to evaluate the environmental, social, and governance practices of companies and the impact these practices have on the company's overall performance and value. In this study, the analyses focusing in Environmental and Social Cost.

Legitimacy is a condition obtained from the value system that the company corresponds to the value system from the public, if one of these values does not go hand in hand, then the legitimacy of the company can be threatened (Dowling & Pfeffer, 1975). According to Branco & Rodrigues (2006) The theory of legitimacy describes the relationship between the company and society regarding the business that operates so that this theory describes the existence of a "social contract" that can influence the business in maintaining its business existence. According to Tilling (2015) The citation of this theory of legitimacy is more in the area of environmental and social accounting (Setiawan et al., 2018). Legitimacy theory is an action carried out by a company in accordance with the desired, in accordance with values, norms, beliefs that develop in social aspects (Rachmawati, 2021)

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a social responsibility through an action by a company based on ethical considerations directed at improving economic aspects in line with improving the quality of life of the surrounding community and generally (Hadi, 2014). According to Kotler and Lee (2011), Corporate social responsibility is a commitment to improve the quality of the community for the better and contribute to resources in the company. According to the World Business Council for Sustainable Development (WBCSD), "CSR is an ongoing commitment by the business world to act ethically and contribute to the economic development of the local community or the wider community, along with improving the living standards of its workers and all their families" (Setiawan et al., 2018)

Environmental Accounting

Environmental accounting is a grouping of financing carried out by companies and the government in carrying out environmental conservation into environmental posts and company business practices (Suartana, 2010). Environmental accounting can be interpreted as prevention, reduction and or avoidance of the consequences of its impact on the environment, moving from several occasions and starting from the improvement of events that can cause disasters from these activities (Ikhsan, 2008). According to Suartana (2010) Environmental accounting has the same meaning as environmental costs as combining information about environmental benefits and costs into accounting practices for both companies and the government by identifying things that can reduce or avoid environmental improvement costs.

Company Values

The company's goal is of course to run its business and get maximum profit so as to increase the value of the company. The value of the company has a relationship and impact of financial performance, namely the objectives and performance of the company in making a profit (Zabetha et al., 2017). The value of the company can be measured from the stock price by the perception and reaction of investors to the company (Daromes & Jao, 2020). Stock prices can help investors in funding, asset management and investing decisions. So that the high value of the shares can reflect that the company shows the success of the company and provides prosperity to shareholders.

Philanthropists

Philanthropy is a form of generosity towards fellow human beings and is part of *Corporate Social Responsibility* (CSR) that can provide positive responses and values from the community towards the company. Social justice can also arise in philanthropic activities whereby as an intermediary the gap between the poor and the rich. Philanthropic activities carried out by the company such as the construction of facilities, the provision of scholarships so that they are not only in the form of donations in the form of money (donations) to the community (Narsiah 2016). The public's response to the character of the company has an exemplary nature in conducting and expressing philanthropic activities (Goodfrey 2005). According to Carroll and Wood (1991), the highest level of corporate social responsibility is above the pyramid of *Corporate Social Responsibility* or corporate social performance, namely philanthropic activities carried out by companies (Yu, 2020).

In philanthropic activities, it has a positive impact on the company on the theory of *stakeholders* and the company can carry out its responsibilities so that the community will respond positively and will create a better reputation and image of the company that can increase the value of the company. From the theory of legitimacy, companies that have a commitment to the practice of *Corporate social responsibility* can help *stakeholders* ' trust in the company in carrying out social aspects for the common good and gaining internal and external legitimacy (Singh et al., 2017).

Environmental performance

The environmental performance created by the company is a good environment and preserves the environment (Suratno et al., 2007) companies that care about the environment will encourage the company to disclose environmental performance because the community pays more attention to environmental aspects at this time. According to Haryati (2013) the implementation of good environmental performance can make the company's image and reputation better from the point of view of stakeholders (Asjuwita & Agustin, 2020). In the point of view of the theory of the legitimacy of environmental programs in evaluating the performance of the company's environment can help the assessment of stakeholders on the performance of the company's environment and develop the company's competitive advantage.

Environmental performance measurement in this study will be measured from a program made by the Ministry of Environment (KLH), namely the PROPER program which is an effort in structuring the company through information about environmental management. The results of the company's performance evaluation will be measured by the PROPER program so that it has 5 color categories, namely: gold, green, blue, red and black.

PROPER stands for Company Performance Rating Program in Environmental Management which will improve the company in environmental performance in accordance with laws and regulations and one of the efforts in applying the principles of corporate governance in environmental aspects. The community and the market over time pay attention to environmental conditions so PROPER emphasizes this to companies in improving environmental performance. In the implementation of the PROPER program has a positive impact on the company's reputation.

Environmental Costs

The existence of environmental damage that causes a decrease in environmental quality so that environmental costs are costs in the company's efforts to prevent and overcome environmental damage caused by the company's business activities. These environmental costs are classified into 4 categories according to Hansen & Mowen (2009) in the study :

1. Environmental prevention costs, which are the costs of preventing the onset of waste and can damage the environment.
2. Environment detection costs, which are activity costs that determine whether products, processes, and activities comply with applicable environmental standards.
3. The cost of internal failure of the environment, which is the cost of activities that give rise to waste but are not discharged into the outside environment.
4. The cost of external failure of the environment, which is the cost of activities that give rise to waste and and is released into the external environment.

Although the company incurs environmental costs to care about the environment, the company must also control the expenditure of these environmental costs so that the company has maximum profit without sacrificing environmental aspects (Santoso, 2012). In the disclosure of environmental costs should be reported according to the classification of costs so that information can be processed to evaluate the company's performance in environmental aspects. According to Adhima (2020) companies that carry out social disclosure will get the status of their existence and activity from the point of view of society or the environment so that this is in line with the theory of legitimacy (Asjuwita & Agustin, 2020). If the company's profitability increases, the company can buy natural resources or machines that can reduce environmental damage. Thus, the sustainability of the company is influenced by the support of stakeholders to the company (Ghozali and Chariri, 2007).

Previous studies on the impact of ESG framework on firm value There are previous research on Environment and Social

Table 1

Past Research

No	Heading	Independent Variables	Dependent Variables	Result
1	Does Corporate Philanthropy Increase Firm Value? The Moderating Role of Corporate Governance (Su & Sauerwald, 2018)	-Philanthropic activities	- Corporate values (Tobin's Q)	-The relationship between corporate philanthropy and corporate value increases as the CEO's tenure increases - Corporate governance plays an important moderator role in the relationship between corporate philanthropy and corporate values.
2	Impact of Corporate Social Responsibility Dimensions on Firm Value: Some Evidence from Hong Kong and China (Singh et al., 2017)	- Effective Compliance -Stakeholder Engagement -Quality of Working Environment -Environmental Performance -Supply Chain Engagement	- Corporate values (Tobin's Q)	- Effective Compliance, Stakeholder Engagement, Environmental performance, Supply Chain Engagement has no significant effect on company value - Quality of the work environment, Philanthropic activities have a positive influence on the value of the

		-Philanthropic Activities		company.
3	Corporate Governance and Environmental Performance: How They Affect Firm Value (Wahidahwati & Ardini, 2021)	-Environmental Performance -GCG	-Company value (Tobin's Q)	-CSR and Environmental performance affect the value of the company -The effect of environmental performance on company value will be better if mediated by CSR
4	Do Environmental Performance and Environmental Management Have a Direct Effect on Firm Value? (Soedjatmiko et al., 2021)	-Environmental Performance -Financial performance -Manage Environment	- Corporate values (Tobin's Q)	- Environmental performance has no direct influence that has a significant impact on and the value of the company -Environmental management has a significant direct influence of the company's value environment
5	The Effect of Environmental Disclosure, Environmental Cost, and Profitability on Firm Value (Wulaningrum & Kusrihandayani, 2020)	-Environmental Disclosure -Environmental costs -Profitability	- Corporate values (Tobin's Q)	-Environmental disclosure, environmental costs, and profitability simultaneously affect with the value of enterprises of the real estate and property industries
6	Joint Impact of Philanthropy and Corporate Reputation on Firm Value (Daromes & Gunawan, 2020)	-Philanthropic activities -Company reputation	- Corporate values (Tobin's Q)	-Philanthropy and company reputation have no significant effect on the value of the company -The existence, the interaction between philanthropy and reputational companies has a positive and significant effect on the

				value of the company
7	Does Disclosure of Environmental Information Moderate the Effect Of Environmental Performance And Environmental Costs On Company Value? (Hapsoro & Adyaksana, 2020)	-Environmental Performance -Environmental costs	- Corporate values (Tobin's Q)	-Environmental performance does not affect the value of the company -Environmental costs have a negative and significant effect on the value of the enterprise. -Environmental disclosure moderates the effect of environmental performance and environmental costs on company value
8	The Effect Of Capital Structure, Earning Management, Profitability, Free Cash Flow And Environment Cost On Firm Value With Dividend Policy As Moderating Variables In Pharmaceutical Sub Sector Companies Listed On The 2007-2019 Indonesia Stock Exchange Period (Ginting, 2021)	-Capital structure -Profit management -Profitability -Free cash flow -Environmental costs	- Corporate values	-Capital structure, profit management, profitability and environmental costs have a significant positive effect on value -Free cash flow negatively and insignificantly affects the value of the company
9	Philanthropy as a predictor of company value through financial performance (Ng et al., 2020)	-Philanthropic activities -Financial performance	-Financial performance (EVA) - Corporate values (Tobin's Q)	-Philanthropy has a significant effect on financial performance, not significantly on value company. -Financial performance has a significant effect on the value of the company
10	The effect of environmental performance and	-Environmental Performance	- ROA	-Environmental performance does not have a positive effect on

	environmental costs on profitability in manufacturing companies listed on the Indonesia stock exchange in 2014-2018 (Asjuwita & Agustin, 2020)	-Environmental costs		profitability -Environmental costs do not have a positive effect on profitability

Source : Processed researcher data, 2022

RESEARCH METHODOLOGY

The data analysis method used in this study is multiple linear regression analysis. This study used secondary data, namely the official *website* of the Indonesia Stock Exchange. and the official website of the company. First of all, the sample was taken using a *purposive sampling* approach with the following criteria:

1. Companies listed on the IDX and included in the energy sector in the period 2011-2020.
2. The company publishes an annual report or sustainability report with complete data from 2011-2020.
3. Companies that disclose information related to costs incurred for philanthropic activities.
4. Companies that get the PROPER award
5. Companies that disclose information related to environmental costs.

Through the screening process, 8 energy sector companies listed on the Indonesia Stock Exchange were obtained. which is possible to choose as a sample. The number of samples selected in this study with a 10-year research period from 2011-2020 was 80 panel data samples. With an *error* rate of 5% and an outlier data *screening* process based on *boxplots* in companies that have extreme values so that 66 panel data samples are sidelined.

Independent variables are variables that affect dependent variables both positively and negatively. In accordance with the regression model that has been described above, the following is an explanation of the three independent variable elements used in this study:

1. The first Independent Variable is philanthropic activity. This study uses *the corporate giving* ratio from the research of Masulis and Reza (2015) with the following formula:

$$Rasio\ Corporate\ Giving\ = Log\ \left[1 + \frac{Corporate\ giving}{Sales}\right] x\ 10^3$$

   Disclosure of fees on some companies using different currencies. If the company discloses the fee in foreign currency, it will be converted into rupiah multiplied by Bank Indonesia's middle rate at the end of the year. Bank Indonesia's middle rate can be used as an objective indicator in determining the balance sheet date rate, this provision is contained in PSAK 10 concerning the Effect of Changes in foreign exchange rates.

2. The second independent variable is environmental performance. Where there is a company performance rating program (PROPER) which is divided into five categories from the Ministry of Environment, 2017) namely Gold, green, blue, red and black which are sorted from the best to the worst. This program is one way to measure the performance of the company's environment that can create a good environment.
3. The third Independent variable is environmental costs which will be calculated by comparing the costs incurred by the company in corporate social responsibility activities with corporate *profits* (Babalola, 2012) in the research of Asjuwita and Agustin, 2020 with the following formula:
   Environmental costs = $\frac{Corporate\ Social\ Responsibility\ Cost}{Profit}$

For dependent variables, researchers measured the value of the company using the Proxy Tobin's q which is the sum of the *total market value* with *total liabilities* divided by *the total assets* of the company. So that the regression model used in this study, which is as follows:

$$TQ = \alpha + \beta 1CPG + \beta 2PROPER + \beta 3\ EC + \varepsilon$$

Information:

TQ = *Tobin's Q*

a = Konstanta

b1- b3 = Koefisien regresi

CPG = Philanthropic activities

PROPER = Environmental Performance

EC = Environmental Costs

ε = error

RESULT AND DISCUSSION

Statistical test results, consisting of descriptive statistical test results, classical assumption tests, *panel data* model testing, and multiple linear regression analysis.

Table 1

Table of Descriptive Statistical Test Results, CPG, PROPER, EC, Tobin's Q

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CPG	66	.011	2.499	.52742	.454945
PROPER	66	3	5	4.12	.734
EC	66	-7.536	37.601	.85926	4.921859
Tobin’s Q	66	-.81	.84	.1121	.35385
Valid N (listwise)	66				

Source: IBM SPSS Statistics Processing Results 25, 2022

Classical assumption testing is performed after a descriptive assumption test. This test is used to test the quality of the data to be used in multiple linear regression models. In general, the classical assumption test that needs to be carried out, consists of a normality test, an autocorrelation test, a heteroskedasticity test, and a multicollinearity test.

Normality testing has the aim of knowing whether the data used in the study is normally distributed or not. A good regression model is a regression model that has normal or near-normal distributed data. Normality testing was carried out with non-parametric statistical tests of Kolmogorov-Smirnov (K-S) and *normal probability* plots.

Table 2

Table of Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		66
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.33166303
Most Extreme Differences	Absolute	.095
	Positive	.095
	Negative	-.062
Test Statistic		.095
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: IBM SPSS Statistics 25 Processing Results, 2022

In addition, based on the *normal graph of probability plots*, it can be seen that the data spread pattern moves along a diagonal linear line. So it can be concluded that the research data used is normally distributed.

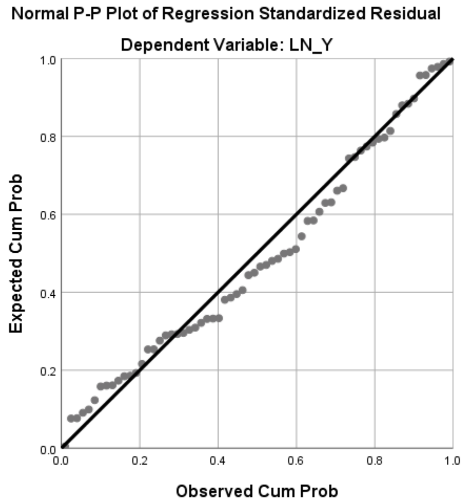

Figure 1
Normal chart probability plot

The autocorrelation test aims to test whether in a linear regression model, there is a correlation between errors in different years of research data. The data in the regression model should be free from autocorrelation problems, or in other words free from the effects of previous periods of error.

Autocorrelation testing in this study used the Durbin-Watson test (DW test). Regression models that are free from autocorrelation problems have a dU value < DW < 4-dU. The following are the results of autocorrelation tests on regression models:

Table 3

Durbin-Watson Test Results Table

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.348[a]	.121	.079	.33959	1.824
a. Predictors: (Constant), EC, CPG, PROPER					
b. Dependent Variable: LN_Tobin's Q					

Source: IBM SPSS Statistics 25 Processing Results, 2022

The heterochedasticity test aims to test whether in the regression model there is an inequality of *variance* from the residual of one observation to another. A good regression model is homokedasticity, which means that there is no heterokedasticity in independent variables.

The determination of heteroskedasticity in a regression model can be seen through its significance value, if the significance value is smaller than 0.05 then heteroskedasticity occurs. In this study, the tests used to detect the presence or absence of heterochedasticity problems were the Glesjer test and *the scatterplot* graph.

Table 4

Glesjer Test Results Table

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Itself.
1	(Constant)	.217	.149		1.461	.149
	CPG	.022	.057	.049	.383	.703
	PROPER	.008	.036	.029	.227	.821
	EC	-.005	.005	-.117	-.918	.362

a. Dependent Variable: ABRESID

Source: IBM SPSS Statistics 25 Processing Results, 2022

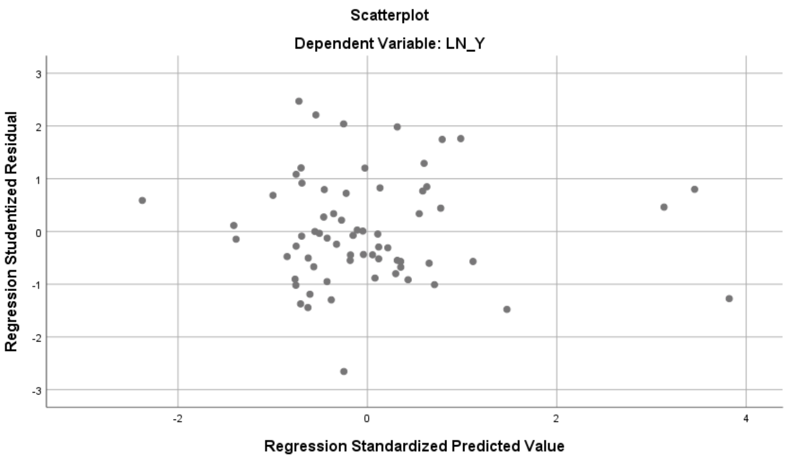

Figure 4.2
***Scatterplot* chart**

The multicollinearity test aims to test whether there is a correlation between independent variables in the regression model. If there is a problem of multicollinearity, then testing the relationship between the independent variable and the dependent variable becomes disrupted. Therefore, a good regression model is a regression model that does not experience multicollinearity problems. Testing of multicollinearity problems is used by looking at the magnitude of the *Variance Inflation Factor* (VIF) value. The strong correlation between independent variables will create a disturbance in the regression model that is built. Therefore, a good regression model should be variables of philanthropic activities, environmental performance and environmental costs free from multicholinearity problems. Multiple linear regression models that are free from multicholinearity problems have a VIF (*Variance Inflation Factor*) value smaller than 10 and *a tolerance* value greater than 0.1.

Table 5
Multicollinearity Test

Coefficientsa			
Model		Collinearity Statistics	
		Tolerance	Bright
1	CPG	0,975	1,025
	PROPER	0,947	1,056
	EC	0,970	1,031
a. Dependent Variable: LN_Tobin's Q			

Source: IBM SPSS Statistics 25 Processing Results, 2022

Simultaneous significance test or statistical test F or *Analysis of Variance* (ANOVA), is performed to test the influence of independent variables together on dependent variables.

Table 6
Simultaneous Significance Test Results Table (Statistical Test F)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Itself.
1	Regression	.988	3	.329	2.857	.044[b]
	Residual	7.150	62	.115		

Total	8.138	65	

a. Dependent Variable: LN_Y

b. Predictors: (Constant), EC, CPG, PROPER

Source: IBM SPSS Statistics 25 Processing Results, 2022

The coefficient of determination test (R^2) aims to assess how far the ability of independent variables can explain the dependent variables in a regression model. The coefficient of determination (R^2) has a *range* between zero to one, the value of R^2 which is getting smaller or closer to zero means that the ability of an independent variable in explaining the dependent variable is increasingly limited. Conversely, if the coefficient of determination (R^2) is greater or closer to the number one, then the independent variable is able to provide almost all the information to explain the dependent variable.

Table 7

Table of Determination Coefficient Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.348[a]	.121	.079	.33959

a. Predictors: (Constant), EC, CPG, PROPER

b. Dependent Variable: LN_Tobin's Q

Source: IBM SPSS Statistics 25 Processing Results, 2022

After testing classical assumptions, the results of which the data are distributed normally, passed the autocorrelation, heteroskedastisitas, and multicollinearity tests. Therefore, multiple regression models can proceed to find out the influence between independent variables and dependent variables. Multiple linear regression analysis to determine the influence of philanthropic activities, environmental performance and environmental costs on the value of the enterprise. Because this study uses a confidence level of 95%, so that if the result of the signification value < 0.05, it can be concluded that the independent variable affects the dependent variable significantly. The following are the results of the t-test on the regression model:

Table 8

Test Results t

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Itself.
		B	Std. Error	Beta		
1	(Constant)	-.113	.243		-.466	.643
	CPG	.251	.094	.323	2.676	.010
	PROPER	.024	.059	.050	.409	.684
	EC	-.008	.009	-.105	-.865	.390
a. Dependent Variable: LN_Tobins'Q						

Source: IBM SPSS Statistics 25 Processing Results, 2022

The results of the t-test indicate that philanthropic activities have a positive and significant effect on company value. The average percentage of philanthropic costs for the companies in the sample is 1% of sales proceeds. This shows that philanthropy can improve the company's image and increase consumer loyalty.

On the other hand, environmental performance has a positive but non-significant effect on company value. The higher the awards received by the company, it may have a positive impact, but it does not affect the value of the company. Environmental costs have a positive but non-significant effect on company value, meaning that greater environmental costs incurred by the company can lead to a decrease in value.

It should be noted that environmental costs are a result of the company's operational activities aimed at preventing environmental damage or improving the environment. The research results suggest that higher environmental costs do not necessarily result in higher profitability, hence their impact on company value is limited.

CONCLUSION

Based on the results of the research, it can be concluded that philanthropic activities have a positive and significant impact on the value of the company, while environmental performance has positive results but does not have a significant effect on the value of the enterprise. On the other hand, environmental costs have a negative result and do not have a significant effect on the value of the company. These findings suggest that companies should continue to prioritize philanthropic activities as a component of their CSR strategy, while also considering the environmental costs incurred as a result of their operations.

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