

## SUSTAINABILITY PERFORMANCE, GREEN FINANCE AND FIRM VALUE: THE MODERATING EFFECT OF TAX PLANNING

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### Abstract

This study examines whether tax planning moderates the effect of sustainability performance on firm value in companies listed on the Indonesia Stock Exchange during 2020–2024. Using panel data from 58 companies selected through purposive sampling, this research applies a quantitative approach with Moderated Regression Analysis (MRA). The findings show that sustainability performance has a significant negative effect on firm value, while green finance has no significant effect. In addition, tax planning does not moderate the relationship between sustainability performance and firm value, nor does it strengthen the effect of green finance on firm value. These results indicate that investors may not immediately perceive sustainability and green finance initiatives as value-enhancing, particularly when their short-term economic benefits remain unclear. The study contributes to the literature on corporate sustainability, tax planning, and firm value in emerging markets.

**Keywords:** *Sustainability Performance, Green Finance, Firm Value, Tax Planning.*

### INTRODUCTION

The company vision and mission include the aim of optimizing profits and maintaining business sustainability in the hope of increasing firm value (McColgan, 2001). To achieve maximum corporate value, companies are not only required to create the best financial performance but also must respond to demands from stakeholders in the form of environmental, economic, and social issues. There is a phenomenon of increasing carbon emissions and there is data from the United Nations Development Program showing that Indonesia contributes around 729 MtCO<sub>2</sub> or 2% of total global carbon emissions and is ranked 6<sup>th</sup> largest contributor to emissions in the world. In addition, the Indonesia forum for the environment notes that the corporate or industrial sector is the main contributor to cases of environmental destruction and population. Due to this problem, in Indonesia it has been mandatory for public companies to prepare sustainability report in stages since 2019 as regulated in financial services authority regulation number 51 of 2017.

Apart from disclosing sustainability reports, environmentally friendly activities which are the Green Finance concept, allow companies to allocate financial resources to sustainability projects, but in A variety of previous studies show the existence of variations in empirical findings relating to the relationship between sustainability performance and company value. (Gillan et al., 2021) stated that scientific discussions on this topic still create room for academic debate because not all research produces identical conclusions. As an illustration, an investigation prepared by (Xaviera & Rahman, 2023) revealed that sustainability performance does not show a meaningful relationship to company value. These findings are not in line with the report (Sari & Yunia, 2021) which actually identified a positive association between sustainability performance and company value. Irregularity in conclusions is also found in studies evaluating the implications of Green Finance. (Kristopeni, 2022) stated that the implementation of Green Finance had no consequences on company value, while research conducted by (Tjandrakirana DP et al., 2024) revealed that the implementation of Green Finance had an effect on the company's financial performance. These differences in conclusions indicate the possibility that there are certain conditional factors that influence the relationships between variables. Within this framework, this study proposes tax planning as a moderating variable. A tax planning strategy that is designed legally and efficiently is seen as being able to reduce the company's tax obligations thereby increasing the availability of cash flow. The availability of cash flow has the potential to be allocated to sustainability and investment programs

environmentally oriented. This perspective is in line with the concept of slack resources which explains that organizations with excess resources have a greater ability to respond to uncertainty and carry out additional activities outside of main operations. However, when viewed from the perspective of agency theory, tax planning practices that are too aggressive also have the potential to give rise to conflicts of interest between managers and shareholders because managers may prioritize personal interests or the short-term interests of the organization. A variety of previous research has examined the relationship between tax planning practices and company value. One of them is research conducted by (Astuti & Fitriana, 2019) which states that tax planning makes a positive contribution to company value. These results show that a tax liability management strategy that is implemented appropriately and remains within regulatory limits can help companies cover various relatively large investment expenditure needs. However, not all research produces identical conclusions. (Putri & Rachmawati, 2023) report that tax planning has no effect on company value. If analyzed from an agency theory perspective, tax planning practices can create opportunities for management to act opportunistically. These opportunistic actions have the potential to give rise to conflicts of interest which in the end can reduce the market's perception of the company's value (Lestari & Djohar, 2023). The existence of variations in findings in previous research encouraged the authors to include tax planning as a moderating variable in the model design for this study. Apart from that, this research also considers the use of control variables to strengthen the validity of the overall empirical model. The control variables used include company size, leverage, and profitability. The novelty element of this research lies in the use of tax planning as a variable that functions to moderate the relationship between sustainability performance and company value.

## **LITERATURE REVIEW AND HYPOTHESES**

### **Agency Theory**

According to (Bertrand, 2016) agency theory initiated by Michael C Jensen and William H Meckling tahun 1976 is one of the theories that is the basis of this journal. According to (Delves & Patrick, 1976) to understand the relationship between management as resource managers in the company and shareholders, it is necessary to study agency theory. The relationships that occur sometimes contain potential conflicts of interest due to differences in goals and information asymmetry. According to (Iqbal & Putra, 2018), shareholders expect an increase in share prices so that they can increase the value of the company, while agents sometimes act in accordance with their interests, namely maximizing compensation, reputation, position and other personal interests. Management will tend to be risk-averse because the failure of a sustainability project can pose a risk of jeopardizing management's own career and compensation, in contrast to shareholders wanting the company's project activities to increase high levels of return for shareholders.

### **Signal Theory**

Signal theory introduced by Spence (1973) explains that companies with better quality tend to convey various information to the market as a means of communication regarding the internal conditions of the organization. This information can be in the form of data related to company growth, corporate activities, or various other activities that can be used as consideration by investors in determining investment decisions. The concept of signal theory emerged because of an imbalance of information between company management and shareholders. In the context of sustainability performance, sustainability reports can be seen as a signal that management conveys to the market regarding the company's commitment to implementing sustainable business practices. Sustainability disclosures can provide a good signal that the company is long-term oriented. Likewise, the implementation of Green Finance is considered a signal that the company is committed to financing friendly activities environment. A positive signal depends on the credibility of the information conveyed. If shareholders perceive that sustainability disclosure and the implementation of Green Finance are seen as a form of corporate image then this indicates that the market will not respond to this signal. When viewed from the context of Tax Planning, effective tax planning can be seen as a signal that company management is capable of controlling the tax burden, however, if seen from aggressive tax planning, it can give a bad signal in the eyes of shareholders and there is a risk of legal problems arising in the future.

### **Stakeholder Theory**

The stakeholder theory in this research provides the basis that organizations must pay attention to their stakeholders and must pay attention to the rights and interests of all stakeholders. Disclosure of sustainability performance, implementation of Green Finance is the basis for the company responding to stakeholders that the

company is long-term oriented, even though the company tries to understand and pay attention to stakeholders, sometimes this relationship is not necessarily carried out consistently, this is because the market response is influenced by certain factors. In the framework of this research, tax planning is positioned as an element that has the potential to change the strength of the relationship between independent variables and company value. If tax planning practices are carried out efficiently, reducing the tax burden can increase profits before tax, thereby strengthening the company's commitment to implementing sustainability programs. This condition has the potential to form positive perceptions from stakeholders. On the other hand, if tax planning activities are carried out aggressively, these actions can give rise to negative perceptions from external parties of the company.

### **Legitimacy Theory**

Legitimacy theory explains that companies try to gain social acceptance by adapting their various activities to the values and norms that apply in society. In this framework, disclosure of sustainability activities and implementation of Green Finance is seen as a company step to demonstrate commitment to environmental and social issues. Increasing public awareness regarding environmental issues encourage companies to report their sustainability activities through sustainability reports. Sustainability disclosure not only functions to fulfill legal obligations but is also used to build or maintain social legitimacy so that companies can be accepted by society. If the company only pursues legitimacy symbolically, disclosure of sustainability and Green Finance will not necessarily be able to increase the value of the company, and the market may not even respond negatively to the information conveyed by the company, and vice versa. The better the level of disclosure of sustainability reports and Green Finance practices carried out by the company consistently, the greater the opportunity for the company to gain public acceptance, which ultimately has the potential to increase the value of the company.

### **Sustainability Performance**

According to (Zimek & Baumgartner, 2017), Sustainability Performance is related to sustainability reports related to aspects of economic, environmental and social performance. Sustainability Performance has become an indicator for measuring sustainability standards used in companies. Sustainability performance can be measured through sustainability disclosure using the standar global reporting initiative (GRI) score. The Global Reporting Initiative (GRI) is an independent international organization that provides a sustainability reporting framework for companies. This institution helps various business entities convey the economic, environmental and social impacts resulting from their operational activities to the public.

### **Green Finance**

According to (Herawati & Ekawati, 2016), Green Finance is financial management that is not only based on profits and losses, but its management must consider environmental risks and contribute to environmental preservation. The green finance theory itself explains that there is a need for integration between the environment in financial decisions so that innovation is encouraged, reducing environmental risks which can ultimately result in sustainable economic growth. According to (Nath & Nayak, Vikas Goel, 2017), there are 6 measurements Green Finance, these indicators are listed in the concept Green Coin Rating (GCR) or green coin ranking.

### **Firm Value**

Firm value refers to the market's overall assessment of a company's performance, future prospects, and ability to generate economic benefits for its shareholders (Lestari & Djohar, 2023). It reflects investors' perceptions of the firm's financial performance, growth potential, and risk level. In corporate finance, maximizing firm value is considered one of the primary objectives of a company because it directly relates to shareholder wealth maximization. A higher firm value indicates stronger market confidence in the company's ability to sustain profitability and create long-term economic value (Astuti & Fitria, 2019). Firm value is commonly measured using market-based indicators that capture investors' evaluations of a company. Among the most widely used proxies are Tobin's Q, Price-to-Book Value (PBV), and market capitalization ratios. Tobin's Q, in particular, is frequently used in empirical studies because it compares the market value of a firm with the replacement cost of its assets, thereby reflecting how efficiently the company utilizes its resources to generate market value.

### **Tax Planning**

According to (Kouroub & Oubdi, 2022), the existence of Tax Planning is a response to various domestic tax policies in a country or differences in tax systems between countries, through practices that are generally legal,

but some can be in a gray area or legally illegal. In measuring tax planning, one indicator that is often used is the effective tax rate (ETR). (Christiani et al., 2021) explains that the ETR calculation is done by dividing the income tax burden by profit before tax. The ETR value can be used to evaluate the extent to which a company implements tax planning strategies. A lower ETR value reflects a more aggressive level of tax planning, while a higher ETR value indicates a relatively lower level of tax planning.

### **The Effect of Sustainability Performance on Firm Value**

The conceptual background of this research arises from the inconsistency of empirical conclusions generated by previous studies regarding the relationship between corporate sustainability performance and company valuation in the market. (Yu et al., 2018) reported that sustainability activities have a tendency to increase company value through investors' positive perceptions of sustainable business practices. Meanwhile, (Ruan & Liu, 2021) put forward different findings by showing that corporate sustainability indicators do not always have uniform consequences on the company's market valuation. This disharmony in acquisition can be understood through the perspective of signal theory which explains how organizations communicate their internal qualities to the market through various forms of information disclosure. Within this framework, sustainability reports function as a strategic communication mechanism that allows companies to reduce the information gap between management and investors.

Information regarding sustainability activities can be perceived as an indicator of a company's ability to manage long-term risks, maintain corporate reputation, and maintain business continuity. When companies provide extensive and transparent disclosures regarding sustainability commitments, the market often interprets this information as a positive signal regarding the quality of corporate governance. This positive interpretation has the potential to increase investor confidence so that it can encourage an increase in company value. On the other hand, if market players view sustainability activities as an additional cost burden that has the potential to suppress short-term profits, then investor reactions may turn negative. Hypothesis formulations that can be formulated based on this theoretical framework include:

H1: Sustainability Performance has a Positive Effect on Firm Value

### **The Effect of Green Finance on Firm Value**

In environmental economics discourse, Green Finance is understood as a financing mechanism aimed at supporting economic activities that have an ecological sustainability orientation. This financing scheme includes investment in renewable energy, carbon emission reduction programs, as well as various projects aimed at reducing the environmental impact of economic activities. (Habib et al., 2025) explains that corporate involvement in the Green Finance mechanism is not solely related to compliance with regulatory demands, but is also positioned as a strategic approach in managing resources that enables business entities to carry out business activities in a sustainable manner. In addition, participation in green-based financing schemes can facilitate companies in facing social and ecological pressures that continue to increase in the global economic configuration. According to (Habib et al., 2025), the implementation of Green Finance by companies is interpreted as a form of conveying information signals to stakeholders that business activities have been carried out by considering ethical aspects and social responsibility while maintaining community norms so that these conditions can encourage increased company performance. Based on the hypothesis statement that can be prepared includes:

H2: Green Finance has a Positive Effect on Firm Value

### **The Effect of Sustainability Performance on Firm Value in Moderated Tax Planning**

The implementation of sustainability performance basically describes the level of seriousness of a business organization in incorporating sustainability principles into its operational practices. Companies that actively disclose information regarding sustainability performance generally gain social acceptance from various stakeholder groups, including the wider community and investors. This form of acceptance is often reflected in the increasing level of investor confidence in companies that are perceived to have adequate social and environmental responsibility. Such a situation has the potential to contribute to increasing company value in market mechanisms. However, a number of previous studies show that the relationship between sustainability performance and firm value does not always show a uniform pattern. Therefore, it is necessary to have additional variables that can explain the dynamics of this relationship. In this study, tax planning practices are considered as a factor that has the potential to influence or modify the relationship between sustainability performance and firm value.

According to (Iqbal & Putra, 2018), Tax Planning aims to minimize current and future tax liabilities so that it is hoped that it can maximize company value. Tax Planning. However, it is not uncommon for Tax Planning to pose legal and reputational risks to the company if Tax Planning is implemented aggressively. If Tax Planning is carried out transparently and in accordance with applicable tax laws, it can minimize potential conflicts of interest from both parties, companies that are able to implement sustainability performance and are strengthened by effective Tax Planning, in these conditions will be more responsive to the market which in the end can strengthen or moderate Sustainability Performance on Company Value. The hypotheses that can be formulated in this research are:

H3: Tax Planning strengthens the positive relationship between Sustainability Performance and Firm Value

**The Effect of Green Finance on Firm Value in Moderated Tax Planning**

Recently Green Finance has become an important strategy for companies to support corporate sustainability. Green Finance is a method used by companies to implement more environmentally friendly financing and activities such as renewable energy investment activities, financing to reduce carbon emissions and other environmentally friendly activities. Effective and legal tax planning allows companies to efficiently allocate the tax burden for green finance projects in the company. In relation to agency theory, management can optimize the tax burden and allocate these funds to long-term projects such as green finance, this shows that management can act in accordance with shareholder expectations. Based on the statement above, the author can formulate a hypothesis as follows:

H4: Tax planning strengthens the positive relationship between Green Finance and Firm Value

**METHOD**

The methodological framework used in this research is based on a quantitative approach as the main basis for data analysis activities. The sampling mechanism is carried out through a purposive sampling technique by determining a number of certain requirements so that the selected units are in line with the research targets. The business entities used as objects of study are companies that were listed on the IDX before the 2020–2024 period and remain on the recording list during the observation interval. In addition, the selected companies are required to continuously publish annual financial reports and sustainability reports during the research period. After the screening stages based on previously formulated criteria were completed, a total of 58 companies were obtained that met the requirements as units of analysis in this research. With an observation duration of five years, the total number of observations used in this study reached 290 data units. All information What is processed is secondary data in the form of panels obtained by downloading official documents from the Indonesian Stock Exchange website. The series of data analysis in this research consists of several statistical procedures which are carried out in stages and systematically. The initial stage of analysis was carried out through descriptive statistics to explain the basic characteristics of each research variable. The next step includes testing classical assumptions which include multicollinearity, heteroscedasticity, autocorrelation and normality tests. After all prerequisites are met, hypothesis testing is carried out using a moderated regression model. Apart from that, this research also uses the coefficient of determination test, t test to identify partial influence, and F test to assess simultaneous influence between variables. The entire data processing process was carried out with the support of EViews v.12 statistical software.

**RESULT AND DISCUSSION**

**Multicollinearity Test**

Table 1  
**Multicollinearity Test**

Variable	Coefficient	Uncentered	Centered
	Variance	VIF	VIF
Sustainability Performance	0.002628	5.143713	1.077661
Green Finance	0.003788	1.142.315	1.243530
ETR	0.001170	1.441785	1.035851

ROA	0.032521	1.929629	1.218773
DAR	0.005589	9.013942	1.742871
SIZE	9.19E-05	483.7606	1.679557
C	0.071783	389.8957	NA

Source: Processed by Eviews 12, 2026

Examining the output of the multicollinearity test shown in Table 1, the centered Variance Inflation Factor (VIF) value of all variables was recorded to be below the critical threshold equal to 10. This situation indicates that a strong linear relationship was not found between the independent variables so that the regression model used did not experience multicollinearity problems.

**Heteroscedasticity Test**

**Table 2  
Heteroscedasticity Test**

F-statistic	1.616993	Prob. F(8,174)	0.1230
<i>Obs R-squared</i>	12.66358	Prob. Chi-Square	0.1240
<i>Scaled explained SS</i>	7.651813	Prob. Chi-Square	0.4682

Source: Processed by Eviews 12, 2026

The heteroscedasticity test results presented in Table 2 show a Chi-Square probability value equal to 0.12 which exceeds the significance level of 0.05. This condition shows that the residual variance in the regression model is constant so that there is no indication of heteroscedasticity in the research data.

**Autocorrelation Test**

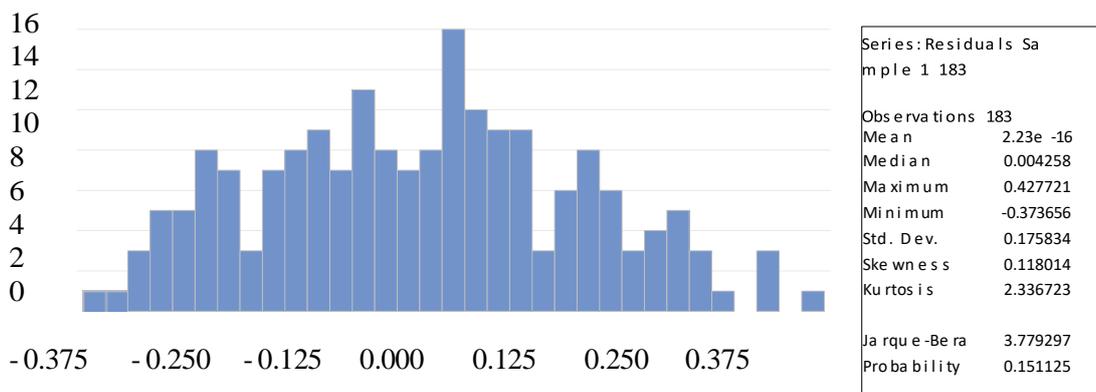
**Table 3  
Autocorrelation Test**

R-squared	0.358074	Mean dependent var	0.954765
Adjusted R-squared	0.328560	S.D. dependent var	0.219463
S.E. of regression	0.179831	Akaike info criterion	-
Sum squared resid	5.627.020	0.545668	-
Log likelihood	5.892.866	Schwarz criterion	-
F-statistic	1.213.239	0.387825	-
Prob (F-statistic)	0.000000	Hannan-Quinn criter.	0.481687
		Durbin-Watson stat	1.183.147

Source: processed by Eviews 12

Autocorrelation evaluation was carried out using the Durbin-Watson statistical approach. The Durbin-Watson statistical value obtained is equal to 1.1831 in the range -2 to +2. The position of this value indicates that the regression model does not show symptoms of autocorrelation between the residual company AAS Test

**Figure 1  
Normality Test**



Normality testing in this research was carried out using Jarque-Bera statistics. Based on the analysis presented in Figure 1, the Jarque-Bera probability value is equal to 0.1511, which is above the significance level of 0.05. Therefore, it can be stated that the residual distribution in the research model follows a normal distribution pattern.

### Hypothesis Testing

#### a. Coefficient of Determination Test

The estimated coefficient of determination shows an Adjusted R-Square value of 0.2225. This figure shows that around 22.25 percent of the variation in firm value can be explained by the sustainability and Green Finance performance variables with tax planning as a moderating variable and profitability, company size and leverage as control variables. Meanwhile, it was found that 77.75 percent of the variation in firm value was influenced by other factors not included in this research model.

#### b. Hypothesis T Test

Partial hypothesis testing through the t test shows that the sustainability performance variable has a t-statistic value equal to  $-2.7405$  with a probability equal to 0.0068 which is below the significance limit of 0.05. These results show that sustainability performance has a significant negative influence on firm value. On the other hand, the Green Finance variable produces a t-statistic value equal to  $-0.2389$  with a probability equal to 0.8114 which is above the significance threshold of 0.05. Based on these conditions, it can be stated that Green Finance does not show a significant influence on firm value when tested partially. In the estimation of parameters related to the Tax Planning variable, the t statistical value was recorded as equal to 1.4511 with a probability of 0.1485 which exceeds the significance level of 0.05. This situation shows that variations in tax planning practices do not show a strong statistical relationship with changes in firm value in partial tests. The t-statistics value equal to  $-1.1859$  arises from the coefficient which represents the interaction between the Sustainability Performance and Tax Planning variables, accompanied by a probability level of 0.2373 which exceeds the conventional threshold of significance.

This situation indicates that the existence of tax management practices does not function as an element that can strengthen or weaken the link between sustainability performance and firm value within the framework of the applied analytical model. similar profit configuration is also visible in the interaction between Green Finance and Tax Planning. The t-statistics figure obtained was recorded as equal to  $-1.3205$  with a probability of 0.1884, so that statistically there was not sufficient evidence to state that the Tax Planning variable acts as a moderating mechanism in the relationship between Green Finance and firm value. For Profitability, the test output shows a t-statistics value equal to 2.3323 with a probability of 0.0208 which is below the significance level of 0.05. This figure indicates that profitability has a meaningful relationship with company value when partial testing is carried out in the research model structure. In Leverage, the statistical estimates obtained show t-statistics equal to 2.8028 with a probability of 0.0056, which is smaller than the significance limit of 0.05. This condition suggests that there is a meaningful relationship between the level of company leverage and company value in the partial test. Different from the previous variable, Company Size produces t-statistics equal to 1.0340 with a probability of 0.3026. Considering that the probability value exceeds the significance threshold of 0.05, company size does not show a significant relationship to firm value in the partial test.

#### c. Hypothesis F Test

Through simultaneous testing carried out using the F test, an F-statistic value equivalent to 7.5124 was obtained

with a probability of 0.0000 which is far below the significance limit of 0.05. These findings show that all the variables in the research model, namely Sustainability Performance and Green Finance as independent variables, Tax Planning as a moderating variable and its interaction components, as well as Profitability, Leverage and Company Size as control variables collectively have a relationship with variations in firm value.

## **DISCUSSION**

### **The Effect of Sustainability Performance on Firm Value**

Partial hypothesis testing on the Sustainability Performance variable shows a t-statistic value equal to  $-2.7405$  with a probability equal to 0.0068 which is smaller than 0.05. The regression coefficient for this variable is recorded to be equal to  $-0.1678$ . The negative sign on the coefficient indicates that an increase in the level of disclosure of sustainability performance tends to be followed by a decrease in firm value, so that a relationship is formed between both variables are negative and significant. These findings are in accordance with the study conducted by (Ruan & Liu, 2021), but are different from the findings of (Yu *et al.*, 2018). The explanation for this phenomenon can be linked to the concept of information asymmetry. The view (Bergh *et al.*, 2019) explains that conditions of information asymmetry arise when market players have not been able to accurately assess the long-term benefits of the company's disclosed sustainability activities. In this situation, investors who have a short-term investment orientation tend to place more emphasis on the costs arising from sustainability activities than on the future benefits that may result. As a result, market perceptions of sustainability activities can create negative pressure on firm value.

### **The Effect of Green Finance on Firm Value**

In the partial test involving the Green Finance variable, the t-statistics value  $-0.2389$  was obtained with a probability of 0.8114, which was above the significance level of 0.05. This situation indicates that Green Finance does not show a meaningful relationship with firm value within the framework of the research model. This finding is in accordance with the result of a study (Ningsi *et al.*, 2025) which also reported that Green Finance had no effect on firm value. However, these results are not in line with the research findings presented by (Ifa dhoh & Yuliana, 2024). In addition, this research supports *Agency Theory*. Where in this theory management decisions in implementing *Green Finance* in the form of environmentally friendly financing investments such as renewable energy, financing carbon emission reduction, are seen as not being in line with the interests of most investors who are oriented towards short-term profits, even though in the long term *Green Finance* can clearly support the company's sustainability.

### **Tax Planning In Moderating The Effect of Sustainability Performance on Firm Value**

For the Tax Planning variable, the results of the partial test show t-statistics equal to 1.451 with a probability of 0.1485, the value of which exceeds the significance threshold of 0.05. Based on these conditions, it can be stated that Tax Planning has no effect on firm value. In addition, the combination of interactions between Sustainability Performance and Tax Planning also has no effect on firm value, as seen from the t-statistics  $-1.1859$  with a probability of 0.2373. The results of this research are related to the study reported by (Iqbal & Putra, 2018) which stated that Tax Planning was unable to moderate the positive relationship between CSR and firm value. Apart from that, the results of this research also provide support for the agency theory perspective which explains that managers can implement tax planning aggressively with the aim of efficiency and supporting the company's sustainability activities, but this condition is not always perceived by investors as a factor that can influence the credibility of the firm value.

### **Tax Planning In Moderating The Effect of Green Finance on Firm Value**

Evaluation of the interaction variable between Green Finance and Tax Planning produces t-statistics equal to  $-1.3205$  with a probability of 0.1884 whose value exceeds the significance limit of 0.05. This value shows that Tax Planning does not have a role as a moderating variable in the relationship between Green Finance and Firm value. Shareholders consider that Tax Planning is only an obligation or company compliance with government stakeholders, not as a factor in increasing firm value. The existence of *Green Finance* information that has not been standardized in every company industry makes it difficult for the market to see Tax Planning as a factor that can determine the success of green finance practices on Firm Value. The results of this research do not support the findings (Amah, 2024) which state that Tax Planning is able to strengthen the relationship between Green finance and firm value. In the context of this research, this phenomenon can be explained through

the perspective of the Efficient Market Hypothesis. In developing markets such as Indonesia which are in the semi-strong form efficiency category, information related to tax indicators such as *Effective Tax Rate* (ETR) is generally reflected in the company's published financial reports. Although most of the companies in the sample exhibit relatively aggressive tax avoidance practices, the market does not clearly interpret these practices as positive or negative signals for shareholders. Apart from that, the practice of tax planning also contains potential risks in the future so that their existence does not exist able to strengthen or weaken the influence of Green Finance on firm value.

## CONCLUSION

Based on the overall empirical findings obtained in this research, several conclusions can be formulated as follows:

1. Sustainability Performance has a significant negative effect on Firm Value.
2. Green Finance has no effect on Firm Value
3. Tax Planning does not moderate the relationship between Sustainability Performance on Firm Value.
4. Tax Planning does not moderate the relationship between *Green Finance* on Firm Value.

## LIMITATIONS

This research is to measure Sustainability Performance using the 2021 Global Reporting Initiative (GRI) standards which only focus on the level of disclosure of sustainability information submitted by companies in sustainability reports. However, these measurements only emphasize how much is disclosed rather than assessing the quality and real impact of sustainability activities on Firm Value. Because these indicators are not yet able to describe the effectiveness of the company's sustainability practices as a whole.

## SUGGESTIONS

1. It is necessary to consider other measurement indicators so that testing needs to be carried out in depth.
2. In measuring Sustainability Performance, further research can collaborate with other measurements such as *Bloomberg ESG*, because *Bloomberg ESG* provides a standardized ESG score that can facilitate comparisons between companies and even ESG scores between countries.
3. For further research, you can take references to other moderating variables besides Tax Planning which are related to Company Performance and Value.

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