ABSTRACT

This study aims to examine the levels of eco-efficiency, green innovation, and environmental performance, as well as their simultaneous and partial effects on firm value in basic materials sector companies listed on the Indonesia Stock Exchange during the 2021–2023 period. This research employs a panel data regression model as the primary analytical instrument, which enables the examination of both cross-sectional and time-series variations simultaneously.

The analysis is conducted using EViews version 12 software to quantitatively process the data and obtain objective and measurable results. The findings indicate that eco-efficiency and green innovation have a positive and significant effect on firm value, reinforcing the view that sustainability strategies can enhance investor confidence and market valuation. Conversely, environmental performance does not have a significant effect, although it still plays a role in shaping a positive corporate image. Simultaneously, all three variables contribute to firm value, suggesting that a comprehensive sustainability approach remains relevant in enhancing corporate competitiveness in the market.

It is recommended that companies strategically integrate eco-efficiency and green innovation into their business operations to increase firm value and attract investor trust. Government regulations and incentives should also be directed toward encouraging the adoption of sustainability practices that have a tangible impact on market performance.

This study contributes by offering a simultaneous analysis of eco-efficiency, green innovation, and environmental performance on firm value within Indonesia’s basic materials sector during a recent period, a topic that remains underexplored in previous literature.

Keywords: Eco-Efficiency, Environmental Performance, Green Innovation and Firm Value