ABSTRACT

This study aims to examine the influence of Artificial Intelligence, Environmental Social Governance, and innovation levels on greenwashing by incorporating the role of media as a moderating variable. greenwashing occurs when companies manipulate sustainability data to enhance their environmental reputation without implementing meaningful sustainability policies. The call for global environmental accountability and the increasing use of digital technology and innovation are factors that prompted this scientific study.

Secondary data from annual reports and sustainability reports of companies listed on the Indonesia Stock Exchange (IDX) for the period 2022-2023 were used. This research employs a quantitative approach using multiple linear regression and Moderated Regression Analysis (MRA). Greenwashing serves as the dependent variable, with media as the moderating variable. The independent variables consist of AI, ESG, and innovation levels.

The study findings indicate that greenwashing is significantly negatively influenced by AI. The more AI is used in business operations, the less likely the business is to engage in greenwashing practices. Additionally, the impact of ESG performance on greenwashing is also highly detrimental. Good ESG performance reduces the temptation to falsify sustainability claims by demonstrating the company's commitment to sustainability. On the other hand, greenwashing is not significantly influenced by the company's innovation level. This means that greenwashing cannot be effectively curbed by innovation that does not specifically focus on sustainability. According to the results of the moderation variable test, the media significantly moderates the relationship between AI and greenwashing. The presence of critical media strengthens AI's ability to curb greenwashing. However, the media has no control over how innovation and ESG performance influence greenwashing.

The findings of this study highlight the importance of companies integrating AI and ESG into sustainability management and directing innovation toward a measurable sustainability framework. Although media independence and quality still determine how effective sustainability technology is, media also significantly contributes to enhancing its accountability. To control greenwashing, this study adds media and technology variables to the signaling theory literature.

Keywords: Artificial Intelligence, ESG, Innovation, Greenwashing, Media, Signaling Theory, Moderated Regression Analysis