Abstract

The purpose of this study is to examine the impact of carbon emission disclosure, environmental performance, and independent board composition on firm value. The research employs panel data regression analysis. The study sample consists of companies listed in the PROPER ranking and on the Indonesia Stock Exchange during the period from 2019 to 2022. The findings indicate that carbon emission disclosure has a negative impact on firm value. This could be because investors perceive carbon emission disclosure as negative news, given their concerns about the costs of addressing global warming potentially outweighing its benefits. Additionally, environmental performance and independent board composition positively impact firm value, consistent with stakeholder and agency theories. Company size, leverage, and profitability variables also positively affect firm value, whereas the COVID-19 year had no significant effect.

Keywords: carbon emission disclosure, firm performance, independent board composition, firm value