

ABSTRACT

The intensifying climate change has prompted companies to take an active role in promoting environmental sustainability. One of the efforts made is improving carbon emission efficiency as a form of environmental responsibility alongside strengthening governance through the role of the board of commissioners. This study aims to analyze the effect of carbon productivity and the board of commissioners on corporate financial performance in the energy sector.

The research was conducted on companies listed under IDXENERGY and registered on the Indonesia Stock Exchange (IDX) during the 2021–2023 period. The sample consists of 96 observations selected using purposive sampling. The data used in this study are secondary data obtained from annual reports and sustainability reports of the companies.

The results indicate that carbon productivity has a positive effect on financial performance. Additionally, the board of commissioners also shows a positive influence on financial performance. These findings suggest that improving carbon emission management efficiency and having an effective board of commissioners can drive better financial performance, particularly in the energy sector.

Keywords: *carbon productivity, board of commissioners, financial performance, climate change, IDXENERGY.*



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