ABSTRACT

This study aims to examine the effect of environmental performance and carbon emission disclosure on corporate financial performance. The independent variable of environmental performance is assessed through PROPER ratings, while carbon emission disclosure is assessed using content analysis through five indices. Corporate financial performance, which is the dependent variable, is measured using the Return on Assets (ROA) ratio.

The population of this study consists of mining companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2024 (with an additional year at the beginning, namely 2018, due to a one-year lag in the dependent variable). The total sample obtained was 100 companies, selected using purposive sampling with various criteria. The analysis method used for this study was multiple linear regression.

The results of this study indicate that environmental performance has a positive effect on company financial performance (ROA), while carbon emissions disclosure has a negative effect on company financial performance (ROA). This study shows that good environmental performance can improve company financial performance, but increased carbon emissions disclosure can reduce company financial performance.

Keywords: Environmental Performance, Carbon Emissions Disclosure, Corporate Financial Performance, Return on Assets.