

## **ABSTRACT**

*This research aims to provide empirical evidence regarding the influence of environmental performance, environmental accounting disclosure, and good corporate governance mechanism on financial performance and market performance. This research based on legitimacy theory and type II agency theory, which highlight the importance of transparency, accountability and supervision in increasing company value, both from within the company and in terms of investor perception in the market.*

*This research applies a quantitative method using multiple linear regression analysis. Purposive sampling techniques were applied to select companies that met the criteria. The research sample consisted of 22 manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the period 2021-2024, resulting in a total of 88 observations. Variable measurements were conducted using several indicators, including the PROPER score of environmental performance, the GRI index for environmental disclosure, as well as board of commissioners' activities, audit committee activities, and audit quality as proxies for GCG mechanism. Data were sourced from publicly available financial statements, annual reports, and sustainability reports, then analyzed using SPSS software to test the influence of each variable on ROA and Tobin's Q.*

*The research found that environmental performance has a positive effect on financial performance and market performance, and board of commissioners' activities also have a positive effect on financial performance. Conversely, audit committee activities have a negative effect on financial performance. Audit quality has a positive effect on market performance but does not affect financial performance. Meanwhile, environmental accounting disclosure does not affect either type of performance, and board of commissioners and audit committee activities also does not affect market performance.*

*Keywords: environmental performance, environmental accounting disclosure, GCG mechanism, financial performance, market performance.*