

ABSTRACT

Sustainability issues have encouraged energy sector companies to enhance environmental transparency through carbon emission disclosure as part of sustainability reporting. The implementation of POJK No. 51/POJK.03/2017 has strengthened the urgency of examining the factors influencing firm value from an environmental perspective. This study aims to analyze the effect of Carbon Emission Disclosure (CED), environmental performance, Investment Opportunity Set (IOS), profitability, and firm size on firm value in the energy sector. The findings are expected to provide academic contributions and practical implications for investors, regulators, and companies in improving the quality of sustainability practices.

This research employs a quantitative approach using purposive sampling techniques. Data were collected from annual reports, sustainability reports, and official publications of energy sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2020–2024. The dependent variable in this study is firm value, while the independent variables include Carbon Emission Disclosure, environmental performance, Investment Opportunity Set, profitability, and firm size. The research sample was determined based on specific criteria, such as the availability of sustainability reports, disclosure of carbon emissions data, completeness of financial information, and participation in the PROPER program. Based on these criteria, 138 observations were obtained and analyzed.

The results indicate that Carbon Emission Disclosure, environmental performance, and profitability have a positive and significant effect on firm value, suggesting that transparency in emission reporting, effective environmental management, and the ability to generate profits enhance investor perceptions of energy sector companies. The Investment Opportunity Set does not have a significant effect, indicating that growth opportunities are not yet the primary consideration for the market in determining firm value within this capital-intensive and high-risk sector. Meanwhile, firm size has a negative and significant effect, implying that larger energy companies tend to face greater complexity, regulatory pressure, and environmental risks, which may reduce investor perceptions of firm value.

Keywords: Tobin's Q, Carbon Emission Disclosure, Environmental Performance, Investment Opportunity Set, Profitability, Firm Size.