

## **ABSTRACT**

*This study aims to understand and analyze companies' cognitions regarding to the carbon accounting, by answering research questions: how the companies presents carbon emission disclosure in the annual reports, how the level of disclosure and why the companies do that disclosure. Ontologically, this study convinces that the carbon emission disclosure on companies' annual reports is the company way to communicate with the stakeholders.*

*This research was carried out within interpretive paradigm using semiotic analysis method. The analyzed data are narrative text on annual reports of two energy sector companies over the last three years.*

*Results of this study claims that the two companies (Antam and PGN) presents carbon emission disclosure voluntarily and it is designed such a way through narrative text in the annual reports of companies. This study also indicates that the level of carbon emission disclosure by Antam is higher than PGN. In this case, the study also describes the reasons underlying companies presenting carbon emission disclosure through stakeholder theory. Therefore, the companies presents proactively the carbon emission reduction disclosure to gain legitimacy from the stakeholders.*

*Keywords : carbon accounting, carbon emission, level of disclosure, semiotic.*