

ABSTRACT

One of the voluntary disclosures is environmental disclosures. Environmental disclosures is important to do because it can give positive signal to external parties especially investors. This study aimed to analyze the influence of corporate governance mechanism towards environmental disclosures and the impact on firm value in Indonesia and the Malaysia. The corporate governance mechanism that have been used are proportion of independent commissioners on board, audit committee, board commissioner size, board gender, political visibility and foreign ownership. Furthermore this study use control variables; profitability and leverage. The sample that have been used are mining companies listed in Indonesia Stock Exchange and Bursa Malaysia Year 2018. The environmental disclosures measured by GRI Standards. The data were analyzed by using SPSS Version 15. The results of the study show that the corporate governance mechanism such as board commissioner size and political visibility have positive significant effect towards environmental disclosures in Indonesian data. Meanwhile the variables such as proportion of independent commissioners on board, audit committee, board gender, and foreign ownership have no significant effect towards environmental disclosures in Indonesian data. Furthermore the corporate governance mechanism namely audit committee has positive significant effect towards environmental disclosures in Malaysian data. Meanwhile the variables such as proportion of independent commissioners on board, board commissioner size, board gender, political visibility and foreign ownership have no significant effect towards environmental disclosures in Malaysian data. The environmental disclosures has no significant effects towards firm value in Indonesian and Malaysian Data. Moreover, profitability and leverage as control variables have no significant effect between corporate governance mechanism and environmental disclosures. Meanwhile, the profitability and leverage have negative and significant effect between environmental disclosures and firm value in Indonesian data. In contrast, the profitability and leverage have no significant effect between environmental disclosures and firm value in Malaysian data.

Keywords: Corporate Governance Mechanism, Environmental Disclosures, Firm Value, GRI Standards