THE IMPACT OF CARBON EMISSION REDUCTION ON FIRM PERFORMANCE IN INDONESIA

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

THE IMPACT OF CARBON EMISSION REDUCTION
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This thesis research explores the impact of the carbon emission reduction on firm performance in Indonesia. The samples are 7 publicly listed companies from the year 2008-2013. The independent variable is carbon emission, the dependent is operating performance (ROA, ROS) and financial performance (ROE). There are three controlled variables in this research, which are size, EBITDA, and debt to equity ratio.

The research found that the carbon emission reduction indicate to significantly affect ROE and ROS. While, ROA and Tobin's *q* (Q) found not significantly affect. The control variables, EBITDA were discovered to have significant value to ROA, ROE and ROS. In contrary, size did not significant to all of the dependent variables.

Keywords: Carbon Emission, Operating Performance, Financial performance, Publicly Listed Companies

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DEDICATION

I dedicate this works for my beloved family, especially my Mother and Sisters for always support and trust me during my university life. This work is also dedicated for people around me who love me and give strength for all difficulties and problems I have faced. This works shows that I have achieved other accomplishment to face a new chapter in the future.

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