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The Impact of Corporate Governance on Firm Value with Corporate Environmental Disclosure as Intervening Variable: Evidence from Indonesia

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ABSTRACT

The worldwide quest for sustainability necessitates the active involvement of the corporate sector. The challenge for businesses has been to strategically integrate environmental disclosure into their broader corporate governance framework to enhance company value through effective governance and increased environmental transparency. This study investigates the influence of corporate governance on company value, utilizing corporate environmental disclosure as an intermediary variable. We utilize GRI's checklist to obtain an environmental disclosure index and assess firm value by Tobin's Q. This study used a variance-based partial least squares structural equation modeling (PLS-SEM) approach with WarpPLS 5.0 software for data analysis. The findings indicate that more corporate environmental transparency enhances business value. Corporate environmental disclosure was found to mediate the relationship between board size, the frequency of board meetings, and company value. The dimensions of the board and the frequency of board meetings positively correlate with corporate environmental disclosures and company value. In conclusion, the findings are beneficial for regulators, policymakers, and corporate managers to assess the influence of Corporate Governance and Environmental Disclosure regulations on enhancing market expectations and augmenting firm value. This has important implications for the current policy approach prevailing in Indonesia.

Keywords : corporate governance, firm value, corporate environmental disclosure, intervening variable

INTRODUCTION

Firm value can show success of a company based on the value of outstanding shares. Investor and company management has started to consider sustainability of the company to make economic decision making, not only focus on aspects of the financial performance (Garcia et al., 2016). Recently, companies have encountered increased levels of economic, legal, and ethical social duties. Corporate environmental disclosure has recently garnered more attention and has become a crucial element in the business strategies and agendas of most firms (Amran et al., 2014). Stakeholders, particularly shareholders, need increased transparency concerning the company's engagement in social and environmental activities. Consequently, more companies around are now affirming their dedication to sustainable practices to enhance business value. While environmental disclosure is crucial factor for corporate sustainability, the practice of environmental disclosure in Indonesia has been ineffective. Indonesia has policies to regulate the effect on operational activity of companies to the environment, but the cases of adverse effects on the environment still occur. The legal disloyalty of corporations can be minimized by good corporate governance. Companies having a strong structure of corporate governance serve as an effective mechanism for shareholders to mitigate agency issues; thus, effective corporate governance improves environmental transparency and promotes business value.

The relationship among corporate governance, environmental disclosure, and firm value has emerged as a prominent topic of discussion in both developed and developing nations. The researchers conducted a study on Taiwanese companies, confirming that effective corporate governance improves corporate environmental disclosure and positively influences firm value. The board of directors is integral to corporate governance, fulfilling essential functions such as establishing the organization's vision, mission, and values, formulating strategies, and identifying strategic options to increase firm value (Che Ahmad & Osazuwa, 2015). Board diversity represents a practical implementation of sound corporate governance principles, influencing the quality of corporate environmental disclosure and the overall value of the firm (Husted & de Sousa-Filho, 2019).

This study is based on literature in the various countries and adjusted in the condition of Indonesia. The research has been done in other countries or internationally and Indonesia has inconsistent result on the relationship between corporate governance, corporate environmental disclosure, and firm value (Che Ahmad & Osazuwa, 2015; Husted & de Sousa-Filho, 2019). Furthermore, examining the role of corporate environmental disclosure as a mediator in the relationship between corporate governance and firm value presents a compelling avenue for uncovering varied outcomes.

This study aims to explore the combined impact of corporate governance and corporate environmental disclosure on the value of firms. Initially, the study explores the influence between corporate governance and the value of corporate environmental disclosure. Secondly, the study explores the influence between corporate governance and the value of firms. Third, the study explores the influence between corporate governance and firm value, utilizing corporate environmental disclosure as an intervening variable.

A multitude of studies has explored the influence between corporate governance, corporate environmental disclosure, and their impact on firm value. Three prominent theories are especially useful in this context: agency theory, legitimacy theory, and stakeholder theory. The framework of agency theory connects corporate governance with environmental disclosure and firm value, as the mechanisms of corporate governance aim to address the agency issues and align the interests of management and stakeholders by minimizing information asymmetry. Agency theory emphasizes the role of agents within corporations, whereas legitimacy theory posits that an organization will adapt to align with the evolving norms of society. The standards within the community often undergo transformation, and organizations are anticipated to consistently adapt to these changes (Chang, 2015).

Furthermore, the company's continued existence depends strongly on the support from its stakeholders, and efforts must be made to secure this support to ensure the organization's activities are effectively pursued. The influence of more powerful stakeholders drives the company's commitment to adapt effectively. The aim of stakeholder theory is to assist corporate managers in comprehending their stakeholder landscape and to enhance their management practices within the corporate setting. However, the broader objectives of stakeholder theory aim to assist company managers in enhancing the value of their activities' impact while minimizing losses for stakeholders.

Firm Value

Firm value serves as a comprehensive measure of a company's valuation, then its important for investors to consider firm value as basis decisions of investment. In this study, Tobins Q ratio describes the firm value and serves to assign the prospects of the company's growth.

Corporate Environmental Disclosure

Corporate environmental disclosure refers to a report provided by the corporation to stakeholders, detailing the environmental initiatives conducted by the organization. The researchers asserts that contemporary corporations are cognizant that environmental and social concerns are integral to their operations, alongside profit generation. This research used the GRI (Global Reporting Initiative) standard to assess business environmental disclosure.

Corporate Governance

The researchers found that the separation of ownership by the principal and the authority of activities by the agents in an organization frequently results in conflict between the principal and the agent. Implementing effective corporate governance is anticipated to be a method for managing agency costs. Therefore, companies with a comprehensive corporate governance framework will improve the quality of information to encourage stakeholder engagement. This study uses the subsequent principles of corporate governance, namely:

Board Size

In agency theory perspectives, higher board size on company giving more effective disclosure process and better performance. Board size enhance corporate environmental disclosure (Che Ahmad & Osazuwa, 2015). In this study, board size reflects the total number of directors within a company. Board size through the corporate environmental disclosure is considered a strong asset in the role of company's competitiveness, subsequently influencing the firm's value. Based on the preceding discussion, the hypothesis is:

H_1 : Board size has a positive influence on the corporate environmental disclosure.

H_2 : Board size has a positive influence on the firm value.

H_3 : Board size has a positive influence on the firm value with corporate environmental disclosure as an intervening variable.

Board Independence

A common indicator of good governance is the number of independent directors on the board. The effectiveness of the board of directors as a monitoring mechanism for management relies on their non-executive and independent status (Annuar & Abdul Rashid, 2015; Enoidem et al., 2023). Additionally, one efficient way to lessen the possible conflict between shareholders and management is to include independent directors on company boards. There is a positive relationship between a greater proportion of independent directors on the board and corporate environmental disclosure, and could contribute to increased firm value. In addition, outsiders will have a greater percentage of independent directors on the boards, which will improve the credibility of corporate environmental disclosure. This is because the company will be seen as having stronger environmental disclosure and good corporate governance, which will increase its value.

The measurement of board independence is determined by the count of non-executive independent directors serving on the board. The study examines the independence of a board by calculating the proportion of independent directors and expects a positive influence with the firm value. Thus, the following hypothesis is examined in this study:

H_4 : Board independence has a positive influence on corporate environmental disclosure.

H_5 : Board independence has a positive influence on the firm value.

H_6 : Board independence has a positive influence on the firm value with corporate environmental disclosure as an intervening variable.

Board Gender Diversity

Compared to a homogeneous board composed entirely of men, it is stated that a gender diverse board produces decisions of higher quality (Rao & Tilt, 2016). because there are frequently systematic differences between the backgrounds, perspectives, risk attitudes, and core values of male and female directors. According to Hassan & Marimuthu (2018), female directors are more risk-averse and thoughtful about environmental disclosure.

In order to foster collaboration within the group, female board members are more likely to respect diverse viewpoints, solicit information from all board members, and use a cooperative decision-making process. Gender diversity positively influences corporate environmental disclosure and enhances firm value (Hassan & Marimuthu, 2018; Rao & Tilt, 2016). A greater presence of female directors on the board correlates positively with corporate environmental disclosure, enhancing the firm's value. Based on the preceding discussion, the following hypothesis is established:

H_7 : Board gender diversity has a positive influence on corporate environmental disclosure.

H_8 : Board gender diversity has a positive influence on the firm value.

H_9 : Board gender diversity has a positive influence on the firm value with corporate environmental disclosure as intervening variable.

Ethnic Background of President Director

The characteristics of decision making can be seen by the normative behavior of the president director based on their ethnic background (He et al., 2015). Ethnicity of the president director will influence their capacity, strategy, behavior and performance (Muttakin et al., 2015). Ethnic background has an effect on decision making which will enhance corporate environmental disclosure and improving firm value (Che Ahmad & Osazuwa, 2015). Indonesia is a multiethnic and multicultural country. The two dominant ethnic groups are indigenous and Chinese. Presidents and directors of Chinese ethnic backgrounds, according to Setyawan & Kamilla (2015), have a culture that is still maintained, which helps them to thrive in their roles as leaders of companies. Besides, every diverse ethnic group is different in their cultures from other ethnic groups as every individual from every ethnic group may have a different understanding, belief and different view of opinion. A company is able to enhance corporate environmental quality and firm value through the decision making of the president director by characteristics and their ethnic background. The study examines the following hypothesis:

H_{10} : Ethnic background of the president director has a positive influence on the corporate environmental disclosure.

H_{11} : Ethnic background of the president director has a positive influence on the firm value.

H_{12} : Ethnic background of president director has a positive influence on the firm value with corporate environmental disclosure as intervening variable.

Educational Background of President Director

The competencies necessary for the president director in fulfilling their monitoring responsibilities can be assessed based on their educational background. According to Hassan and Marimuthu (2018), a president director with a degree in economics or finance may offer management and the board of director financial knowledge, which is highly advantageous for the company's success and for creating high-quality disclosure. Kuo, Wang, & Yeh (2018) indicate that this level of expertise is essential for board members to effectively fulfill their responsibilities, including overseeing the firm and monitoring management performance. Furthermore, a president director with an educational background in economics positively impacts corporate environmental disclosure, there by enhancing the firm's value (Hassan & Marimuthu, 2018; Kuo et al., 2018). In Indonesia, it is anticipated that economic or financial education will equip the president director with essential financial skills that aid in decision-making, leading to improved corporate environmental disclosure and firm value. The following hypothesis is developed as this study:

H_{13} : Educational background of president director has a positive influence on the corporate environmental disclosure.

H_{14} : Educational background of president director has a positive influence on the firm value.

H_{15} : Educational background of president director has a positive influence on the firm value with corporate environmental disclosure as intervening variable.

Board Meetings Frequency

In accordance with the agency theory, which argues that the board members act as the principal, one of the ways the board makes its supervisory role over the management (agent) depends on board meetings. Previous investigations indicate that the frequency of board meetings is attributed to the annual number of meetings conducted by the board of directors. The researchers posited that an increase in the frequency of meetings correlates with enhanced effectiveness of the board in addressing issues and improving monitoring capabilities. Therefore, it suggests that the effectiveness of board practices during meetings impacts the board's ability to examine reports, thereby minimizing agency problems and enhancing the quality of disclosures. Board meetings have an important role in influencing corporate environmental disclosure which can positively influence firm value (Che Ahmad & Osazuwa, 2015). Moreover, an increased frequency of board meetings can improve the quality of corporate environmental disclosure and enhance firm value, leading to a more positive perception and higher investments from investors. This study proposes the hypothesis, as follows:

H_{16} : Board meetings frequency has a positive influence on the corporate environmental disclosure.

H_{17} : Board meetings frequency has a positive influence on the firm value.

H_{18} : Board meetings frequency has a positive influence on the firm value with corporate environmental disclosure as intervening variable.

Corporate Environmental Disclosure and Firm Value

Potential investors have responded positively to voluntary disclosures on green investments for years. Disclosures are perceived by investors as containing valuable information to help in their decision-making processes, thereby enhancing the overall value of the firm (Reverte, 2016). Swarnapali & Le (2018) indicate that companies that share their environmental policies demonstrate transparency, mitigate uncertainty risks, and gain competitive advantages. Companies will experience an economic advantage by implementing more comprehensive environmental disclosures, resulting in an increase in their stock price. Hence, environmental disclosure positively impacts firm value (Chang, 2015). The following is the hypothesis based on the explanations above:

H_{19} : Corporate environmental disclosure has a positive influence on the firm value.

RESEARCH METHOD

Data

This study focuses on mining companies that were listed in 2017 on the Indonesia Stock Exchange (BEI). This study also eliminates companies with missing values and unavailable data during the sample period. Information and data on research variables are collected based on annual reports, sustainability reports and official websites of companies.

Variables Measurement

The study's variables are defined in Table 1. The following are the study's research variables: board size (Size), board independence (Ind), board gender diversity (Gender), ethnic background of president director (Ethnic), educational background of president director (Educ), board meetings frequency (Meeting), corporate environmental disclosure (CED), firm value (Tobin's Q).

Tabel 1. Variable Definitions

Variable	Measurement	The proxies applied in previous studies
Firm Value (TobinsQ)	The value of Tobin's Q ratio, Tobin's Q= $\frac{(EMV + D)}{(EBV + D)}$	Setyawan & Kamilla (2015); (Wang, 2016).
Corporate Environmental Disclosure (CED)	A scoring technique based on GRI, G3.1 or G4 index, built using the following formula: CED = $\frac{Number\ of\ items\ disclosured\ \ by\ company}{Number\ of\ item\ disclosured\ \ based\ on\ GRI\ index}$	Setyawan & Kamilla (2015); (Wang, 2016).
Board Size (Size)	Total number of board directors	Wang (2016)
Board Independence (Ind)	Percentage of independent directors divided by total number of directors on board (%)	Wang (2016)
Board Gender Diversity (Gender)	Percentage of female directors divided by total number of directors on board (%)	Setyawan & Kamilla (2015)
Ethnic Background of President Director (Ethnic)	Dummy variables by ethnic background of president directors: (1) Indigenous, (2) Chinese, (3) other	Setyawan & Kamilla (2015)
Educational Background of President Director (Educ)	Dummy variables by educational background of president directors: (1) economics of financial, (2) other	Setyawan & Kamilla (2015)
Board Meetings Frequency (Meeting)	Number of board meetings held annually	Setyawan & Kamilla (2015)

Analysis Methods

The relationship between variables is examined in this study using the Structural Equation Model – Partial Least Square (SEM-PLS). Program SPSS version 22 used to show descriptive statistics results and WarpPLS 5.0 used to verify model and research hypotheses based on SEM-PLS.

RESULT AND DISCUSSION

Based on the sample selection criteria, there are 41 mining companies as firm observations under the period of study.

Table 2. Sample Selection

Criteria	Total
Listed BEI in 2017	43
Incomplete data	(2)
Total observations	41

Descriptive Statistics Analysis

The descriptive statistics result for the variables in this study are presented in Table 3. The Tobin's Q variable ranges from a minimum of 0.49 to a maximum of 6.69, indicating that this study refers to both small and large firms. The analysis of sample companies reveals a maximum value of 41.09 and a minimum value of 2.90 for the corporate environmental disclosures (CED) variable, indicating that this study includes firms with low levels of environmental disclosure.

Table 3. Descriptive Statistics

Variable	Min	Max	Mean	SD
TobinsQ	.49	6.69	1.52	1.18
CED	2.90	41.09	13.89	10.57
Size	2	9	4.56	1.89
Ind	.00	.50	.16	.14
Gender	.00	.66	.13	.16
Meetings	2	52	13.98	9.19

		Ethnic		Educ	
		Freq	%	Freq	%
Valid	1	26	63.4	23	56.1
	2	12	29.3	18	43.9
	3	3	7.3	-	-
Total		41	100.0	41	100.0

The average board size is 4.56 or 5 directors, with a range of 2 to 9. Board independence is averaged at 16%, while the proportion of female directors on average is 13%. The results of this study show that the representation of women directors in the organizational structure of mining companies in Indonesia is lower than that of male directors. Based on frequency result, ethnic background of president director has dominant of indigenous Indonesian ethnic, Furthermore, the companies are dominated by a president director who has economics or financial educational background. An average of 13.98 or 14 meetings are held annually by company boards, with a range of 2 to 52. The company has been aware to increase management control by the board meetings regularly. Although, there are some companies that have low board meetings frequency.

SEM Analysis

Table 4 shows the SEM estimation of the direct effect, while Table 5 shows the estimation of the indirect effect. Board size and board meeting frequency were found has a positive significance on the influence of corporate environmental disclosure in mining companies. In mining companies, board size and board independence has positive significance on the firm value. Furthermore, corporate environmental disclosure as mediator for the effects of board size and board meeting frequency to firm value.

Tabel 4. Regression Results for direct effect

Variable	CED		TobinsQ	
	Path Coeff.	***p-values***	***Path Coeff.***	***p-values***
Mining				
Size	0.306	0.016**	0.279	0.025**
Ind	-0.029	0.426	0.317	0.013**
Gender	-0.055	0.359	-0.101	0.252
Ethnic	0.163	0.135	0.288	0.022**
Edu	-0.039	0.401	-0.188	0.100*
Meeting	0.369	0.004**	-0.468	<0.001***
CED	-	-	0.026	0.435
	R^2 0.37; *Adjusted* R^2 0.27		R^2 0.50; *Adjusted* R^2 0.39	
Notes: *, ** and *** denote significance at α = 10%, 5% and 1%, respectively				

Tabel 5. Regression Results for indirect effect

Variable	Tobins Q		
	Path Coeff.	***p-values***	**VAF**
Size	0.008	0.472	18.21%
Ind	-0.001	0.497	-1.89%
Gender	-0.001	0.495	9.95%
Ethnic	0.004	0.485	10.31%
Edu	-0.001	0.496	4.04%
Meeting	0.009	0.466	-19.06%
Notes: *, ** and *** denote significance at α = 10%, 5% and 1%, respectively			

The Impact of Board Size to Corporate Environmental Disclosure and Firm Value

Board size has a positive influence on corporate environmental disclosure. This study agrees with results from other country, such as Latin America, Malaysia, Nigeria and Turkey (Che Ahmad & Osazuwa, 2015). In Indonesia, board of directors on the organizational structure has effectives function to enhance corporate environmental disclosure. A larger board size correlates with enhanced corporate environmental disclosure among mining companies. Therefore, this result confirms that the effective functioning of the board of directors enhances corporate environmental disclosure value.

Board size also has a positive influence on the firm value. This result agrees with results from Ahmadi, Nakaa, & Bouri (2018) suggest the higher board size can enhance firm value. The stronger board size enhances firm value. The research found no correlation between board size and firm value with corporate environmental disclosure as a variable intervening. Thus, the company has to improve the composition of its board of directors to found effective function and improve firm value. The influence between board size and firm value in mining companies is not influenced by corporate environmental disclosure.

The Impact of Board Independence to Corporate Environmental Disclosure and Firm Value

In the mining companies, board independence was found to have no influence on corporate environmental disclosure. In the opinion of Ayoib & Nosakhare (2015), the result of this study are consistent with the argument that corporate environmental disclosure is not influenced by board independence. The quality of environmental disclosure is not guaranteed by a higher level of board independence. The independent director's funcions is ineffective to corporate environmental disclosure among mining companies. The effectively function of board independence required to increase performance in the company. The result is firm's value is positively influenced by board independence. Ahmadi et al. (2018) argued that higher board independence enhance value in the company. The independent directors would influence other directors to increase performance, which is very important in the determining the firm value.

In addition, corporate environmental disclosure does not mediate the effect of board independence on the firm. Swarnapali & Le (2018) suggest that corporate environmental disclosure is voluntary disclosure of information, which is complicated to implement in developing countries, because firms argued to increase value by financial performance. This condition is related in Indonesia, there is no influence between board independence and firm value with corporate environmental disclosure as mediator.

The Impact of Board Gender Diversity to Corporate Environmental Disclosure and Firm Value

The presence of gender diversity on boards does not significantly influence the level of corporate environmental disclosure in the mining companies. Husted & Sousa-Filho (2019) suggest the presence of female directors no influence on corporate environmental disclosure. Based on the result, a higher female director on the board's structure has no influence on the level of corporate environmental disclosure. According to previous research, this could be due to the reason that women who are involved in public duties (career outside the household) have a dual role, which is anticipated to influence their performance. Indonesia has adopted patrilineal kinship, which emphasizes the role of males as the primary decision-makers, sources of income, and owners of all goods. In addition, male directors have control of control functions in the companies, hence the presence of female directors no influence on decision making or corporate environmental disclosure.

Board gender diversity has no influence on firm value in the mining companies. Result of this study consistent with research Grewal (2023), which states female directors on the board structure does not influence to enhance firm value. In mining industries, male directors have a dominant presence on the board structure and they have more knowledge and experience than female directors in mining industries. In the mining companies, board gender diversity does not mediate on the associations between board gender diversity and firm value. This result is related to the condition in Indonesia, the higher presence of female directors on boards with no influence to firm value and corporate environmental disclosure as mediator.

The Impact of Ethnic Background of President Director to Corporate Environmental Disclosure and Firm Value

Ethnic background of the president director was found to have had no influence on corporate environmental disclosure in the mining companies. Setyawan & Kamilla (2015) suggest that there are no effects on the associations between president director's ethnic background and corporate environmental disclosure. The indigenous ethnic has the dominant presence of president director in mining companies, while there is no focus on the level of corporate environmental disclosure. The ethnic background of the president director has a positive influence on firm value. Hassan & Marimuthu (2018) argued that they have positive influence on the associations of president director's ethnic background and firm value.

Indonesia has two major ethnic in business industry is indigenous of Indonesian and Chinese. The preference of ethnic background is have different influences to decision making, which the result is enhance value of the company. The indigenous ethnic of president director considered to hard working, hence their habits influence to company environmental and increase company performance. However, the Chinese president director have discipline culture as business philosophy, there is support of successment on their business. In addition, the indigenous and Chinese ethnic have same focus to enhance firm value. Corporate environmental disclosure does not mediate the influence of ethnic background of the president director on the firm value in the mining and manufacturing companies. President director has no focus to increase corporate environmental disclosure, hence corporate environmental disclosure does not mediate the associations of president director's ethnic background and firm value.

The Impact of Educational Background of President Director to Corporate Environmental Disclosure and Firm Value

President director's educational background was found to have no influence on corporate environmental disclosure. Setyawan & Kamilla (2015) argued that there were no effects on the associations of president director's educational background and corporate environmental disclosure. However, economics or financial education background has major on educational background of president directors in the mining companies, there is no influence to increase corporate environmental disclosure.

The economics educational background is not different from non-economics educational background. The results suggest that no influence on the associations of corporate environmental disclosure and president director's educational background. Education could help to grow knowledge, while the success factors are not only from education or hard skill, soft skill should be owned by the president director. Furthermore, the president director's educational background has a negative influence on firm value. According to Tseng, Su, & Tsai (2017) suggest that president directors having different educational backgrounds from the firm industry would decrease performance, hence negative influence on firm value. President directors with economics educational background are considered to have more business skills, which can decrease firm value. Therefore, education and tenure of president director should be compatible with firms' industry to enhance effective decision making.

Corporate environmental disclosure does not mediate the influence of president director's educational background on the firm value. The firm value is not influenced by the educational background of the president director when corporate environmental disclosure is used as a mediator.

The Impact of Board Meetings Frequency to Corporate Environmental Disclosure and Firm Value

Board meetings frequency has a positive influence on corporate environmental disclosure. The higher frequency of board meetings increased control of management and then enhance corporate environmental disclosure (Aliyu, 2019). The board meetings with frequency $\geqslant$ 12 meetings each year could increase corporate environmental disclosure. The Indonesian Governance has regulated board meetings frequency, whereas the regulation requires the board of directors to have a minimum once meeting every month. This policy has the influence of the board meetings and can increase control of management, there is enhance corporate environmental disclosure based on board meetings.

The board meetings could be instruments for sharing ideas among the board of directors. The higher meetings can influence the capacity of directors to mitigate agency issues and enhance company performance (Baysinger & Butler, 2019). Based on this study, board meetings frequency has a negative influence on firm value. According to Bhat, Chen, Jebran, & Bhutto (2018) argue that there are expenses, such as travel expenses, director meeting fees and other benefits lead to ineffective expenses associated with the board meeting frequency, which can be decrease firm value. In addition, corporate environmental disclosure does not mediate the influance of board meetings' frequency on the firm value in the mining companies.

The Impact of Corporate Environmental Disclosure to Firm Value

In the mining companies, corporate environmental disclosure has no influence on the firm value. Khlif, Guidara, & Souissi (2015) argued that corporate environmental disclosure was found had no influence on firm value. The Indonesian government has regulated the implementation of business activities of mining industries. In the practices of environmental disclosure, the mining companies does not have good corporate environmental disclosure.

CONCLUSION

This study provides that board size and board meetings frequency has a positive influence on corporate environmental disclosure and ethnic backgrounds of the president director has a positive influence on the firm value. Corporate environmental disclosure in the mining companies has no influence on firm value. Board size and board independence has a positive influence on firm value in the mining companies. This study provides the regulator and the government with supplemental information regarding Indonesia's environmental disclosure initiatives. The disclosures have not influenced the value of the firm. Considering the low rate of disclosures, it is essential to strengthen the oversight role to enhance the preparation of disclosures and improve compliance that implement in companies. As a result, the government has the ability to stimulate an increase in disclosures by implementing assessment and rating mechanisms. Research in the future may use various types of corporate governance proxies. Future studies could examine the extent of environmental disclosure and its relationship with firm value across various industries in Indonesia, in comparison to other countries.

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