

ABSTRACT

THE EFFECT OF ENVIRONMENTAL PERFORMANCE AND HARD ENVIRONMENTAL DISCLOSURE ON STOCK RETURN

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This study aimed to examine the effect of environmental performance and hard environmental disclosure on stock return. The independent variables in this research are environmental performance, measured based on PROPER ratings, and hard environmental disclosure is scored using an index developed by Clarkson, et al. (2008). The dependent variable in this research is stock return, reflected by cumulative abnormal return. Samples of 19 companies are chosen for each period during the year 2009-2013 to form a total of 95 observations. This research adopts multiple linear regression method using SPSS as an analytical tool.

The results show that environmental performance and hard environmental disclosure positively affects stock return.

**Key Words: Environmental Performance, Hard Environmental Disclosure,
Stock Return.**