

ABSTRACT

The aim of this study is to examine the impact of corporate environmental performance toward corporate financial performance. Corporate environmental performance is measured by the score of PROPER published by the Ministry of Environment of the Republic of Indonesia, and corporate financial performance is measured using ROA and Tobin's q.

The population in this study is all go public companies listed on Indonesia Stock Exchange (BEI) and listed on PROPER appraisal in 2008 – 2014. The sampling method used in this study is purposive sampling. By doing sampling and processing data, the final amounts of the sample are 18 firms. This study uses multivariate regression analysis technique to examine the hypotheses.

The result of this study shows that improving corporate Environmental Performance significantly influence corporate Financial Performance. Other result of this study shows that corporate size had a positive significant effect on ROA, but not significant for Tobin's q. The environmental management system had not significant effect on ROA, but significant on Tobin's q. However, we found no significant effect of Resource slack on this study.

Keywords: *PROPER, financial report, financial performance*