

ABSTRACT

This study aims to examine the effect of environmental performance, financial ratios, and size on the company's environmental disclosure. The independent variables in this study are environmental performance, financial ratios (profitability, liquidity, and leverage), and company size. Meanwhile, environmental disclosure is a variable depending on its measurement using Bloomberg's ESG in the environmental category. This research refers to research conducted by (Shonhadji, 2018).

Environmental performance, financial ratio, and company size are considered to have a positive influence on the company's environmental disclosure (Bloomberg's ESG on the environmental category) in accordance with the hypothesis based on legitimacy theory and stakeholder theory. The population in this study are non-financial companies listed on the Indonesia Stock Exchange (IDX) during 2017-2019. The sampling method used in this study was purposive sampling method with predetermined criteria so as to produce a sample of 86 non-financial companies to be studied. The data used are secondary data in the form of financial reports and company annual reports obtained through the website www.idx.co.id and financial information from the Bloomberg terminal. This study uses multiple linear regression analysis, classic assumption test consisting of normality test, autocorrelation test, multicollinearity test and heteroscedasticity test as well as hypothesis testing, namely the F statistical test, t statistical test, and the coefficient of determination.

The results of the statistical test in this study indicate that environmental performance and leverage have a positive effect on corporate environmental disclosure (ESG Bloomberg in the environmental category). Meanwhile, profitability and liquidity have a significant negative effect on environmental disclosure (Bloomberg ESG in the environmental category). However, company size has a positive but insignificant effect on environmental disclosure (Bloomberg ESG on environmental category).

Keywords: corporate environmental disclosure, environmental performance, financial ratios (profitability, liquidity, and leverage), company size, and Bloomberg's ESG in the environmental category