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THE EFFECT OF ENVIRONMENTAL DISCLOSURE AND ENVIRONMENTAL PERFORMANCE ON FINANCIAL PERFORMANCE BY MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE

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ABSTRACT

Most companies are more concern to maximize profit regardless of the circumstances in the surrounding environment. The mining company is an organization that most often assessed as industrial companies that have a bad environmental performance. It gives rise complaints from people, but the company doesn't too care, because it will cause the cost of environmental that will reduce the company's profit. Based on the above exposure authors interested to taking the title of "The effect of Environmental Performance and Environmental Disclosure on Financial Performance" with the independent variable using the PROPER indicators and GRI and financial performance is measured using the ROA, ROE, NPM, and EPS. This research aims to find out how much the effect of environmental performance on financial performance, and how much the effect of environmental disclosure on financial performance.

In this study using data analysis techniques with, the test classical assumption of normality analysis, autocorrelation analysis, multicollinearity analysis, and heteroskedacity analysis, and hypothesis testing of F analysis , T analysis , and determination coefficient analysis. In this study, sample were taken 56 mining companies listed in PROPER program and listed in Indonesian Stock Exchange which has listings for 5 consecutive years in the period 2013-2017 by using purposive sampling technique. The results of the data analysis and conclusions indicate that the environmental performance and environmental disclosure positive significant effect on the financial performance of companies either partially or simultaneously.

Keywords: *Environmental disclosure, environmental performance, financial performance.*