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The Effect of Environmental Performance, Company Size, Profitability, Leverage, and Liquidity on Environmental Disclosure
(Empirical Studies on Non-Financial Companies on the IDX (2019-2021)

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Abstract: Environmental disclosure (ED) is a form of corporate responsibility to interested parties by disclosing or delivering information relating to the management and performance of the company's environment that is disclosed in company reports or websites. This study aims to analyze the effect of environmental performance, company size, profitability, leverage, and liquidity on environmental disclosure (ED) in non-financial companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The sampling technique used in this study was purposive sampling. A total of 108 companies have met the criteria as a unit of observation. The analytical method used is multiple linear regression analysis. The research results provide empirical evidence that company size and profitability affect environmental disclosure. Meanwhile, environmental performance, leverage, and liquidity do not affect environmental disclosure.

Keywords: Environmental Disclosure (ED), Environmental Performance, Firm Size, Profitability, Leverage, and Liquidit*y.*

1. Introduction

Currently, companies are not only facing the power of market competition, but also social issues that are becoming public anxiety. One of these social issues is the phenomenon of environmental damage caused by the excessive use of nature and the use of the environment without a balance between the environment and the surrounding nature by the company so many parties are harmed, especially the community. The problem of this environmental phenomenon needs to be addressed by companies to monitor environmental impacts that have not been considered and companies must have a way to overcome these problems. Companies are getting a lot of pressure related to environmental problems, by company stakeholders which include the government, investors, customers, employees, and others, putting pressure on companies to pay more attention to the health of the surrounding environment. In Indonesia, there are still many cases related to environmental pollution caused by large companies that are even listed in the LQ45 index (Saragih, Pratama, and Nurabiti, 2021).One of the causes of companies not managing company waste properly is choosing a good company location, such as building a company in a residential area, where a location is also a place of livelihood for the local population. It is proven that the handling of environmental problems that occur in Indonesia is still not good.

The case in 2017 namely PT. Indominco Mandiri disposes of the waste directly onto the ground, resulting in water pollution and entering the infiltration wells to the surrounding rivers. In the same year PT. Freeport is unable to accommodate the leftover sand deposits, so it overflows into rivers, forests, and estuaries. There are still many companies in Indonesia that have not been able to disclose their environmental information because these companies have proven not to carry out their social and environmental responsibilities properly (Hartono, 2018). One of the new cases that occurred in 2022, namely PT. Kimu Sukses Abadi (KSA) who is in Kampung Rawa Citra, Telaga Asih Subdistrict, Cikarang Barat District, committed six violations related to environmental pollution of B3 wastewater in the form of used B321-4 ink packaging which polluted rivers in residents' settlements.

Based on these cases, companies in Indonesia should increase their corporate responsibility towards the environment to restore public trust. One way to increase corporate responsibility for the environment is to carry out environmental disclosure. Environmental disclosure is the disclosure or delivery of information related to the company's environmental management and performance which is disclosed in a company report or company website (Istiqomah and Wahyuningrum, 2020). Environmental disclosure is part of corporate socialresponsibility and is divided into three, namely economic, social, and environmental. The importance of environmental disclosure makes full awareness of companies that have hurt harmed the surrounding environment. The purpose of disclosure is to present information deemed necessary to achieve financial reporting objectives and serve the needs of various parties who have different interests (Suwardjono, 2005). The following, several factors can affect a company's environmental disclosure. Researchers focus on environmental performance, company size, profitability, leverage, and liquidity.

This research is a development of the research by Widyawati and Hardiningsih (2021). The first novelty of this research is the addition of one independent variable, namely liquidity. Liquidity is added as one of the company's performance indicators by looking at how capable the company is to be responsible for paying off the company's short-term obligations. High liquidity indicates a healthy financial condition that affects stakeholders, so companies need to disclose more extensive information as a tool to let them know that the company is working well. One form of disclosure of broad corporate information is by presenting environmental disclosure to show good environmental responsibility and provide a positive image to satisfy stakeholders. The second novelty, this study expands the scope of observation on company classification based on IDX-IC 2021 on non-financial companies listed on the Indonesian Stock Exchange (IDX) for the 2019 to 2021 observation period.

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2. Literature Review and Hypothesis

2.1 Stakeholder Theory

One of the key theories that form the basis for studying sustainability reports is the stakeholder theory. Stakeholder theory suggests that when carrying out operational activities, every company activity is not only for its own sake, but the company needs to provide benefits to its stakeholders (Juniartha and Dewi, 2017). The basic aim of stakeholder theory is to assist managers in better understanding and managing their stakeholder environment. Stakeholders require more corporate environmental disclosure as their concern regarding the large costs and obligations related to environmental issues (Zaen, 2018). In addition, companies must maintain relationships with stakeholders to meet current needs. Therefore, stakeholder support is needed so that the organization can survive and meet the needs of all parties involved. For the sustainability of the company must build trust and support from stakeholders.

2.2 Legitimacy Theory

Legitimacy theory believes in the idea that there is a "social contract" between the organization and the environment in which the organization operates (Deegan, 2000). This theory explains that there is a big influence on support in the immediate environment. Social and environmental problems from the company's operational activities lead to public demands for the disclosure of information from the company. This legitimacy theory is a form of legalization of the company that the company guarantees and is also responsible for the environment around the company. The company's environmental performance is at stake and is expressed in a tangible form in the disclosure of company information along with its legality. The explicit form of the social contract is a legal requirement, while the implicit form is the expectations of the community that are not contained in legal regulations (Sukasih and Sugiyanto, 2017)

2.3 Agency Theory

Agency theory is a theory that explains the contractual relationship between the principal or shareholders and company management who are agents of the principal (Nugraheni, 2021). Agency theory identifies the relationship between shareholders and management based on the separation of ownership and control of the company, decision-making, separation of risk bearers, and control of functions. This theory has an agreement between shareholders and managers which results in a contractual agreement. The contents of the agreement where the shareholders want to know information and management activities regarding their investment and the manager wants to receive compensation according to the contract (Mutmainah &Indrasari, 2017). If the goals between shareholders and managers are in line, then corporate social disclosureresponsibility (CSR) must be carried out by management (Nugraheni, 2021). Where part of CSR is of them related to the environment, environmental disclosure must also be carried out by management. Agency theory states that with information asymmetry, managers choose policies to maximize shareholder interests in both the long and short term (Sholihah and Suryaningrum, 2021) **.**

2.4 Environmental Disclosure

Environmental disclosure is part of corporate social responsibility, in which the environmental disclosure is only about the company environment. Therefore, through environmental disclosure, the public can monitor company activities to fulfill their social responsibilities (Sari, 2019). Environmental disclosure is a collection of past, present and future information regarding company activities and environmental performance including information about the financial implications resulting from environmental management decisions or actions by companies (Mikial, 2019). Environmental disclosure is a manifestation of the company's goals for concern and responsibility to the community resulting from a negative impact on the company (Widyawati and Hardiningsih, 2022). This environmental information can be obtained through, for example, qualitative statements, assertions or quantitative facts, and annual reports. Where disclosure provides adequate information to investors related to how the company is responsible for the company, it is expected that the company's good reputation and image will be well-formed.

2.5 Environmental Performance

A company cannot be separated from the support of the community and the surrounding environment which form an image for the company, so the company must create an ideal environmental performance. Today's companies consider environmental performance as a tool for assessing ethics in society, fulfilling job protection, responding to government and stakeholder policies, and building new business policies to remain competitive in business competition (Berry and Rondinelle, 1998). Companies that have good environmental performance tend to carry out environmental disclosures. Environmental disclosure is used as evidence that the company has carried out its environmental responsibilities properly and to gain legitimacy from the community and stakeholders.

One thing that must be considered by companies is environmental issues (Chanifah, Ermaya, & Mashuri, 2019). Therefore, companies must continue to have efforts that develop related to environmental performance. Environmental performance is a reflection of the company's value for its efforts to maintain and be responsible for its stakeholders. As Wahyuningrum, (2020) that environmental management systems tend to increase environmental disclosure because they want to show the results of their environmental performance to stakeholders.

Based on legitimacy theory, companies with good environmental performance tend to carry out environmental disclosures to improve the company's image in the general public, so that the company's activities remain legitimized by the community. This is in line with stakeholder theory which states that companies with good environmental performance will carry out more environmental disclosures so that companies have good relations with stakeholders. The existence of environmental disclosure at the company provides information regarding how good and bad environmental performance is carried out by the company.

Research by Noviani and Suardana (2019), Saragih & Pratama (2021), and Pawitradewi & Wirakusuma (2020) provides empirical evidence that environmental performance has an influence on environmental disclosure, companies that have better environmental performance are encouraged to disclose environmental disclosure items to a wider public. . Based on the description above, the formulation of the first hypothesis of this study is as follows:

H_1:Environmental performance influences environmental disclosure

2.6 Company Size

Investors in determining and placing their trust in each company can be seen from the size of the company. Large company size will make it easier to enter the capital market because it can increase investor interest in investing their capital. Investors usually look at the condition of financial information in terms of environmental disclosure (Karjono, 2021). So that the larger the size of the company, the greater the assets owned by the company, which will affect the company's impact which will increase for stakeholders. To overcome these impacts, the company carries out environmental disclosure as a result of the company's performance.

The size of a large company has larger assets, so the company will be more likely to be responsible for the surrounding environment compared to companies that have small assets. This form of responsibility will be one of the stakeholders' pulls for a decision. Stakeholders, especially investors, will make the decision to give their shares to companies that have large assets. Companies that have large assets will have more incentives to carry out environmental disclosure (Ardiyaningsih and Oktarina 2022).

Based on agency theory, large companies with high agency costs will disclose more information to reduce agency costs. This is in line with company size which is a predictive indicator that is widely used to predict differences in company information in a company's annual report (Karjono, 2021). In general, large companies have large resources, making it easier for companies to carry out environmental disclosure of the company's environmental impact. Meanwhile, small companies require additional costs in carrying out environmental disclosure because the assets owned by the company are low.

Research by Maulia and Yanto (2020), Widyawati and Hardiningsih, (2021), and Safitri and Wahyuningrum, (2021) provides empirical evidence that company size has an influence on environmental disclosure, companies with larger company sizes are encouraged to disclose environmental disclosure items. The following is the formulation of the research hypothesis, namely:

H_2: Company size affect environmental disclosure

2.7 Profitability

The profitability of a company can be measured by the success of the company and its ability to use assets productively. With profitability, it can show a comparison between profits and assets used to generate profits. A high level of profitability is one of the factors to attract investors. Investors in making decisions to invest can see the information disclosed by the company. One such information is environmental disclosure as a form of trust to investors that the company has prospects in the future so that investors are sure to retain their ownership.

Without profits, it will be difficult for companies to attract capital from outside. This is because the company sees the company more from its ability to generate profits (Apriliani, 2022). Companies that have a high level of profitability will show success in environmental performance, one of which is environmental disclosure. With wider environmental disclosure, companies can more easily gain legitimacy from society, because companies have high resources. Therefore, the higher the profitability, the wider the environmental disclosure (Zullaekha and Susanto, 2021).

Based on the theory of legitimacy, there must be compatibility between the existence of a company and the existence of a value system that exists in society and the environment. Meanwhile, according to the stakeholder theory which states that several industries that are categorized as high profile get from a community or certain stakeholders. Based on these two theories, a company that has a high value will get more demands from the community and the surrounding environment. High corporate value is seen from the size of the company's ability to generate profitability. Where high profitability makes it easier for companies to carry out environmental disclosure.

Research by Saragih, Pratama, &Nurbaiti (2021) and Chanifah, (2019) provides empirical evidence that profitability has an impact on environmental disclosure, companies that have higher profitability are encouraged to disclose environmental disclosure items. Based on the above empirical evidence, the formulation of the hypothesis:

H_3: Profitability affectsenvironmental disclosure.

2.8 Leverage

Leverage is a tool to measure how much a company depends on creditors in financing company assets (Karina, 2013). Where leverage is a prediction for companies to know the level of risk of uncollectible debt. Companies that use large enough debt have a big risk of non-payment of this debt. The company has a high risk if it discloses all company information that has high leverage. The higher the company's leverage, the greater the company's responsibility to creditors. So companies are more likely to choose to pay off debts to creditors than do environmental disclosure.

Companies with high leverage must provide a wider range of information to meet the needs of interested users. The higher the company's leverage, the smaller the environmental disclosure, and conversely the smaller the company's leverage, the greater the company's environmental disclosure (Maulana & Baroroh, 2022). High leverage makes companies more careful in displaying environmental performance because it can be part of creditor supervision (Maulia & Yanto, 2020).

Based on the legitimacy theory, companies with higher leverage ratios have higher levels of environmental disclosure because companies have a great need to legitimize the company operations and existence to lenders or regulatory authorities. The leverage ratio used is DER. The higher the DER means the stronger the creditor as one of the stakeholders because of the social impact on the environment. A high leverage ratio will do less environmental disclosure, in order to report higher current earnings (reducing the cost of disclosure).

Research by Widyawati&Hardiningsih (2021), Ramadhani & Maresti (2021), and Ismail, (2018) provides empirical evidence that leverage has an effect on environmental disclosure, companies that have lower leverage are encouraged to disclose environmental disclosure items. Based on the description of the empirical evidence above, the hypothesis formulation is as follows:

$\mathbf{H_4}$: Leveragedoes not affectenvironmental disclosure.

2.9 Liquidity

In accounting and financial analysis, liquidity is considered a measure of a company's ability to pay off its short-term obligations such as trade payables, dividends, taxes, and other current assets. Liquidity shows the company's ability to complete its short-term obligations as far as ownership of current assets (Kasmir, 2017). For creditors, a high liquidity rate indicates the repayment of the loan given. Healthy liquidity will make it easier to carry out environmental disclosure because the company avoids the risk of default.

Companies that have a high level of liquidity will create a stronger and more positive image in the eyes of stakeholders. Stakeholders will take sides and provide support to companies that have a good image. This is in line with the stakeholder theory that companies will try their best to carry out environmental disclosure so that the company's a positive image in the eyes of stakeholders (Saputro, 2013). For shareholders, high liquidity gives a signal for the company is able to survive and be sustainable (Ristyanto, 2022).

Companies with high quality will give a signal to other companies, that they are better than other companies, by carrying out activities related to the social environment. This signal was carried out to provide broader information regarding the social and environmental responsibilities that they carry out (Kamil & Herusetya, 2012). The higher the liquidity, the more companies want to gain legitimacy by displaying additional disclosures (Neliana, 2018). This shows that the existence of liquidity affects environmental disclosure.

Research by Sekarwigati and Effendi (2019), Jhonatan & Sinaga (2022), and Sonia and Khafid (2020) provide empirical evidence that liquidity has an effect on environmental disclosure, companies with higher liquidity are encouraged to disclose environmental disclosure items. Based on the description above, the formulation of the research hypothesis is as follows:

H_5: Likuiditasdoes not affect *environmental disclosure*.

3. Methodology and Procedures

3.1 Population and Sample

Table 1: Research Sample Selection Process

No	Criteria	Amount
1	Non-financial companies listed on the IDX during the 2019-2020 period	608
2	Non-financial companies that do not publish a complete annual report during the 2019-2021 period	(139)
3	Non-financial companies that experienced losses during the 2019-2021 observation period	(249)
4	Non-financial companies that do not present PROPER during the 2019-2021 observation period	(184)
The number of research samples = 36 x 3 years		108
Outlier data during processing time		(11)
Number of research samples		**97**

Source: Data Process 2023.

Based on the sample selection process in Table 1, the population used is non-financial companies listed on the IDX during the 2019-2020 period. Data collection methods used to obtain company data and information are documentation techniques with data sources derived from secondary data. Secondary data is in the form of annual reports, sustainability reports, and company websites of each non-financial company listed on the IDX. In this study the sample used was purposive sampling, meaning that the sample was taken deliberately and was selected based on certain criteria needed.

This study uses measurements for each variable, as follows:

Table 2: Measurement of Variable

Variable	Indicators	Source
ED	$\mathrm{ED} = \frac{\text{Total of GRI Items Disclosed X 100\%}}{\text{32 Total Items}}$	GRI Standart 2016
KL	KL= Company PROPER Rating	Regulation of the Minister of Environment No. 6 of 2013
UK	(SIZE) = Log (Total *Assets*)	Jogiyanto:273
PF	$\mathrm{ROA} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}}$	Henry, 2016
LV	$\mathrm{DER} = \frac{\text{Total Liability}}{\text{Total Equity}}$	Syafrida, 2015
LK	$\mathrm{CR} = \frac{\text{Current Asset}}{\text{Current Liabilities}}$	Kasmir, 2016

3.2 Data Analysis Technique

This study tests the hypothesis using multiple regression analysis. The multiple linear regression method was used to determine the correlation of each independent variable to the dependent variable.

$$\mathbf{ED = \alpha + \beta_1 KL + \beta_2 UP + \beta_3 PF + \beta_4 LV + \beta_5 LK + e}$$

4. Result and Discussion

4.1 Descriptive Statistical Analysis

Table 3: Descriptive Statistical Analysis Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
Enviromental Disclosure	97	0,00	84,38	33,3464	19,37337
Kinerja Lingkungan	97	3	5	3,71	0,816
Ukuran Perusahaan	97	24,22	35,02	30,0071	1,80049
Profitabilitas	97	0,00	0,31	0,0671	0,6679
Leverage	97	0,10	2,54	0,8918	0,56839
Likuiditas	97	0,59	10,50	2,2737	1,73234

Source: Data Process, 2023

Based on the results of the descriptive statistical tests in Table 3, The standard deviation value is 19.37337 and the average environmental disclosure value is 33.3464. The average value of environmental disclosure is 33.3464. These results show that non-financial companies on the IDX for the 2019-2021 period have an average environmental disclosure index of 33.34%. This can be interpreted that non-financial companies on the IDX for the 2019-2021 period out of 32 environmental disclosure items, on average, only eleven environmental disclosure items were disclosed.The standard deviation value is 0.816 and the average environmental performance value is 3.71. This can be interpreted that the average value of environmental performance for non-financial companies for the 2019-2021 period is 3.71%. This can be interpreted that non-financial companies on the IDX for the 2019-2021 period on average get a PROPER rating with three assessment criteria (blue).The standard deviation value is 1.80049 and the average value of company size is 30.0071. This can be interpreted that the average total assets of non-financial companies for the 2019-2021 period amounted to IDR 10,797,507,458,861.00.The standard deviation value is 0.06679 which is smaller than the average profitability value which indicates low fluctuations in profitability during the study period. The average value of profitability proxied by ROA in non-financial companies during the 2019-2021 period is 0.0671. The company's ability to generate a net profit of 6.71% of total assets. Every one rupiah of total assets is able to contribute profit after tax of IDR 0.0671. The higher the ROA of an entity, it can be interpreted that the entity is increasingly capable of generating profits.

The standard deviation value of 0.56839 is smaller than the average leverage value indicating low fluctuation of leverage during the study period. The average value of liquidity proxied by the debt to equity ratio (DER) in non-financial companies during the 2019-2021 period is 0.8918, which means that the company's ability to settle all of its obligations is 89.18% of equity. Every one rupiah of total equity is used to guarantee a total debt of 0.8918 rupiahs. The ratio of sources of funds in companies between liabilities and equity is 0.8918: 1, which means that the average non-financial company listed on the IDX for the 2019-2021 period is 89.18% of the source of funds comes from debt, the remaining 10.82% comes from equity.The standard deviation value of 1.73234 is smaller than the average value of liquidity which indicates low fluctuations in liquidity during the study period. The average value of liquidity proxied by the current ratio (CR) in non-financial companies during the 2019-2021 period is 2.2737, which means that the company's ability to pay off its current liabilities is 2.27%. Every one rupiah of short-term liabilities, guaranteed by total current assets of 2.2737 rupiahs. A current ratio whose value is above 1 means that the company is safe to pay its current obligations.

4.2 Discussion

Statistical testing with multiple linear regression requires a classical assumption test before carrying out the multiple regression test. Where the first test is the normality test with a significance of 0.200 > 0.05 which can be concluded that the data is normally distributed. For the multicollinearity test results around the Value Inflation Factor (VIF) 1.233-1.113 and the tolerance value around 0.811-0.898, it can be concluded that the regression model is free from multicollinearity. For the results of the autocorrelation test using a run test with a significance of 0.611 > 0.05, it can be concluded that the regression model is free from autocorrelation. Heteroscedasticity test results show that the unstandardized residual value has a significance value greater than

0.05 so it can be concluded that the regression model is free from heteroscedasticity.

In this study, hypothesis testing was carried out using multiple linear regression analysis models. The following is a multiple linear regression analysis tables:

Table 4: Multiple Linear Regression Analysis Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-73,619	33,380		-2,205	0,030
	Kinerja Lingkungan	-1,219	2,579	-0,051	-0,473	0,638
	Ukuran Perusahaan	3,475	1,172	0,323	2,966	0,004
	Profitabilitas	76,024	31,544	0,262	2,410	0,018
	Leverage	2,243	3,761	0,066	0,596	0,552
	Likuiditas	0,046	1,154	0,004	0,039	0,969
	F				2,704	0,025[b]
			Adjusted R Square			0,082

Source: Data Process, 2023

Based on Table 4, the results of the simultaneous F test show a significance value of 0.025. The significance value produced by the F test is less than 0.05, so it can be concluded that all independent variables, namely environmental performance, company size, profitability, leverage, and liquidity meet the requirements and can be said to be a fit regression model. The coefficient of determination shows that the Adjusted R Square value is 0.082 or 8.2%. This shows that the independent variables, namely environmental performance, company size, profitability, leverage, and liquidity can explain the variation in the dependent variable, namely environmental disclosure of 0.082 or 8.2% while the remaining 91.8% is explained by other variables. who were not included in this study.

Based on the results of the multiple regression test that the results of the calculation of each variable can describe the effect of each independent variable on the dependent variable, namely, as follows:

The results of the calculation of each variable can describe the influence of each independent variable on the dependent variable, namely environmental performance has a significance value (sig t) of 0.638 which is greater than the significance level of 0.05 (0.638 > 0.05) and **H1 is rejected**. Thus it can be concluded that environmental performance proxied by the company's participation in PROPER has no effect on environmental disclosure. This is due to the lack of samples from several companies that are not PROPER participants. Participation in the Performance Assessment Program in Environmental Management (PROPER) from the Ministry of Environment (KLH) is not mandatory, management considers that participation in PROPER has not received many benefits in terms of compensation, so companies do not need to disclose too much information about environmental performance (Suryarahman and Trihatmoko, 2021).The high or low environmental performance of companies does not affect environmental disclosure because management awareness tends to be low to participate in PROPER. Participation in a good environmental performance program is considered to be costly.In general, interested parties pay attention to the ups and downs of the company's shares and profits to make decisions, compared to seeing a good PROPER rating on its environmental performance. So that environmental performance does not affect environmental disclosure.This study provides empirical evidence that environmental performance has no effect on environmental disclosure. This is consistent with the research by Arza and Halmawati, (2019) and Suryarahman and Trihatmoko, (2021) which conclude that environmental performance does not affect environmental disclosure.

The test result state that company size has a significance value of 0.004, where the value is smaller than 0.05 (0.004 <0.05), and **H2 is accepted.**Thus it can be concluded that company size affects environmental disclosure because a company's assets are one of the references in disclosing environmental performance. Activities carried out to fulfill environmental activities will also require larger funds. Generally, large companies tend to have higher reporting responsibilities, so the company's environmental disclosure will increase.Company managers will be free to fulfill environmental activities with a larger total asset which will be reported in the company's annual report. The size of the company's total assets, the manager will also make innovations that develop, so that interested parties can see the extent to which the company's assets are used.Stakeholders have the opportunity to control company resources. Therefore, companies with large total assets must meet stakeholder expectations regarding the environment. The size of the company is one of the references in environmental disclosure by looking at how many activities have been dedicated to social parties.This study provides empirical evidence that company size affects environmental disclosure. This is consistent with the research by Widyawati and Hardiningsih, (2021), and Safitri and Wahyuningrum, (2021) which conclude that company size affects environmental disclosure.

The test results state that profitability has a significance value of 0.018, where the value is smaller than 0.05 (0.018 <0.05), and **H3 is accepted**. Thus it can be concluded that profitability affects environmental disclosurebecause profitability is a factor that can make management free and flexible in carrying out environmental disclosures to interested parties. The higher the profitability, the company will respond to the pressures and demands of stakeholders, especially the community. This is supported by the theory of legitimacy, where it will be easier for companies to gain legitimacy from the public by conducting environmental disclosures.High company profitability will make it easier for managers to provide resources in the form of fees to carry out environmental disclosure. Therefore, management has the courage to convince the public that management's success in managing the company does not damage the environment. The resources owned by the company in the form of fees will be used for more activities, thus making the quality of environmental disclosure better.A high level of profitability is one of the factors to attract investors. Investors in making decisions to invest can look at the information disclosed by the company, namely environmental disclosure as a form of trust to investors that the company has prospects in the future so that investors are sure to maintain their ownership. Therefore, high profitability will show its success by carrying out environmental disclosure. On the other hand, a company with low profitability will seriously consider implementing environmental disclosure, for fear of disrupting the company's operations.This study provides empirical evidence that profitability affects environmental disclosure. This is consistent with the research by Maulia and Yanto, (2020) and Safitri and Wahyuningrum, (2021), which conclude that profitability affects environmental disclosure.

The test results stated that leverage had a significance value of 0.552, where the value was greater than 0.05 (0.552 > 0.05), and **H4 was rejected**. Thus it can be concluded that leverage does not affect environmental disclosure because companies that have high leverage will have pressure from debtholders, so companies must prioritize fulfilling their long-term obligations rather than doing environmental disclosure. Where environmental disclosure has a greater cost because it carries out company activities that will be disclosed in the company's annual report.The condition of companies with high leverage must make a lot of company cost savings, one of which is by not carrying out environmental disclosure. This is the company's effort to reduce additional costs and pay off obligations to creditors for the sake of the company's sustainability. Therefore, the level of leverage does not affect the company's environmental disclosure.Besides that, companies that have high leverage are more likely to cancel their credit agreements, the wider the environmental disclosure, the more disclosure will be in the spotlight by debtholders. The responsibility of companies that have large debts will be closer to creditors to collect company debts. Strict supervision from creditors to the company makes managers more careful in carrying out environmental disclosures or even not reporting at all.This study provides empirical evidence that leverage has no effect on environmental disclosure. This is consistent with the research of Ardi and Yulianto, (2020) and Deswanto and Siregar, (2018) which conclude that leverage has no effect on environmental disclosure.

The test results stated that liquidity had a significance value of 0.969, where the value was greater than 0.05 (0.969 > 0.05), and **H5 was rejected**. Thus it can be concluded that there is no effect of liquidity on environmental disclosure because there is a lack of understanding by the company in understanding the level of liquidity in the company. So that the level of liquidity cannot be used as an evaluation of companies that are considered to affect environmental disclosure. This means that creditors will not look at the existence of environmental disclosure when looking at the condition or situation of the company, because high or low levels of liquidity will not affect the increase or decrease in the company's environmental disclosure.Company liquidity is a category of company performance aspects, which are indicators that are highly considered by users of financial information in making decisions. Thus, companies need to choose top priorities by improving stable financial conditions for debtors, for the sake of the company's sustainability.The company will assume that carrying out environmental disclosure will not incur losses, and also will not affect paying the company's debts. This shows that the company does not see how much liquidity is when carrying out environmental disclosure on the company. High or low liquidity does not affect environmental disclosure, because environmental disclosure will still be carried out in accordance with basic legal regulations in Indonesia.This study provides empirical evidence that liquidity has no effect on environmental disclosure. This is consistent with the research of Sekarwigati and Effendi, (2019) and Ningtyas and Riharjo, (2018) which conclude that liquidity has no effect on environmental disclosure.

5. Conclusion

This study aims to empirically examine the effect of environmental performance, company size, profitability, leverage, and liquidity on environmental disclosure in non-financial companies listed on the Indonesia Stock Exchange for the 2019-2021 period. Based on the test results and discussion obtained in the previous chapter, it can be concluded as follows:

1. Environmental performance does not affect environmental disclosure. High or low environmental performance ratings of a company do not affect environmental disclosure.
2. Company size affects environmental disclosure, the size of a company's size affects environmental disclosure. The larger the size of the company, the wider the environmental disclosure. Conversely, the smaller the size of the company, the narrower or less environmental disclosure.
3. Profitability affects environmental disclosure, and high or low profitability ratios affect environmental disclosure. The higher the profitability ratio in a company, the wider the environmental disclosure will be. Conversely, the lower the profitability ratio, the less environmental disclosure.
4. Leverage has no effect on environmental disclosure, and the level of leverage ratio has no effect on environmental disclosure.
5. Liquidity does not affect environmental disclosure, the level of liquidity of a company does not affect environmental disclosure.

Based on the conclusions and limitations of this study, the researchers provide the following suggestions:

1. This study uses a sample of non-financial companies listed on the IDX in the 2019-2021 period. Future researchers can use the characteristics of a high-profile company with its operational activities very close to nature.
2. Future researchers can extend the research period, for example, five to seven years so that the results can better describe long-term conditions and provide more accurate results.
3. Future researchers can pay attention to other variables that also affect environmental disclosure, for example, good corporate governance and environmental accounting.

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