

ABSTRACT

This study investigated the association between financial performances that measured by profitability (ROA) and Tobin's Q toward environmental disclosure provided in the annual reports of non-financial companies listed in 2012. The initial finding indicates that 64,58% of non-financial companies made environmental disclosures in their annual reports. The companies making the most environmental disclosure are in the mining sector with the lowest disclosure being made by companies in the service, trade, and investment. Result of statistical analysis shows that return on asset has a positive significant association with environmental disclosure, while Tobin's Q has a positive association with environmental disclosure but not significant. Both of the control variables, size of the company and environmental sensitivity, have positive significant association with environmental disclosure.

Keywords: environmental disclosure, returns on asset, Tobin's Q, size of the company, environmental sensitivity