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The effect of environmental performance, environmental costs, and company size on financial performance through corporate social responsibility

Evelyn*
Sudrajat
Rialdi Azhar

Economic and Business Faculty, Lampung University, Lampung, Indonesia

ABSTRACT

The low environmental management applied by the company amid the modern economic era now causes easy environmental damage. This condition must be overcome so that the company's image remains well respected and financial performance has an increasing income. Environmental performance, environmental cost, firm size, and disclosure of CSR are some of the aspects that have an impact on financial performance. In this study, CSR will be used as an intermediary variable. With 114 data sets, 38 organizations using the purposive sampling technique were listed on the Indonesia Stock Exchange between 2018 and 2020. Through descriptive statistical analysis tests, outer models, inner models, and hypothesis testing, the data were examined regressively using SmartPLS. The results showed that EC, EP and CSR had no impact on financial performance, but firm size had a significant positive effect on financial performance. EP has a significant positive effect on CSR. In contrast, company size and EC have no effect on CSR, and CSR is not proven and can become mediation on company size, EP and EC on financial performance. The limitation is the researched was conducted through the year of COVID-19, then the mainly based data and conditions from AR and PROPER, without considering the conditions of the company that were not reported in the report. Finally, the suggestions for future research are companies should be more consistent and routine in allocating environmental costs, so can and implementing CSR, and the company should start to adding non-physical assets so that financial performance can also rise.

Introduction

In the era of the modern economy and the era of the industrial revolution 4.0, more and more companies are developing. The company is a container that contains business activities carried out in the form of goods and services. Each company also has plans to achieve its primary goal of achieving maximum profit every year by the targets set to increase company growth (Putu Bayu Pratama, 2021). Apart from being an economic institution, the company is also a social institution. Therefore, the company is expected to progress and develop in harmony with the community around the company. The Financial Services Authority (OJK) promotes Indonesian businesses' adoption of sound corporate governance. The cause is that Indonesia has lagged behind other ASEAN nations in the application of corporate governance (Swarte et al., 2020). With facts like this, it is necessary to observe the environment around established and operating companies to carry out their company activities.

The environmental damage that arises and is related to the impact of the company's processes causes the importance of having control tools and governance systems regarding the consequences of the damage. These impacts can increase costs, reduce issuer profits, improve company performance, and reduce the damage that often resembles precision and habitual impacts on company performance. Several elements, such as environmental performance, environmental expenses, company size, and disclosure of CSR, have an impact on how the company discloses its financial performance.

In today's era. Companies no longer only think about strategies for obtaining economic benefits from their activities but also about sustainability. Sustainability in question is that economic demands on the environment and natural resources above humans can be achieved without reducing the environment's ability in the future (Nasrin.R.Khalili, 2011). Because companies with strong environmental performance also have strong social information, which can raise the company's value, this disclosure of environmental performance as CSR can have an impact on financial performance. Investors are anticipated to think about this view before making an investment.

Next is the environmental cost factor. Because the costs allotted to the company are anticipated as a long-term investment, it is thought to have an effect on the company's financial performance. Nevertheless, some companies still think that environmental costs will merely be a profit deduction account for the company and consider environmental costs to be only an additional expenditure. In addition, the existence of environmental cost funds demonstrates the constancy of environmental protection that the business will practice to inspire public trust in its commitment to corporate social responsibility (Tunggal & Fachrurrozie, 2014).

CONTACT Evelyn   ⓜevelynpakpahan1@gmail.com

Next is the company size factor. Companies with large sizes have easier access to external funding sources and competing well or surviving in the sector (Sugiono & Christiwan, 2013). The company's size can usually be measured by how liquid the company is and how many assets can be put to good use.

Moreover, the last factor that can affect financial performance is corporate social responsibility disclosure. Law Number 40 of 2007 and Article 2 of "Government Regulation Number 47 of 2012" regulate Environmental and Social Responsibility. Companies that conduct business in the environmental sector or with regard to natural resources are required by law to fulfill their social and environmental obligations. CSR is a way for a business to show its stakeholders that it is committed to accepting accountability for the effects of its operational actions. It's critical to establish a link between accounting ethics education and ethical behavior in the workplace. Academics is the top learning environment and absorbs the essence of responsibility and integrity, which should mold a person's behavior going forward (Purwatmiasih et al., 2021).

According to research by Ni Luh Emmy (2016), CSR significantly affects financial performance. These results are also in line with the research. Wahyu Setiawan (2018) shows that environmental costs, performance, and company size affect financial performance. According to Aida Meiyana's research (2019), CSR can act as a modifying factor to the relationship between financial performance and environmental performance. Therefore, it can be said that the formulation of the issue in this study is that financial performance is influenced by environmental performance, environmental expenses, firm size, and CSR. CSR acts as an intermediary variable between financial performance and environmental costs, environmental performance, and company size affect environmental performance, and environmental costs and company size affect environmental performance.

Literature review

Stakeholder theory

The stakeholder theory outlines the groups for whom the corporation is accountable (Freeman, 1984). This theory has also become the prevailing central paradigm, supporting the idea that businesses have obligations to stakeholders and shareholders (Maulida & Adam, 2012).

Legitimacy theory

The legitimacy theory is a business management philosophy that favors siding with the public, the government, people, and community organizations (Gray at el, 1996).

Environmental performance

The performance of the business in fostering a suitable environment is referred to as its environmental performance (Suratno et al., 2006). The environmental performance will describe how the company cares about the surrounding environment. If the environment and resources around the company are well maintained, it is inevitable that the company's environmental performance will be good too. The formula used in this study uses an assessment in the PROPER indicator (Environmental Management Performance Rating Program for Businesses). Companies have participated in PROPER activities for three consecutive years, from 2018-2020. The determination of the PROPER rating level is grouped into five categories, namely with a value of; gold (5), green (4), blue (3), red (2) and black (1).

Environmental cost

Environmental costs are allocated to the possibilities that will happen or things that are not wanted in the company. Furthermore, possible requirements as regulated in legislation (Sholihin, 2004). The formula used for environmental costs in research is:

$$\frac{CSR\ Program\ Cost}{Earning\ After\ Tax}$$

Company size

Firm size is an indicator to classify the size of a company, with several proxies, namely log size, total assets, stock market value, etc. (Suwito and Herawaty, 2005). The formula used by the company size in this study is:

$$Ln\ (Total\ Assets)$$

Corporate social responsibility

CSR is a responsibility that businesses have to themselves, their shareholders, and their employees in the form of company progress and profitability, as well as to the public in the form of tax payers and job providers, as well as to the public in the form of enhancing community competency and wellbeing while safeguarding the environment for future generations. (Susanto, 2009).

The research's formula for calculating corporate social responsibility is:

$$\frac{V}{M}$$

V: number of items disclosed by the company
M: number of items that should be disclosed

Financial performance

Financial performance analysis determines how effectively and correctly a company has applied financial implementation guidelines, such as producing financial reports that adhere to SAK (Financial Accounting Standards) or GAAP standards (General Accepted Accounting Principles). The formula is using Return On Assets that:

$$\frac{Earning\ After\ Tax}{Total\ Assets}$$

Methods

The research method used is Partial Least Square (SmartPLS). To process data and draw conclusions, the researchers used the SmartPLS program. The population in this study were 195 manufacturing companies listed on the Indonesia Stock Exchange from 2018 – 2020. The sampling technique used in this study was taken using a purposive sampling method approach. The sample meets the criteria of 38 manufacturing companies with three years of research from 2018 - 2020. So the sample is 114 samples. Data analysis used in this study includes descriptive statistical analysis, outer model, inner model and hypothesis testing.

Results

Statistic descriptive

Table 1. Statistic descriptive result

Variables	Min	Max	Mean	St. Deviation
ROA	-6.49	24.30	4.5341	5.62641
PROPER	2	5	3,070	0.4544
Environmental Costs	-0.3239	25.63	0.5978	3.39112
Company Size	18.68	32.73	27.55	3.85319
Corporate social responsibility	-0.01	0.49	0.2689	0.09048

Table 1 shows the financial performance obtained by PT's minimum return on assets (ROA) of -6.49. Gunawan Dianjaya Steel, Tbk. in 2018 and a maximum value of 24.30 was obtained by PT. Sidomuncul, Tbk. in 2020. The average value for this dependent variable is 4.5341, with a standard deviation of 5.62641. The value of the standard deviation of the dependent variable also shows that the data being observed is variable, seeing that the value of the standard deviation is greater than the average value. Then, the lowest environmental performance in this research sample got a score of two red categories obtained by PT. Budi Strach Sweetener, Tbk. in 2018, PT. Gajah Tunggal, Tbk. in 2018 – 2019, PT. Sky Energy Indonesia, Tbk. in 2019 and PT. Kino Indonesia, Tbk. in 2019. Meanwhile, PT. Jamu Industry and Sidomuncul Pharmacy, Tbk. in 2020 received the environmental performance with the highest score, a score of five in the gold category. This independent variable (x1) has an average value of 3.070 and a standard deviation of 0.4544. The descriptive statistical value of environmental costs has a minimum value of -0.3239 obtained by PT. Tifico Fiber Indonesia in 2020 and a maximum value of 25.63 was obtained by PT. Indopoly swakarsa industry, Tbk. in 2018. The minimal value for the third independent variable, company size, was achieved by PT. Sat Nusapersada Tbk in 2020, and the maximum value was achieved by PT. Indofood Sukses Makmur Tbk in 2020. The company size variable, X3, has an average value of 27.55 and a standard deviation of 3.85319. Furthermore, the last descriptive statistical value, namely the corporate social responsibility variable, got a drinking value of -0.01, obtained by PT. Gajah Tunggal, Tbk. in 2018 and a maximum value of 0.49 was obtained by PT. Semen Baturaja, Tbk in 2020. The study's intervening variable, corporate social responsibility, had an average value of 0.2689 and a standard deviation of 0.0904. Additionally, the fact that the standard deviation value is less than the mean value shows that the data under observation is homogeneous.

Measurement model test results (outer model)

That called outer relaion or measurement model shows how each indicator relates to its latent variable (Sri, 2018). Evaluation of the measurement model is used to assess the validity and reliability of the model (Ghozali and Latan, 2015).

Convergant validity

Table 2. Outer loading value

Variables	Indicator	Outer Loading	Conclusion
Environmental performance	X1.1 (2018)	0.871	Valid
	X1.2 (2019)	0.863	Valid
	X1.3 (2020)	0.808	Valid
Environmental cost	X2.1 (2018)	0.999	Valid
	X2.2 (2019)	0.999	Valid
	X2.3 (2020)	0.997	Valid
Company size	X3.1 (2018)	0.867	Valid
	X3.2 (2019)	0.977	Valid
	X3.3 (2020)	0.977	Valid
Corporate social responsibility	Z1 (2018)	0.952	Valid
	Z2 (2019)	0.893	Valid
	Z3 (2020)	0.938	Valid
Financial performance	Y1 (2018)	0.919	Valid
	Y2 (2019)	0.938	Valid
	Y3 (2020)	0.929	Valid

In Table 2. shows the outer loading value of all variables having a value above 0.7 then it can be declared valid and feasible to be used for research.

Discriminant validity

Table 3. Outer loading score

Indicator	Environmental cost	Corporate social responsibility	Financial performance	Environmental performance	Company size
X1.1 (2018)	-0.038	0.392	0.390	0.871	0.163
X1.2 (2019)	-0.008	0.206	0.376	0.863	0.126
X1.3 (2020)	-0.037	0.164	0.401	0.808	0.128
X2.1 (2018)	0.999	0.163	-0.077	-0.031	-0.366
X2.2 (2019)	0.999	0.162	-0.089	-0.032	-0.364
X2.3 (2020)	0.997	0.175	-0.106	-0.038	-0.349
X3.1 (2018)	-0.323	-0.147	0.339	0.156	0.867
X3.2 (2019)	-0.349	-0.238	0.349	0.155	0.977
X3.3 (2020)	-0.345	-0.243	0.354	0.159	0.977
Y1 (2018)	-0.102	0.145	0.919	0.474	0.324
Y2 (2019)	-0.112	0.029	0.938	0.397	0.420
Y3 (2020)	-0.035	-0.007	0.929	0.401	0.272
Z1 (2018)	0.191	0.952	0.068	0.302	-0.221
Z2 (2019)	0.082	0.893	0.074	0.212	-0.102
Z3 (2020)	0.166	0.938	0.043	0.329	-0.261

Based on x results x on x table x 3, it shows that all indicators have met the criteria for discriminant validity. The table of cross loading values for indicators on constructs/variables is greater than the cross loading values of other indicators.

Average variance extracted dan composite reliability

Composite reliability is seen from the output view of latent variable coefficients. The composite reliability value is declared reliable if it is > 0.70. If a construct has fulfilled it, it can be said that the construct is reliable in research. Average Variance Extracted (AVE) that is often used is a minimum value of 0.50.

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Table 4. Composite reliability and AVE value
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Variables	Composite Reliability	AVE	Conclusion
Financial performance	0.949	0.862	Valid and Reliable
Environmental performance	0.949	0.719	Valid and Reliable
Environmental cost	0.999	0.996	Valid and Reliable
Company size	0.959	0.886	Valid and Reliable
Corporate Social Responsibility	0.884	0.861	Valid and Reliable

Based on table 4, the results show that the composite reliability and AVE values are above 0.70 and 0.50, respectively, so that all variables meet the criteria and can be said to be reliable and valid. (Fornell and Larcker, 1981).

Construct reliability

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Table 5. Construct reliability value
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Variables	Cronbach's Alpha	Conclusion
Financial performance	0.920	Reliable
Environmental performance	0.806	Reliable
Environmental cost	0.998	Reliable
Company size	0.934	Reliable
Corporate Social Responsibility	0.922	Reliable

Based on table 5. it can be seen that Cronbach's alpha value is > 0.60, so it can be said that the tested variable is strong and reliable and can be continued for structural model evaluation.

Structural model testing results (inner model)

Inner model or structural model is carried out to see the relationship between the construct, significant value and R^2 of the research model (Sri, 2018).

F-Square Value

The f-square test was carried out to determine the goodness of the model. The value of effect size F^2 shows the interaction between the independent variable and the intervening variable in influencing the dependent variable. The F^2 value of 0.02 is said to be small, 0.15 is said to be medium and 0.35 is said to be large. Values less than 0.02 can be said to be ignored or considered to have no effect.

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Table 6. F-square value
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Variables	F-square	Effect
Environmental cost -> CSR	0.008	Weak
Environmental cost -> Financial performance	0.001	None
CSR -> Financial performance	0.002	Weak
Environmental performance -> CSR	0.153	Moderate
Environmental performance -> Financial performance	0.199	Moderate
Company size -> CSR	0.066	Weak
Company size -> Financial performance	0.111	Weak

R-Square Value

By examining the R-square, the structural model is put to the test. R2 value changes can be used to determine whether a specific independent variable has a significant impact on the dependent variable. A strong, moderate, or weak model is indicated by R2 values of 0.75, 0.50, and 0.25, respectively (Sarted et al, 2017).
The r-square values of 0.67, 0.33, and 0.19 are classified as strong, moderate, and weak, respectively (Chin, 1998 dalma Ghozali and Latan, 2015).

Table 7. R-square value

Variables	R-Square	Effect
Corporate social responsibility	0.184	Weak
Financial performance	0.299	Moderate

Predictive Relevance

The q-square value is used to measure how much the remaining observation values are generated by the model and also the parameter estimates. The value of $Q^2 > 0$ indicates that the model has accurate predictive relevance to certain constructs, while the value of $Q^2 < 0$ can be said that the model lacks predictive relevance.

Q-square (Q^2)   = 1 – (1-R-square CSR) x (1-R-sqaure Financial Performance)
                   = 1 – (1-0.184) x (1-0.299)
                   = 1 – (0.816) x (0.701)
                   = 1 – 0.572016
Q-square (Q^2)   = 0.427984 / 42.79%

Based on the above calculation, the q-square value is 0.427984 or 42.79%, which means it has a good predictive relevance model.

Hypothesis Testing Result

Path Analysis

Path analysis is an extension of multiple regression analysis. Path analysis is used to examine the relationship between the independent variable and the dependent variable through the intervening variable.

There are two forms of path analysis, the first is direct analysis and indirect effect analysis. For the direct analysis the function is to see and calculate the relation between environmental performance, environmental costs, firm size and CSR to finance performace, to see relation directly beetwen environmental performance, environmental costs, firm size to CSR. And after calculate all variable, we will got the result how big influence beetwen variable directly. And for the indirect effect, we connect the independend variable to dependen variable through intervening variable. So there is environmental performance, environmental costs, firm size to financial performance through CSR. And after calculate that indicators we can see the result and after that we compare which one has a big influence with or without mediaiton (intervening variable).
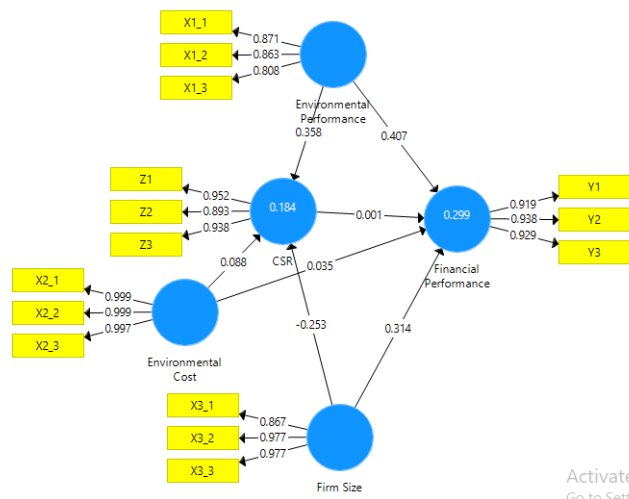

Figure 1. *Path analysis*

From the results of path analysis, it can be said that the direct effect of environmental performance on financial performance is 1.857 while the indirect effect of environmental performance on financial performance through corporate social responsibility is 0.0195. So it can be stated that the CSR variable is non-mediating.

Environmental costs have a 0.157 percent direct impact on financial performance, whereas its 0.0031 percent indirect impact results from corporate social responsibility. So that it can be stated that the CSR variable is non-mediating.

Then lastly, the direct influence of the size of the company on financial performance is 1.971 while the indirect effect through the corporate social responsibility variable is 0.0079 so that it can be stated that the CSR variable is non-mediating in this study.

Partial Statistical Test (t Test)

Table 8. Patch coefficients result

Variabel	Original Sample	T statistic Values	P-Values	Result
EC - CSR	0.088	0.451	0.652	Positive, unsignificant
EC - FP	0.035	0.219	0.158	Positive, unsignificant
CSR - FP	0.001	0.008	0.994	Positive, unsignificant
EP - CSR	0.358	2.721	0.007	Positive, significant
EP -FP	0.407	1.800	0.072	Positive, unsignificant
CS - CSR	-0.253	1.138	0.256	Negative, unsignificant
CS - FP	0.314	1.981	0.048	Positive, unsignificant

Table 9. Spesific inderect effects

Variabel	Original Sample	T statistic Values	P-Values	Result
EP – CSR – FP	0.000	0.008	0.994	Positive, unsignificant
EC – CSR – FP	0.000	0.002	0.998	Positive, unsignificant
CS – CSR – FP	0.000	0.006	0.996	Negative, unsignificant

From tables 8 and 9 it can be seen that out of ten hypotheses only two were accepted because they were positive and significant. The mediation test conducted through Indirect Effects, however, stated that the corporation and social responsibility were unable to mediate the relationship between environmental performance, environmental costs and company size on financial performance.

Discussion

First Hypothesis Test

Environmental performance has a positive effect on financial performance but is not significant. The positive but not significant results indicate that the results of the environmental performance that have been implemented by the company cannot be counted as guaranteeing the results of good financial performance as well. So, it can be said that the results of environmental performance using PROPER as an indicator have not been able to attract stakeholders to invest in the company. The results of this study are in accordance with previous research conducted by (Aida Meiaya, 2019; Aisha Hanif, 2020). Aida Meiyana (2019) said that to get a high color ranking in PROPER, of course, there are many requirements that must be met by the company. To realize the many requirements, the company must also disburse a large amount of funds as well. The existence of these expenditures for the company is a cost. The results of this study also do not support the legitimacy theory, where the main paradigm of this theory is corporate social responsibility towards the community and the surrounding environment. The company must be more extra in building a positive image. The positive image of the company is very important for the sustainability of the company, therefore the company must strive to gain legitimacy from the community, because this legitimacy is the company's strategy in order to develop the company in the future.

Second Hypothesis Test

Environmental costs have a positive but insignificant effect on financial performance, which means that the environmental costs incurred by the company are insufficient to meet the standards of a good image in the eyes

of the public. However, in this study it has not been proven, it can be caused because there are still some companies who consider the environmental costs that must be allocated and incurred by the company to be an additional burden for the company. Therefore, this study is in line with and supported by previous research by (Wahyu Setiawan, 2018; Aqila Zainab, 2020), which said that environmental costs had a positive and insignificant effect. So that further counseling and regulations are needed regarding the application for the allocation of company funds for environmental costs.

Third Hypothesis Test

Firm size has a positive and significant effect on financial performance, and this means that the more total assets and assets in the company, the more it assesses that its financial performance is good. Companies with large and large total assets can affect the receipt of outside funding that can attract investors to invest in the company. This research is in line with and supports previous research conducted by (Aida Meiayana, 2019; Gaendie Mustika, 2020) which states that company size has a positive and significant effect on financial performance.

Fourth Hypothesis Test

Corporate social responsibility has an insignificant positive effect on financial performance, which means that all CSR disclosures made by the company are accepted and positively influence financial performance. In this study, CSR has a positive but not significant effect, it is suspected that CSR activities carried out by the company have not been in accordance with the expectations and expectations of the surrounding community so that it does not attract the attention of investors to invest. This is in line with and supports previous research conducted by (Hantono, 2017; Aisha Hanif, 2020) which said that social responsibility activities carried out by companies were not able to affect the company's ability to generate profits.

Fifth Hypothesis Test

Environmental performance has a positive and significant effect on corporate social responsibility. This means that the environmental performance carried out by the company is directly proportional to the disclosure of social responsibility carried out by the company. This is in line with and supports previous research conducted by (Wahyu Setiawan, 2018; Mokhlas, 2021) which said that the more a company's role in its environmental activities, the more the company has to disclose about its environmental performance in its annual report. Companies that have participated in PROPER activities will report in the annual report, which will attract more attention and interest from investors to invest in the company. This environmental performance activity provides a positive image so that investors are more interested in companies that have a good image in the community.

Sixth Hypothesis Test

Environmental costs have a positive but insignificant effect on corporate social responsibility, which means that the environmental costs allocated by the company are still considered a deduction from the company's profits and expenses. This is indicated because some companies have not implemented Corporate social responsibility still considers that CSR activities are only a burden that can harm the company. The results of this study are in line with and are supported by previous research conducted by (Wahyu Setiawan, 2018; Mas Findi Mulya, 2020) which said that the costs allocated by the company in social and environmental concerns did not guarantee the extent of its disclosure.

Seven Hypothesis Test

Company size has a negative and insignificant effect on corporate social responsibility, which means that the company's size does not affect the corporate social responsibility activities carried out and disclosed by the company. This is because Corporate Social Responsibility is no longer just an activity, but is an obligation for companies that are useful for maintaining the survival of the company, so that the size of the company does not affect the level of Corporate Social Responsibility. This is in line with and supports previous research conducted by (Wahyu Setiawan, 2018; Mokhlas, 2021) which says to gain legitimacy, large companies will not always disclose more Corporate Social Responsibility in order to have an influence on internal and external parties who have interest in the company.

Eight Hypothesis Test

Corporate social responsibility cannot mediate the relationship between environmental performance and financial performance. CSR activities carried out by the company are considered not able to increase the legitimacy of the community. However, this research contradicts (Aida Meiyana, 2019; and Mokhlas, 2021) who say that corporate social responsibility can be a mediating variable between environmental performance and financial performance. Therefore, the results of this study have implications, so that companies can improve the quantity and quality of environmental management and social responsibility so that they can obtain positive feedback from the community and ultimately improve company performance as proxied by increased company profits.

Nine Hypothesis Test

Corporate social responsibility cannot mediate the relationship between environmental costs and financial performance. This is in line with and supports previous research by (Aida Meiyana, 2019) which stated that the quality of Corporate Social Responsibility activities cannot be seen from the actual number of environmental costs. both can be good news for stakeholders and can provide benefits for the company, especially in terms of finance. From this research, it can be implied that the allocation of funds for environmental costs in carrying out corporate social responsibility activities still has to be reaffirmed to the owners of the company, because the existence of environmental costs is also important in order to prevent something undesirable from happening.

Ten Hypothesis Test

Corporate social responsibility cannot mediate the relationship between firm size and financial performance. This states that, small or large companies in reporting CSR activities will not affect the improvement of a company's financial performance.This is in line with and supports research conducted by (Wahyu Setiawan, 2018), but contradicts research (Aida Meiyana, 2019; Mokhlas, 2021) which says that the disclosure of social activities by companies is a disclosure that reveals more about company transparency, so that information it has more value for the general public.

Conclusion

Based on the results of the research analysis, several conclusions that can be drawn from this study include; environmental performance, environmental costs and corporate social responsibility have no significant effect on financial performance, but firm size has a positive and significant effect on financial performance, which means that the small and large companies influence investors to invest in the company. Environmental performance has a positive and significant impact on the disclosure of corporate social responsibility, which means that the more routine and participating in PROPER activities, the better the company's image in the eyes of the community, stakeholders, and shareholders. But cost the environment and company size do not affect corporate social responsibility. Then, the variable corporate social responsibility (CSR) cannot be an intervening variable (mediation) between environmental performance, environmental costs and company size on financial performance. This is shown from the direct effect test, which results are more significant than the effect test through the intervening variable.

The limitation is the researched was conducted through the year of COVID-19, so that some companies were in an unfit condition with fluctuating company performance as well as reduced income and unexpected expenses, then the mainly based data and conditions from Annual Report and PROPER, without considering the conditions of the company that were not reported in the report. On this reasearch, CSR assessment tends to be subjective, so there is a possibility that some indicators that have been disclosed by the company may have been missed things like this can cause different results.

Finally, the suggestions for future research are companies should be more consistent and routine in allocating environmental costs, so can and implementing CSR, The company is more consistent in carrying out environmental performance properly and participates in PROPER activities made by the government regularly and continuously in order to improve the company's image, then the company should start to adding non-physical assets so that financial performance can also rise.

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