MJIFM | MAJAPAHIT JOURNAL OF ISLAMIC FINANCE AND MANAGEMENT

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

LEVERAGE, PROFITABILITY, ENVIRONMENTAL PERFORMANCE, ISO 14001 CERTIFICATION, AND PUBLIC OWNERSHIP OF ENVIRONMENTAL DISCLOSURE

Afifah Rachma Wati[1]
Universitas Muhammadiyah Surakarta, Surakarta, Indonesia
b200210207@student.ums.ac.id

Eny Kusumawati [2]
Universitas Muhammadiyah Surakarta, Surakarta, Indonesia
ek108@ums.ac.id

Abstract

This study analyzes the influence of leverage, profitability, ISO 14001 certification, environmental performance, and public ownership on environmental disclosure among non-financial companies listed on the Indonesia Stock Exchange from 2021 to 2023. Using purposive sampling, 177 companies were selected, and the data were analyzed through multiple linear regression after passing classical assumption tests. The results show that environmental performance and public ownership significantly affect environmental disclosure, suggesting that firms with stronger environmental practices and wider public ownership are more inclined to disclose environmental information, possibly due to higher transparency demands and accountability pressures. However, leverage, profitability, and ISO 14001 certification do not significantly influence disclosure, indicating that internal financial metrics and formal certifications may not directly drive transparency in this context. This raises the need for further exploration of why these variables lack significance, potentially involving the nature of ISO implementation or varying stakeholder expectations. The study is limited by its focus on firm-level factors and does not incorporate external drivers such as regulatory requirements or industry pressures, which may also shape disclosure practices. Future research should integrate these broader contextual elements to gain a more comprehensive understanding of environmental disclosure determinants in emerging economies like Indonesia.

Keyword: Indonesia Stock Exchange, Environmental Disclosure, Public Ownership, Environmental Performance, Leverage, Profitability, ISO 14001 Certification

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

INTRODUCTION

Companies strive to generate high profits, but this objective is often challenged by various factors, including market competition, good corporate governance, and increasingly significant social concerns. One of the major issues linked to business activities is environmental degradation. Numerous instances of pollution and environmental harm occur as a result of corporate operations. Human activities, especially business operations, can lead to significant environmental damage (Amelia and Trisnaningsih, 2020).

A pertinent example of environmental harm is PT. SIPP (Sawit Inti Prima Perkasa), a palm oil factory located in Bengkalis Regency, Riau Province. The company has been reported for environmental violations, including direct dumping of waste without proper treatment and the mismanagement of its Wastewater Treatment Plant (IPAL). Additionally, PT. SIPP was found to be non-compliant with the Environmental Management and Environmental Monitoring Efforts (UKL/UPL) requirements. Furthermore, the company lacked permits for the disposal of waste and hazardous materials (Ministry of Environment and Forestry, 2022).

Another case involves PT Indonesia Weda Bay Industrial Park (IWIP), a nickel industry complex in Halmahera, North Maluku. Reports from Climate Right International (CRI) reveal that IWIP has violated human rights, leading to deforestation and pollution of both air and water. This environmental degradation is aggravated by the clearing of 5,331 hectares of tropical forests for nickel mining concessions, resulting in approximately 2.04 metric tons of greenhouse gas emissions (Aranditio, 2024).

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

These cases illustrate the broader issue of corporate negligence regarding environmental responsibility, with consequences that extend beyond local communities to global environmental standards. The activities of PT. SIPP and PT. IWIP demonstrate how poor corporate practices not only harm the immediate environment but also contribute to the global environmental crisis. The severity of these issues underscores the need for increased corporate accountability in environmental management.

Corporate transparency, particularly in environmental disclosure, is critical for ensuring that businesses are held accountable for their environmental impacts. Despite the legal framework aimed at improving corporate responsibility, such as Indonesian Government Regulation No. 47 of 2012 on Corporate Social and Environmental Responsibility and Company Law No. 40 of 2007, the enforcement and effectiveness of these regulations remain questionable. There are concerns about the adequacy of these laws, their enforcement, and the gaps that exist, which prevent companies from fully complying with environmental reporting requirements. Without strict implementation and monitoring, these regulations may not be sufficient to address the issue of inadequate environmental disclosure in Indonesia.

Environmental disclosure, a component of Corporate Social Responsibility (CSR), is evaluated through the Environmental, Social, and Governance (ESG) framework to assess corporate operations. The role of environmental disclosure in managing environmental impacts cannot be overstated. It serves as a guide for companies in mitigating their environmental footprints and improving their public image. Environmental disclosure, as defined by Istiqomah and Wahyuningrum (2020), refers to the reporting of a company's environmental management practices, which serves to measure performance and disclose information in company reports.

Environmental disclosure can be either mandatory or voluntary (Assiva and Kaharti, 2021). Mandatory disclosure requires companies to provide detailed reports on their activities, such as the Global Reporting Initiative (GRI) standards. On the other hand, voluntary disclosure allows companies to provide information about their goals, strategies, organizational structure, and other non-mandatory practices.

The challenges of environmental disclosure, particularly in emerging markets like Indonesia, need further consideration. Companies in these regions often face obstacles such as limited resources, insufficient infrastructure, and lack of technical capacity, which can hinder the accuracy and depth of environmental disclosures. The environmental reporting practices in Indonesia may therefore be affected by these challenges, potentially limiting the comprehensiveness of the disclosed information.

Several factors influence the extent of environmental disclosure, including leverage, profitability, environmental performance, ISO 14001 certification, and public ownership. Leverage is used to assess a company's ability to finance its activities through debt. A company with higher leverage has increased responsibility to its creditors, thereby encouraging broader environmental disclosure. Empirical research by Ermaya and Mashuri (2018) and Hidayat and Budiwati (2019) suggests that leverage positively influences environmental disclosure.

Profitability, which reflects a company’s ability to generate profits, is another factor that impacts environmental disclosure. Studies by Kartika and

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

Halim (2021) and Maulana et al. (2021) show that more profitable companies tend to disclose more comprehensive environmental information, as they can afford the necessary resources to engage in such practices.

Environmental performance, which reflects a company's concern and responsibility towards the environment, is a crucial driver of environmental disclosure. Companies with better environmental performance are more likely to disclose environmental information. Research by Balint et al. (2018) and Chanifah et al. (2019) further supports this claim.

ISO 14001 certification is an international standard for environmental management. Companies with ISO 14001 certification are generally more inclined to disclose extensive environmental data, as they are required to adhere to stringent environmental practices. Empirical evidence by Kiswanto et al. (2020) and Qintharah (2023) shows that ISO 14001 certification positively affects the scope of environmental disclosure.

Public ownership refers to ownership by individuals or entities outside the company, often resulting in increased pressure for transparency. Companies with significant public ownership are more likely to disclose environmental information, as the public can demand accountability. Research by Ijma et al. (2018) suggests that public ownership plays a significant role in encouraging environmental disclosure.

This study builds upon the work of Maulana et al. (2021) and introduces two key novelties. First, it includes two independent variables—ISO 14001 certification and public ownership—to examine their influence on environmental disclosure. The inclusion of these variables aims to investigate whether ISO-certified companies disclose more environmental information than non-certified

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

companies, and how public ownership affects the level of environmental disclosure. Second, the study expands its scope to cover non-financial companies listed on the Indonesia Stock Exchange (IDX) between 2021 and 2023, providing a more comprehensive understanding of environmental disclosure in the context of Indonesian companies.

LITERATURE REVIEW

Stakeholder Theory

Stakeholder Theory posits that companies must manage relationships with both internal and external parties to create a positive impact. This theory emphasizes the company's obligation to fulfill social, economic, and environmental responsibilities (Wahyuningrum & Amalia, 2023). Companies must provide benefits to stakeholders and maintain good relationships to preserve their reputation (Juniartha & Dewi, 2019). Corporate social responsibility (CSR) disclosure reflects a company's commitment to stakeholders, which can enhance company performance, such as profitability, leverage, and environmental performance, thereby attracting creditors and investors (Basit et al., 2022).

While Stakeholder Theory provides a strong foundation for understanding corporate behavior in relation to environmental disclosure, it has been criticized for oversimplifying corporate behavior. For example, it tends to treat stakeholders as a homogeneous group with shared interests, neglecting the potential for conflict or divergence among stakeholders. Additionally, the theory assumes that companies will always act in the interest of their stakeholders, which may not always be the case, particularly when financial incentives conflict with environmental goals.

Legitimacy Theory

Legitimacy Theory suggests that companies must align their actions with societal values to gain legitimacy and public trust (Wahyuningrum & Amalia, 2023). A mismatch between company values and societal expectations can lead to a loss of legitimacy and a decline in reputation (Gama et al., 2024). Disclosure of social and environmental responsibility, including environmental disclosure, can restore and improve a company’s relationship with the public, thereby supporting the company’s sustainability (Pratiwi & Kurniawan, 2020; Martusa et al., 2023).

Critics of Legitimacy Theory argue that it may underestimate the complexity of societal norms and the challenges companies face in aligning their operations with diverse and sometimes contradictory expectations. The theory often assumes that legitimacy can be restored through mere compliance with social norms, which may not be sufficient in cases where companies face deep-rooted public distrust or where societal expectations are shifting rapidly.

Environmental Disclosure

Environmental disclosure refers to the reporting of a company’s environmental impact in its annual report, encompassing both quantitative and qualitative disclosures that go beyond financial reports. Good environmental disclosure can attract investors, as it reflects the company’s concern for environmental sustainability (Putri & Wahyuningrum, 2021). Environmental disclosure serves as a tool for evaluating the company’s operational sustainability when it is effectively managed (Darmasakti, 2023). In Indonesia, environmental disclosure is regulated by Law No. 40 of 2007 and Financial Services Authority Regulation No. 29/PJOK.04/2016, which mandate companies to report their social

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

and environmental responsibilities. The Global Reporting Initiative (GRI-4.0) framework is commonly used to measure this disclosure, with indicators covering materials, energy, water, biodiversity, emissions, wastewater, and more. However, one of the challenges that companies face is navigating these standards, particularly in developing countries. In Indonesia, while regulatory compliance is mandatory, many companies may adopt a "tick-box" approach, providing minimal disclosures just to fulfill legal obligations without ensuring transparency or addressing the deeper environmental issues. This raises questions about the actual quality of environmental disclosures and whether they are truly reflective of a company's environmental performance.

The Impact of Leverage on Environmental Disclosure

Leverage is used to assess a company's ability to pay its debt obligations compared to its equity. Companies with low leverage tend to provide better quality environmental disclosures. Higher leverage leads to a narrower scope of environmental disclosure, while lower leverage results in broader environmental disclosure (Maulana & Baroroh, 2022). Leverage makes companies more cautious about environmental disclosure as it becomes part of creditor oversight. According to legitimacy theory, companies with low leverage will increase environmental disclosure because this information influences the legitimacy of their operations with creditors. Research by Viona et al. (2022) and Fathurohman et al. (2022) provides empirical evidence that leverage affects environmental disclosure.

H_1: Leverage influences environmental disclosure.

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

The Impact of Profitability on Environmental Disclosure

High profitability causes companies to increase the disclosure of social responsibilities related to environmental disclosure because they have more resources. Profitable companies have the financial capacity to respond to societal pressures regarding environmental disclosures (Kiswanto et al., 2020). Profitability provides useful information for stakeholders regarding environmental disclosure. Companies with high profitability ratios are more likely to create a positive reputation and thus are motivated to provide comprehensive and extensive environmental disclosures. High profitability allows companies to invest more in environmental disclosures, which become an indicator of optimal company performance. Hence, the profitability ratio influences environmental disclosure. Research by Maulana et al. (2021) and Kiswanto et al. (2020) provides empirical evidence that profitability influences environmental disclosure.

H_2: Profitability influences environmental disclosure.

The Impact of Environmental Performance on Environmental Disclosure

Companies that perform well in environmental management tend to provide more and clearer environmental disclosures, which incentivize communication of trustworthy information. Good environmental performance demonstrates a company's commitment to environmental responsibility and attracts stakeholder interest. This interest is based on investor trust, as companies with good environmental management have lower environmental risks, according to legitimacy and stakeholder theories. Legitimacy theory suggests that companies with positive environmental performance will enhance their reputation through environmental disclosure, while stakeholder theory stresses

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

that companies with good environmental performance will be more active in disclosing environmental information.

Research by Pawitradewi and Wirakusuma (2020) and Lestari and Narindra (2022) provides empirical evidence that environmental performance influences environmental disclosure.

H3: Environmental performance influences environmental disclosure.

The Impact of ISO 14001 Certification on Environmental Disclosure

ISO 14001 certification is a management system that ensures environmental processes aim for sustainable management and control of environmental impacts. Companies with ISO 14001 certification tend to enhance environmental disclosure as part of environmental management. ISO 14001 certification helps build company confidence, thereby increasing investor trust. Certified companies are more likely to improve their environmental disclosure to meet societal and stakeholder expectations. ISO 14001 promotes continuous improvement, conformance rather than performance, ensuring companies comply with environmental regulations, pollution prevention, waste management, and continuous improvement through quality environmental disclosures (Rahmawati et al., 2018).

Research by Rahmawati et al. (2018), Kiswanto et al. (2020), and Qintharah (2023) provides empirical evidence that ISO 14001 certification influences environmental disclosure.

H4: ISO 14001 certification influences environmental disclosure.

The Impact of Public Ownership on Environmental Disclosure

Public ownership refers to the level of public ownership in a company, which results in optimal oversight of company performance. Public ownership

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

gives direction to management, including environmental disclosure. High public ownership increases the likelihood that a company will provide broader environmental disclosures. Publicly listed companies are obligated to disclose their operations, including environmental disclosures. A high level of public ownership ensures that companies remain transparent in environmental reporting, which is important for the company's sustainability.

Research by Julekhah and Rahmawati (2019) and Ijma et al. (2018) provides empirical evidence that public ownership influences environmental disclosure.

H_5: Public ownership influences environmental disclosure.

RESEARCH METHOD

The data analysis in this study employs a quantitative approach using multiple linear regression to investigate the impact of leverage, profitability, environmental performance, ISO 14001 certification, and public ownership on environmental disclosure. Prior to conducting regression analysis, classical assumption tests are performed to ensure the model's adequacy and reliability. These tests include checks for multicollinearity, heteroscedasticity, and autocorrelation. A simultaneous significance test is used to assess the overall model fit, while the t-test is applied to examine the individual effects of each variable on the dependent variable. Additionally, the coefficient of determination (R-squared) is used to determine the model's explanatory power.

This study uses secondary data from the financial statements of non-financial companies listed on the Indonesia Stock Exchange (IDX) from 2021 to 2023. The sampling technique employed is purposive sampling, targeting companies that meet the study's criteria

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

Variable Measurement

Table 1.
Variable Measurement

Variable	Indicator	Source
Dependent Variable		
Environmental disclosure	$ED = \frac{\text{Company's Environmental Disclosure Score}}{\text{Total GRI Environmental Disclosure}} \times 100\%$	(Batista et al. 2022)
Independent Variables		
Leverage	$DER = \frac{\text{Total Debt}}{\text{Total Equity}}$	(Sufyati dan Anlia 2021)
Profitability	$ROA = \frac{\text{Net Profit After Tax}}{\text{Total Asset}}$	(Sukamulja 2024
Environmental Performance	Environmental Performance = Score Based on PROPER	(Dewi et al. 2024)
ISO 14001 Certification	ISO 14001 Certification. This variable is measured using a dummy variable, with a value of 1 if the company holds ISO 14001 certification, and 0 if it does not	(Rahmawati 2018).
Public Ownership	$KP = \frac{\text{Jumlah Public Ownership}}{\text{Total Outstanding Shares}} \times 100\%$	(Franita 2018)

Source: Data Analysis, 2025

RESULTS AND DISCUSSION

Description of the Object and Study

The population in this study consists of non-financial companies listed on the Indonesia Stock Exchange (IDX) from 2021 to 2023, totaling 825 companies. Of these, 199 companies did not provide complete annual reports, and 278 companies incurred losses during the observation period. A sample of 59 companies was selected for each year, resulting in a total sample size of 177 companies. Outliers were removed by sorting extreme data based on residual

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

values, with 20 outliers excluded, leaving a total of 157 companies that met the criteria.

Descriptive Statistics

Table 2.
Descriptive Statistical Analysis Results

Variable	N	Min	Max	Mean	Std. Dev
Environmental Performance	157	2,000	5,000	3,567	0,753
ISO 14001 Certification	157	0,000	1,000	0,713	0,454
Leverage	157	-2,198	10,521	0,808	1,316
Profitability	157	0,001	0,593	0,119	0,117
Public Ownership	157	0,012	0,745	0,216	0,149
Environmental Disclosure	157	0,265	0,912	0,578	0,171

Source: Data Analysis Results, 2025

Table 2 presents the descriptive statistics for the variables in the study. The environmental performance of non-financial companies listed on the IDX from 2021 to 2023 shows an average PROPER score of 3.567, indicating a ranking within the blue category (rating 3). Notably, 71.3% of the companies in the sample had ISO 14001 Certification, demonstrating a significant proportion of firms committing to environmental management standards. The average leverage (measured by DER) is 0.808, meaning that for every one rupiah of equity, companies have 0.808 rupiah of debt. The profitability, measured by ROA, averages 0.119, suggesting that, on average, companies generate a net profit of 0.119 rupiah for every one rupiah of total assets. The average proportion of public ownership is 21.6%, while environmental disclosure scores average 0.578, indicating that companies disclosed 19 out of 34 environmental disclosure items outlined by the GRI.

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

A closer examination of certain variables, particularly profitability, reveals high variation (with a standard deviation of 0.117), which suggests a significant disparity in profitability across the sample. This variation in profitability could have implications for the analysis, especially in cases where the study suggests that profitability does not influence environmental disclosure. The difference in profitability among companies might be a key factor in understanding why some companies disclose more environmentally relevant information than others.

Classical Assumption Test

The data processed using SPSS showed that normality testing using the Central Limit Theorem (CLT) assumed values greater than 30, thus approaching normal distribution. The sample size of 157 exceeds 30, so the data analyzed is considered normal. The multicollinearity test results show that tolerance values are greater than 0.10 and VIF values are less than 10, indicating that the regression model is free from multicollinearity. The heteroscedasticity test result showed a significance value greater than 0.05, indicating that the regression model does not suffer from heteroscedasticity. The autocorrelation test produced an Asymp. Sig. (2-tailed) value of 0.471, indicating that there is no autocorrelation in this research data.

Hypothesis Testing Results

Multiple Linear Regression Results

Table 3.
Multiple Linear Regression Test Results

Variable	Unstandardized Coefficients		Stand. Coef.	t	Sig.
	B	Std. Error	Beta		
(Constant)	0,032	0,050		0,638	0,524

MJIFM | MAJAPAHIT JOURNAL OF ISLAMIC FINANCE AND MANAGEMENT
Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

Environmental Performance	0,151	0,014	0,666	10,929	0,000
ISO 14001 Certification	-0,031	0,023	-0,083	-1,368	0,173
Leverage	-0,007	0,008	-0,054	-0,862	0,390
Profitability	-0,081	0,087	-0,056	-0,933	0,353
Public Ownership	0,207	0,073	0,181	2,829	0,005
Adj R^2					0,469
Sig. F Test Results					0,000

Source: Data Analysis Results, 2025

Based on Table 4, the regression equation can be formulated as follows: ED = 0,032 + 0,151KL – 0,031ISO – 0,007LV – 0,081PF + 0,207KP + ε

The regression coefficient for Environmental Performance is positive at 0.151, indicating that as Environmental Performance (PROPER rating) increases, environmental disclosure becomes broader. The regression coefficient for ISO 14001 Certification is negative at -0.031, suggesting that companies without ISO 14001 Certification have narrower environmental disclosures. The regression coefficient for leverage is negative at -0.007, indicating that higher leverage ratios result in smaller percentages of environmental disclosure. The regression coefficient for Profitability is negative at -0.081, suggesting that higher profitability ratios lead to lower environmental disclosure percentages. The regression coefficient for Public Ownership is positive at 0.207, indicating that larger proportions of public ownership led to broader environmental disclosures.

Based on Table 4, the F-test results show a value of 228.539 with a significance level of 0.000. Since the F-value and significance are both smaller than 0.05, the results are considered valid. The adjusted R^2 value is 0.469, meaning that 46.9% of the variation in the dependent variable can be explained by the independent variables. This means that the independent variables, including

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

Environmental Performance, ISO 14001 Certification, leverage, Profitability, and Public Ownership, account for 46.9% of the variation. The remaining 53.1% is explained by other factors not included in this study.

Environmental Performance affects environmental disclosure

Environmental Performance significantly influences environmental disclosure, meaning that increases or decreases in Environmental Performance (PROPER ranking) impact the environmental disclosure of a company. This Environmental Performance plays a crucial role in creating a positive image and reputation in the eyes of the public and investors. Companies maintain their Environmental Performance reputation through comprehensive environmental disclosures. A high PROPER ranking validates and strengthens the credibility of a company's Environmental Performance. A strong Environmental Performance is a key advantage for a company as an environmentally friendly organization. The PROPER ranking is one of the indicators of how a company manages its environmental impact, and this is reflected in the extent of its environmental disclosure.

Indicators of Environmental Performance that refer to GRI standards play a vital role in allowing companies to report environmental data systematically and in a standardized manner. This drive results in companies with high PROPER rankings having strong environmental management systems, which significantly influence environmental disclosure.

The findings of this study are consistent with research by Terry and Asrori (2021) and Chanifah (2019), which conclude that Environmental Performance impacts environmental disclosure.

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

ISO 14001 Certification does not affect environmental disclosure

ISO 14001 Certification does not affect environmental disclosure. This means that whether a company is certified ISO 14001 or not does not influence its environmental disclosure. ISO 14001 Certification focuses on regulatory compliance, but such compliance does not guarantee that a company provides transparent and detailed environmental disclosure.

Certified companies use ISO 14001 as proof of their commitment to environmental sustainability. However, the lack of standardized criteria for presenting information about this certification leads to variations in environmental disclosures among companies, even those holding similar certifications like ISO 14001.

The accuracy of verifying environmental disclosure data opens opportunities for companies to manipulate information, leading to greenwashing, where companies project an image of being environmentally friendly without actual implementation of environmental practices.

This study's findings are consistent with research by Yuliana and Kusumawati (2024), which concludes that ISO 14001 Certification does not affect environmental disclosure.

Leverage does not affect environmental disclosure

Leverage does not affect environmental disclosure. This means that a company's leverage ratio does not influence the extent of its environmental disclosure. Financial reports are prioritized by creditors over environmental disclosure. Investors and other stakeholders may focus more on a company's financial information than on environmental matters, which are deemed irrelevant to environmental disclosure.

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

A company with a high leverage ratio does not necessarily have limited environmental disclosure, just as a company with a low leverage ratio does not automatically have extensive environmental disclosure. Environmental consciousness is an awareness that companies must possess as part of their efforts and ethics in preserving environmental well-being. The level of leverage does not influence environmental disclosure.

Both high and low leverage ratios still face the responsibility of managing and optimizing financial efficiency. This focus may shift to non-operational activities like environmental disclosure, which companies may view as an expense that can be deferred or reduced.

These findings are consistent with research by Maulana, Ruchjana, and Nurdiansyah (2021) and Ardi and Yulianto (2020), which conclude that leverage does not affect environmental disclosure.

Profitability does not affect environmental disclosure

Profitability does not affect environmental disclosure. This means that the level of profitability does not influence the extent of a company's environmental disclosure. Companies with low profitability tend to prioritize increasing profits over addressing environmental concerns, leading to limited environmental disclosure. Companies with high profitability may have other priorities, such as maintaining reputation or stakeholder trust, so profitability does not guarantee comprehensive environmental disclosure.

Several regulations require companies to disclose environmental information regardless of their profitability. Companies must comply with regulations whether they are profitable or not. Despite resource availability,

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

companies do not prioritize environmental disclosure and fail to recognize its long-term benefits.

Even companies with low profitability may provide comprehensive environmental disclosures, as environmental responsibility is an ethical obligation that transcends financial performance. Therefore, profitability does not affect environmental disclosure.

The findings of this study align with research by Ijma, Haris, and Yusnita (2018) and Abdurrohman Hafid (2020), which conclude that profitability does not affect environmental disclosure.

Public Ownership affects environmental disclosure

Public ownership significantly influences environmental disclosure. This means that the proportion of public ownership affects the environmental disclosure of a company. Companies with publicly held shares face greater pressure from various groups, such as the public, community organizations, the media, and investors concerned with environmental matters, to transparently present extensive environmental disclosures.

Publicly owned companies bear greater responsibility as indirect owners, including the openness of their environmental disclosures as part of this responsibility. Policies regarding environmental disclosure aim to ensure that public assets are managed responsibly, ethically, legally, and sustainably in terms of environmental protection.

Publicly owned companies align their sustainability plans with government regulations, and while profit-oriented, they also contribute to broader environmental goals, which is reflected in the quality and extent of their environmental disclosures.

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

These findings are consistent with research by Ijma, Haris, and Yusnita (2018) and Ardyaningsih and Oktarina (2022), which conclude that public ownership affects environmental disclosure.

Synthesis of Main Discussions

This research provides insights for companies to improve their awareness of environmental disclosure as part of their corporate responsibility for sustainability. For investors, this study helps understand the condition of companies, particularly useful in evaluating the Environmental Performance of a company before making investment decisions. For companies, the study encourages greater awareness of environmental disclosure as an essential responsibility for sustainability, as well as reputation and corporate image, to attract investors.

CONCLUSION

Based on the testing and discussion of the impact of Environmental Performance, ISO 14001 Certification, leverage, profitability, and public ownership on environmental disclosure in non-financial companies listed on the IDX during the 2021–2023 period, the following conclusions can be drawn: Environmental Performance has a significant effect on environmental disclosure, meaning that the better a company's Environmental Performance, the more extensive its environmental disclosure will be. This aligns with the expectation that companies with stronger environmental practices are more likely to be transparent about their environmental impact. In contrast, ISO 14001 Certification does not have a significant impact on environmental disclosure, which may seem surprising given the common belief that certification would lead to greater

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

environmental transparency. One possible explanation for this is that certification alone may not necessarily compel companies to disclose more information unless accompanied by other regulatory or market-driven pressures.

Similarly, leverage does not affect environmental disclosure, suggesting that companies with higher debt ratios are not necessarily more or less inclined to disclose their environmental practices. This result could be attributed to the fact that financial structure alone may not directly influence a company's motivation to engage in environmental reporting. Profitability also does not appear to influence environmental disclosure, which may indicate that companies do not prioritize environmental transparency based on their financial performance, possibly due to other internal or external factors, such as regulatory requirements or public pressure.

Public ownership, however, does have an impact on environmental disclosure, with a larger percentage of public ownership leading to more extensive environmental disclosure. This finding suggests that publicly owned companies, possibly due to greater scrutiny from investors and stakeholders, are more motivated to provide detailed environmental information. The limitations of this study include its focus on a general environmental issue, a short observation period of three years, and an Adjusted R^2 of 46.9%, indicating that many other variables have not been explored. The limited observation period may have hindered the ability to capture long-term trends or shifts in environmental disclosure practices, especially considering the evolving nature of regulations and societal expectations surrounding corporate environmental responsibility. Future research should consider high-profile companies, extend

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

the observation period, and incorporate variables such as good corporate governance and environmental accounting for more comprehensive results.

REFERENCES

Abdurrohman Hafid, Agus Wahyudin. 2020. Peran Environmental Performance dalam Memoderasi Pengaruh Ukuran Perusahaan, Leverage dan Profitability terhadap Pengungkapan Lingkungan. 2019(2132): 235–38.

Amelia, Della, R., Trisnaningsih S. (2020). Pengaruh Good Corporate Governance, Ukuran Perusahaan, dan Media Exposure terhadap Environmental Disclosure. Prosiding Konferensi Riset Nasional Ekonomi, Manajemen, dan Akuntansi, 2(40), 285–301.

Apip, M., Sukomo, Faridah, E. (2020). Pengaruh Environmental Performance Fan Environmental Disclosure terhadap Economic Performance. Jurnal Wawasan dan Riset Akuntansi, 7(2). 62-77.

Ardi, J. W., And Yulianto, A. 2020. The Effect of Profitabiity, Leverage, and size on Environmental Disclosure with the Proportion of Independent Commissioners as Moderating. Jurnal Analisis Akuntansi. 9.(2).

Ardyaningsih N, Oktarina D. (2022). Pengaruh Environmental Performance, Public Ownership dan Ukuran Perusahaan terhadap Environmental Disclosure. Jurnal Akuntansi AKUNESA, 11(1), 49–59.

Assiva, R., & Kaharti, E. (2021). Pengaruh Environmental Performance, Kinerja Keuangan dan Ukuran Perusahaan terhadap Environmental Disclosure pada Perusahaan Manufaktur yang terdaftar di BEI tahun 2016-2019. Jurnal Ilmiah Mahasiswa Manajemen, Bisnis dan Akuntansi (JIMMBA), 3(5), 993–1008. https://doi.org/10.32639/jimmba.v3i5.948.

Astiti, N. N. W. A., & Wirama, D. (2020). Faktor-faktor yang Memengaruhi Pengungkapan Emisi Karbon pada Perusahaan yang terdaftar di Bursa Efek Indonesia. E-Jurnal Akuntansi, 30(7), 1796-1810. https://doi.org/ 10.24843/eja2020.v30i07p14.

Balint, Michael, and Enid Balint. 2018. Thrills and Regressions. Thrills and Regressions, 4(3):1–149. https://doi.org/10.4324/9780429483998.

Basit, A., Diana N., Junaidi. (2022). Analisis Faktor-faktor yang Mempengaruhi Pengungkapan Corporate Social Responsibility (CSR), 11(4), 93–102.

Batista, P., Zhao, W., Liu, L. 2022. Proceedings of the 3rd International Conference on Big Data Economy and Information Management. Zhengzhou (CHN): EAI Publishing.

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

Chanifah, N., Ermaya, H. N. L., Mashuri, A. A. S. (2019). Pengaruh Environmental Performance dan Kinerja Keuangan teradap Pengungkapan Informasi Lingkungan. Widyakala Journal, 6(1), 45-53. https://doi.org/10.36262/widyakala.v6i1.146.

Darmasakti. 2023. Menciptakan Green Profit dengan ESG Framework. Makassar: Nas Media Pustaka.

Darsana, I. M., A. D. Atmoko, R. W. EDT, Y. A. Valenty, E. P. Suryantari, J. S. Pande, B. G. Siregar, and U. W. Nuryanto. 2023. Pengantar Akuntansi. Bali: CV. Intelektual Manifes Media.

Departemen Keuangan. 2007. Undang - Undang Republik Indonesia no. 40 tentang Perseroan Terbatas. Kemenkeu RI: Jakarta.

Dewi, L. G. K., N. L. P. Wiagustini, H. Rahyuda, I. P. Sudana, and M. A. Wardana. 2024. Perspektif Nilai Perusahaan Berdasarkan Sustainability Report Disclosure dan Board Gender Diversity. Bali: CV. Intelektual Manifes Media.

Ermaya, H. N. L., Mashuri A. A. S. (2018). Kinerja Perusahaan dan Struktur Kepemilikan: Dampak terhadap Pengungkapan Lingkungan. Jurnal Kajian Akuntansi, 2(2), 225–237.

Fathurohman, M., Purwohedi, U., & Armeliza, D. (2022). Pengaruh Profitability, Leverage, Public Ownership dan Institusional terhadap Pengungkapan Lingkungan. Jurnal Akuntansi, Perpajakan dan Auditing, 3(1), 245-264. https://doi.org/10.21009/japa.0301.15.

Franita, R. 2018. Mekanisme Good Corporate Governance dan Nilai Perusahaan: Studi untuk Perusahaan Telekomunikasi. Medan: Lembaga Penelitian dan Penulisan Ilmiah AQLI.

Fuadah, L., Yuliani, Safitri, R. H. 2018. Pengungkapan Sustainablity Reporting di Indonesia. Edited By D. Kusnadi. Palembang (ID): Citrabooks Indonesia.

Gama, A. W. S., Mitariani, N. W. E., Widnyani N. M. 2024. Kumpulan Teori Bisnis: Perspektif Keuangan, Bisnis, dan Strategik. Bandung: Nilacakra.

Global Reporting Initiative. GRI Sustainability Reporting Guidelines G4. https:// www.globalreporting.org/.Global Reporting Initiative. Diunduh pada 18 Juli 2024.

Hapsari, M. D. (2023). Analisis Penerapan Laporan Keberlanjutan (Sustainability Report) terhadap Nilai Perusahaan. Jurnal Ilmiah Akuntansi, 4(1), 65–72. https://doi.org/10.30640/akuntansi45.v4i1.724

Vol. 5 No. 1, 2025, 353–380 **e-ISSN 2798-0170**

Hidayat, H. N., & Budiwati C. (2019). Faktor-Faktor yang Mempengaruhi Pengungkapan Lingkungan pada Perusahaan BUMN dan BUMS. Jurnal Mutiara Madani, 7(1), 64–82.

Hilmi, H., Rinanda, M. (2020). Pengaruh Profitbilitas dan Leverage terhadap Pengungkapan Lingkungan. Jurnal Kajian Akuntansi dan Bisnis Terkini, 1(3), 496–509.

Hitipeuw, S. D., & Kuntari, Y. (2020). Pengaruh Kepemilikan Saham Publik, Profitability, dan Media terhadap Pengungkapan Tanggung Jawab Sosial Perusahaan. Management & Accounting Expose, 3(1), 40–51. https://10.36441/mae.v3i1.135.

Husin, S. 2020. Penegakan Hukum Lingkungan: Edisi Revisi. Jakarta: Sinar Grafika.

I Dewa Gede Sayang Adi Yadnya, S. E. M. A. M. M. C. H. C. I. 2022. Tanggung Jawab Sosial dan Lingkungan Perusahaan Tinjauan terhadap berbagai Aspek Pendukung. Bandung: Feniks Muda Sejahtera.

Ijma, Haris, N., Yusnita, N. (2018). Pengaruh Ukuran Perusahaan, Profitability dan Porsi Public Ownership, terhadap Environtmental Disclosure (Studi pada Perusahaan Logam dan Mineral Lainnya yang terdaftar di Bursa Efek Indonesia. Jurnal Katalogis, 6(4), 1–9.

Istiqomah, & Wahyuningrum, I. F. S. (2020). Factors Affecting Environmental Disclosure in Companies Listed on the Tokyo Stock Exchange. Accounting Analysis Journal. 9(1), 22–29. https://doi.org/10.15294/aaj.v9i1.30019.

Julekhah, F., & Rahmawati, E. (2019). Pengaruh Media Exposure, Sensitivitas Industri, Kepemilikan Asing, Public Ownership dan Profitability terhadap Environmental Disclosure dan Dampaknya terhadap Nilai Perusahaan. Reviu Akuntansi dan Bisnis Indonesia, 3(1):50–66. https://doi.org/10.18196/rab.030136.

Juniartha, I. M., & Dewi R. R. (2019). Pengaruh Proporsi Komisaris Independen, Environmental Performance, dan Pertumbuhan Perusahaan terhadap Pengungkapan Lingkungan. Jurnal Akuntansi Trisakti, 4(2), 117–40. https://doi.org/10.25105/jat.v4i2.4843.

Kartika, D., & Halim, S. 2022. Pengaruh Ukuran Perusahaan, Leverage dan Profitability terhadap Environmental Disclosure (Studi Empiris pada Perusahaan Manufaktur Subsektor Kimia yang Terdaftar di Bursa Efek Indonesia Periode 2017-2021. Judicious, 3(2), 335–45. https://doi.org/10.37010/jdc.v3i2.1130.

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

Kementerian Lingkungan Hidup dan Kehutanan. 2022. "Direktur Dan Manager Pabrik Sawit PT. SIPP Ditindak Gakkum KLHK terkait Pencemaran Lingkungan Di Bengkalis-Riau." (27 September):1–8.

Kiswanto, K., Apriyani, I. K. D., Yanto, H., Hajawiyah, A., Djajadikerta, H. G. (2020). Determinants of Environmental Disclosure in Indonesia. Journal of Environmental Management and Tourism, 11(3):682–91. https://doi.org/10.14505/jemt.v11.3(43).22.

Kristiani, L. A., & Werastuti, D. N. S. (2020). Pengaruh Environmental Performance dan Kinerja Sosial terhadap Kinerja Keuangan dengan Good Corporate Governance sebagai Variable Pemoderasi. JIMAT (Jurnal Ilmiah Mahasiswa Akuntansi), 11(3), 487–98.

Lestari, N. L. P. R. W., & Narindra, A. A. N. M. (2022). The Influence of Environmental Performance and Good Corporate Governance on Company Value. Journal of Tourism Economics and Policy, 2(2), 73–78. https://doi.org/10.38142/jtep.v2i2.338.

Lumentut, L. 2022. Kajian Hukum Bisnis Perseroan Terbatas: Teori, Sistem, Prinsip Keterbukaan dan Tata Kelola Perusahaan. Makassar: Nas Media Pustaka.

Martusa, R., Joni, Tin, S. 2023. Tata Kelola Perusahaan: Sebuah Perspektif Sustainability. edited by Kuang, C. T. M. Yogyakarta: Penerbit Andi.

Maulana, A., Ruchjana, T. E., Nurdiansyah, D. H. (2021). Pengaruh Ukuran Perusahaan, Profitability, Leverage dan Environmental Performance terhadap Environmental Disclosure. COSTING: Journal of Economic, Business and Accounting, 4(2), 787–800.

MPR RI. 1998. GBHN. Ketetapan MPR RI No. II/MPR/1998. Cetakan Kedua. Penerbit Pustaka Pelajar, Yogyakarta.

Nagari, A., R. D. Pekerti, S. R. K., Dewi, A. M. N., Ihsan, A. S., Khodijah, J. L., Irawan, A. E., Surachman, A., Maradidya, H., Maheresmi. 2024. Manajemen Investasi: Teori dan Praktik. Banten: Sada Kurnia Pustaka.

Ningtiyas, R. K., & Riharjo, I. B. 2018. Pengaruh Ukuran Perusahaan dan Kinerja Keuangan terhadap Environmental Disclosure pada Perusahaan Manufaktur yang Terdaftar di BEI Richsantika. Jurnal Ilmu dan Riset Akuntansi, 7(6), 1-21.

Noviani, N., & Suardana, K. (2019). Pengaruh Ukuran Perusahaan, Political Cost dan Environmental Performance terhadap Environmental Disclosure dalam Laporan Tahunan. E-Jurnal Akuntansi, 28(3), 1904. https://doi.org/10.24843/eja.2019.v28.i03.p17.

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

Otoritas Jasa Keuangan. "Peraturan Otoritas Jasa Keuangan Nomor: 29/PJOK.04/2016 Tentang Laporan Tahunan Emiten atau Perusahaan Publik. "Otoritas Jasa Keuangan (2016): 2-4.

Otoritas Jasa Keuangan. Peraturan Otoritas Jasa Keuangan Nomor: 11/PJOK.04/2017 Tentang Laporan Kepemilikan atau Setiap Perubahan Kepemilikan Saham Perusahaan Terbuka. Otoritas Jasa Keuangan (2017): 3-5.

Pawitradewi, A. A. I., & Wirakusuma, M. G. 2020. Pengaruh Environmental Performance, Umur Perusahaan dan Proporsi Dewan Komisaris Independen pada Pengungkapan Informasi Lingkungan. E-Jurnal Akuntansi, 30(3), 598-610. https://doi.org/10.24843/eja.2020.v30.i03.p04.

Pratiwi, L. R., Kurniawan, K. (2020). Pengaruh Real Earnings Management dan Corporate Governance terhadap Corporate Environmental Disclosure. STATERA: Jurnal Akuntansi dan Keuangan, 2(1), 65–80. https://doi.org/ 10.33510/statera.2020.2.1.65-80.

Presiden Republik Indonesia. 2012. Peraturan Pemerintah Nomor 47 tahun 2012 tentang Tanggung Jawab Sosial dan Lingkungan Perseroan Terbatas. Jakarta : Sekretariat Negara.

Pulungan, M. S., Darmawan, J., Taufik, Wijayanti, D. S. (2022). Pengaruh Profitability, Leverage, Pelibatan Stakeholder dan Umur Perusahaan terhadap Pengungkapan Laporan Keberlanjutan. Seminar Nasional Hasil Penelitian dan Pengabdian Masyarakat 2022, 69–80.

Putri, N., & Wahyuningrum, I. F. S. (2021). Faktor-Faktor yang Mempengaruhi Environmental Disclosure pada Perusahaan Industri di Singapore Exchange (SGX). Jurnal Akuntansi Profesi, 12(1), 58-72. https://doi.org/10.23887/jap.v12i1.29582.

Qintharah, Y. N. 2024. Urgensi Pengungkapan Lingkungan. edited by S. Bahri. Sumatera Barat: CV. Azka Pustaka.

Rahmawati, S., & Budiwati, C. (2018). Karakteristik Perusahaan, ISO 14001, dan Pengungkapan Lingkungan: Studi Komparatif di Indonesia dan Thailand. Jurnal Akuntansi dan Bisnis, 18(1), 74-87. https://doi.org/10.20961/jab.v18i1.268.

Safriani, M. N, & Utomo, D. C. (2024). Pengaruh Environmental, Social dan Governance (ESG) Disclosure terhadap Kinerja Perusahaan. Bandung Conference Series: Accountancy 4(1), 300–306. https://doi.org/ 10.29313/bcsav4i1.11584.

Setiawan, E., Yuliansyah, Y., Gamayuni, R. R.(2022). Pengaruh Profitability dan Likuiditas terhadap Pengungkapan Sustainability Report di Perusahaan

Vol. 5 No. 1, 2025, 353–380 e-ISSN 2798-0170

yang Terdaftar pada Jakarta Islamic Index (JII). Studi Akuntansi, Keuangan, dan Manajemen, 1(2), 97–111. https://doi.org/10.35912/sakman.v1i2.1163.

Siregar, E. I. 2021. Kinerja Keuangan terhadap Profitability Sub Sektor Konstruksi. Pekalongan: Penerbit NEM.

Stephanus, A. 2024. "Merusak Lingkungan, Hilirisasi Industri Nikel perlu Dievaluasi." Kompas.Id. Retrieved January 7, 2024 (https://www.kompas.id/baca/humaniora/2024/01/17/merusak-lingkungan-hilirisasi-industri-nikel-perlu-dievaluasi).

Sufyati, H. S., & Anlia V. L. B. 2021. Kinerja Keuangan Perusahaan Jakarta Islamic Index di Masa Pandemi Covid-19. Cirebon: Penerbit Insania.

Sukamulja, P. D. S. 2024. Analisis Laporan Keuangan, sebagai Dasar Pengambil Keputusan Investasi Edisi Revisi. Yogya: Penerbit Andi.

Sumantika, A., A. P. Farahdiansari, M. Fitri, R. K. Arief, N. Fajrah, dan R. Mulya. 2024. Pengenalan Sistem Manajemen Industri. Padang: CV. Gita Lentera.

Terry, K. M., & Asrori. (2021). Pengaruh Environmental Performance, Kepemilikan Institusional, Ukuran Perusahaan dan Leverage terhadap Kualitas Pengungkapan Lingkungan. Jurnal Ilmiah Indonesia. 6(2), 894-907.

Viona, A., Abbas, D. S., Hidayat I., Aulia T. Z. (2022). Pengaruh Dewan Komisaris, Leverage, Profitability dan Liputan Media terhadap Enviromental Disclosure. Jurnal Ekonomi, Bisnis dan Manajemen, 1(4), 30–54. https://doi.org/10.58192/ebismen.v1i4.147.

Wahyuningrum, Sri, I. F., Putri, N., Hidayah, R. (2020). Pengaruh Kinerja Keuangan dan Karakteristik Perusahaan terhadap Pengungkapan Lingkungan di Perusahaan yang terdaftar di Singapore Exchange. Jurnal Ilmu Lingkungan, 18(2), 417–423. https://doi.org/10.14710/jil.18.2.417-423.

Widana, I. K., & Dewi, G. A. O. C. 2020. Buku Ajar Prinsip Etika Profesi: Membangun Profesionalisme Diri. Bandung: Pantera Publishing.

Widyawati & Hardiningsih, P. (2022). Environmental Performance terhadap Pengungkapan Lingkungan S3. Jurnal Akuntansi dan Pajak, 23(1), 1–15.

Yoon, B, Lee, J. H., Byun, R. (2018). Does ESG Performance Enhance Firm Value? Evidence from Korea. Sustainability, 10(10), 1-18. https://doi.org/10.3390/su10103635.

Yuliana, V A, and E Kusumawati. 2024. Effect of Company Size, Leverage, Profitability, Scope of Company Operations, and ISO 14001 Certification on the Quality of Environmental Disclosure. Dinasti International Journal of … 5(2): 517–26. https://dinastipub.org/DIJEFA/article/view/2641.

Vol. 5 No. 1, 2025, 353–380 **e-ISSN 2798-0170**

Zaneta, F., Ermaya, H. N. L., Nugraheni, R. (2023). Hubungan Environmental, Social, dan Governance Disclosure, Green Product Innovation, Environmental Management Accounting terhadap Firm Value. Jurnal Ilmiah Akuntansi Fakultas Ekonomi. 9(1), 97–114. https://doi.org/10.34204/jiafe.v9i1.6134.