

# ENVIRONMENTAL DISCLOSURE AND ECONOMIC PERFORMANCE: BEHIND ENVIRONMENTAL INDUSTRY

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Abstract. Green business practices are achieved through the application of green accounting in accounting practices. This study focuses on environmental disclosure as a representative form of application of green accounting in the company. The purpose of the study is examined and analyze factors that influence environmental disclosure and economic performance. Then to know that environmental disclosure mediates environmental performance, environmental cost, and type of business. The study tries to explain what the motives and consequences are if the company does not or displays environmental disclosure. Thus, it can also indirectly identify and explain how the characteristics of investors in Indonesia. This research is different from previous studies because the measurement indicators used are very different like Tobin's Q. The study is used data panel on a sample data of 42 firm in LQ45 Index Indonesia Stock Exchange. The analysis technique used is multiple regression and path analysis. The result is environmental performance has positive influence on environmental disclosure while environmental cost has negative influence on environmental disclosure. Environmental disclosure has become a mediating variable between environmental performance and environmental cost on economic performance. Type of business has no significant influence on environmental disclosure and economic performance as direct and indirect. Based on this study, the company should be considered environmental performance and environmental cost as part of annual report to get attention from investor and increase economic performance.

Keyword: Green Accounting, Environmental Disclosure, Economic Performance, Environmental Industry, Tobin's Q