The Influence of Profitability, Leverage, and Board Characteristics on Corporate Environmental Disclosure in Asia Pacific Market

Solehah Ayu Maharani and Fuad

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13**Environmental Disclosure**. With **the coefficient of** ROA **is - 0**,252 **meaning that**

there is no significant effect on Environmental Disclosure.

2**It indicates that company's ability to gain profit indicated by return of asset ratio (ROA) does not have effect to** Environmental **Disclosure. It caused by when company has high level of profit, manager does not need to report things that can interfere the interests of the company to allocate the profit as manager interest purposes. It**

contradicts When the value of profitability is low, there will be the high expectation that the company's report readers, especially Investors and Stakeholders

2**will read about "good news**" of **the performance. The result of this research shows that company with high ROA**, indeed **has** positively contributed **to** the **social and environment activities**, but **not** significantly allocates **the money in social and environment activities. It** shows that Environmental **Disclosure done by company is** really **low**. This **is** rejecting **the** hypothesis of this **study**

that Profitability supposedly influences the Environmental Disclosure. This study also not aligns with the previous studies from (khlif et al., 2015) and (Sulkowski, 2012) that provide the positive relationship of profitability on environmental disclosure. Based on the

2**Agency Theory, conflict of agency will happen if manager's interest contradicts with stakeholders' interest**

. The coefficients for the board independence and gender diversity with the involvement of Women on Board

3**are not statistically significant. These results suggest that the presence of independent directors and** women directors **on the board** is **unrelated to the level of environmental disclosures of the** Asian Pacific **sampled companies. These findings are in line with the results of the studies conducted by (Michelon & Parbonetti, 2012**), whom **found** an **non-significant relationship between the proportion of independent directors and sustainability disclosure and**

the observation conducted by (Khan et al., 2020) The study documented that Independent Directors

3**on the board is not statistically significantly associated with corporate** environmental disclosure. Hereby, **the**

3rd hypothesis is accepted in this study. For the Board Diversity, There is no

3**significant relationship between board** diversity **and environmental disclosure**; it **can be explained by the fact that**

dependent and male members mainly dominated the majority of

11**the boards of the sampled firms for the time period covered in the study**

Djajadikerta, 2016). CONCLUSION This study aiming for depicts a more comprehensive explanation toward the companies, focusing on how the companies disclose their environmental report. Since the beginning of this Observation, the researcher has been aware of the complexity of the Result that will create new output, especially for the dependent and independent variables, which consist of Profitability, Leverage, Board Independence, and Board Diversity. As a result of this, this study also added the additional control variables such as EBITDA, Environmental Supply Chain, Price Earning, Government Disclosure Score, GRI Compliance, Sustainable Growth Rate, Human Right Policy, and Equal Opportunity. These Control Variables are also part of the measurement to indicates the ISO 26000. This study is focusing on Asia Pacific Market, as it is currently evolving into an emerging market. This study is concerned with ISO 26000 because it is inherently related to how the companies conduct their Environmental Policy while affecting their employee welfare and environmental surroundings. The Result showed that Profitability, Leverage, and Board Characteristics do not significantly affect Environmental Disclosure and aligns with the Leverage and Board Independence hypothesis, which Negatively Influence Environmental Disclosure. For the Profitability and Board Diversity, the hypothesis has been rejected. As a result, it shows that Profitability and Board Diversity do not significantly influence Corporate Environmental Disclosure. Nevertheless, this research can explain that the awareness of environmental policy for employees and society must improve, especially in maintaining their surroundings' social and environmental welfare and increasing the stakeholders' demand. The data of this study is deficient. As this study observes the data using the Classical Assumption Test, there is still some probability of the test, which is not significantly impactful to the research.

7**Disclosure of environmental information by large-sized companies may result** from **stakeholder pressure or purely voluntary. The Result also shows that environmental certification**

of ISO 26000 Components is positively associated with Sustainable Growth Rate, Government Disclosure Score, GRI Compliance, Human Right Policy, and Equal Opportunity.

7**The Result is quite logical as an environmentally certified company from an environmental rating agency has to follow** several **guidelines and hence has more to disclose. Environmental certification reduces the agency cost** by reducing **the monitoring cost since the firms voluntarily follow a set of externally set measured objectives**

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