ABSTRACT

Financial performance describes how a company's business activities are carried out and what has been achieved from these business activities. By measuring and evaluating financial performance, companies can determine the extent of success in performance and achievement of certain goals. There are several factors that affect financial performance, namely, environmental performance, and financial performance.

This study aims to analyze the effect of environmental performance and company size on financial performance in consumer goods sub-sector companies listed on the Indonesia Stock Exchange for the period 2018-2022. The research sample consisted of 24 companies with a total of 120 observations. The analysis method uses panel data regression.

The results showed that partially environmental performance has a significant positive effect on financial performance, while company size has no significant effect. Simultaneously, environmental performance and company size have a significant effect on financial performance with the ability to explain variations in financial performance by 7%. The study concluded that companies with good environmental performance tend to have better financial performance, while company size is not the main factor affecting financial performance. This study suggests management to pay attention to environmental factors in financial performance policies and investors to consider environmental performance in investment decisions.