

ABSTRACT

The mining sector consists of the coal mining sub-sector, the crude oil mining and natural gas production sub-sector, the metal and mineral mining sub-sector and the soil or rock mining sub-sector.

Financial performance is an image of the economic results that can be achieved by the company at a certain time through the company's activities. Net profit is one of the benchmarks of the company's success in achieving its goals. Other than that, net profit is one of the components in measuring the company's financial performance as well, whether or not the company's financial condition is good. In this study, the ratio that is used to measure the company's financial performance is Return on Assets (ROA).

This study aims to determine the effect of environmental costs and company size on the company's financial performance as measured by Return on Assets (ROA) in mining companies subsector metal and other mineral listed that listed on the Indonesia Stock Exchange (IDX) in 2014-2018.

The method of this study is a quantitative research method. The sampling technique that is used in this study is a purposive sampling technique that acquiring 9 research samples with 5 years of observation period, in order to obtain 45 sample units. The data analysis method that is used in this study is logistic regression analysis using the SPSS 25 software.

The results of the research on simultaneous testing show that environmental costs and company size have an effect on financial performance. Meanwhile, partially, company size has an effect and environmental costs have no effect on other metal and mineral sub-sector mining companies listed on the Indonesia Stock Exchange in 2014-2018.

keywords: environmental costs, financial performance, firm size