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EFFECT OF CORPORATE CHARACTERISTICS ON ENVIRONMENTAL DISCLOSURE

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Abstract: *This study aims to determine the effect of corporate characteristics on environmental disclosure. Characteristics of the company used that firm size (the size of the company), profitability,type of industry (kind of industry) and foreign ownership. The method used is quantitative methods to the type of survey of secondary data. The population of this research is all companies listed in Indonesia Stock Exchange in 2014, which expose and report their Corporate Social Responsibility activities. The sample consists of 17 companies selected by purposive sampling technique. The research subjects were 17 participant companies of Indonesia Sustainability Reporting Awards (ISRA) year 2014. The measurement of the disclosure is using Corporate Social Responsibility Rating System from Global Reporting Initiatives (GRI) G4. The analytical tool used to test the hypothesis of this study is multiple linear regression. These results indicate that the corporate characteristics significantly influence the company's environmental disclosure. However, partially firm size, profitability and foreign ownership have no significant effect whereas the type of industry has a significant effect on environmental disclosure.*

Keywords: *Corporate characteristics, firm size, profitability, type of industry,foreign ownership,environmental disclosure, GRI G4, and ISRA.*

1. INTRODUCTION

Environmental problems that occur in all corners of the world increasingly prevalent and start disturbing the public. The number of industrial activities that are currently going on in various countries cause environmental balance began to change (Paramitha, 2014). Companies that prioritize profit maximization is oriented to the interests of the owners of capital caused the company to exploit the natural resources, resulting in environmental damage that eventually interfere with human life (Halil. 2014). Some phenomena of environmental destruction (damaging the environment) a lot going on,

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including in the case of forest fires and land for 18 years in Indonesia become an indisputable fact that the monopoly of forests and land for development investment company is the leading cause of fire and smoke pollution in Indonesia. Until 2014, there were four (4) sectors of the extractive industries (logging, oil palm plantations, plantation, and mining) have mastered about 57 million hectares of forest and land in Indonesia. 5 hardest-hit provinces, namely Riau, Jambi, South Sumatra, West Kalimantan and Central Kalimantan. Other cases that PT Freeport Indonesia, a foreign mining company (USA) has committed an offense exacerbate environmental pollution by natural quality around the mining area of PT Freeport, including nature reserves (Nor Hadi, 2014). The presence of PT Unocal (oil mining company Merangkayu area Kutai Timur) has made local ponds and agricultural land polluted by waste oil, and disrupt ecosystems and their pond fertility.

The level of awareness of the company in Indonesia to conduct environmental management can now be said is still low. Every year the Indonesian Government made an assessment of the environmental management of existing companies through the Program for Pollution Control Evaluation and Rating (PROPER). In 2015, of 2,137 companies rated, there are 1,406 companies that received the title of blue or graduation criteria, 108 companies predicated green or above average, and 12 companies predicated gold or very special. Companies that ranked the black to the Proper in 2015 as many as 21 companies. Despite this awareness and concern for the environment began to increase compared with previous years (Jorge et al, 2008; Carreira, 2014). The negative environmental impact of economic development, such as climate change and global warming, natural disasters and pollution, has raised fears of government, environmentalists, shareholders, creditors and the public regarding the protection of natural environment worldwide (Halil, 2014; Lilin, 2012). The main focus of environmental problems lies in the operational activities of the company. Therefore, the company should pay more attention to the environment, because a lot of benefits to be had company. Prospective investors are interested in companies that implement environmentally sound management in its preservation.

Research that has been done to find out why the company disclose environmental information in the annual report or report their environment, found that this corresponds to the demands of the stakeholders of the company, the insistence of the regulations, the power of environmental groups, the influence of competitors and multinational companies, as well as improving productivity and competitiveness of enterprises (Stanton, 2012). The reputation, credibility, and value added for the company into the urge companies to disclose environmental information in their annual report. (Suhardjanto, 2010).Many factors are used to determine what affect environmental disclosure. Company size, industry type, profitability, ROA, ROE, foreign ownership are several factors that have been studied to see its effect on environmental disclosure. More and more environmental disclosure by companies will improve company performance (Yi An, 2011; Makori, 2013; Nosakhare, 2015).

2. LITERATURE REVIEW

2.1 Agency Theory

Agency theory in this theory states the relationship between the parties accept the authority of that agency (managerial) with those who authorize i.e principal (owner / investor). Meckling (1976) introduced the idea that within the company is a nexus of contract which implies that within the company there is a set of reciprocal contract between the owner of the company, employees, suppliers and various other participants associated with the company. Potential problems that arise in the agency theory is the existence of information asymmetry. According Paramitha (2014), the conflict between the agent and the principal due to the asymmetry of information.

The management (agent) company would better understand the internal state of a company compared with the owner (principal). Such conditions would trigger the potential for fraud management to satisfy personal interests. One form of fraud which presents information that does not correspond to the actual condition of the company. This asymmetry may lead to a misallocation of capital. Principal hires an agent in the conduct of principals, including the delegation of authority for decision making. Environmental disclosure can be associated with agency theory, which means that the disclosure of social responsibility is one of the environmental aspects of the management company's commitment to improve performance, particularly in social performance can improve the positive relationship between the principal agent. Dewati (2014) states that good environmental disclosure for managers is proof to investors that the company's resources have been managed effectively and efficiently. Thus, environmental disclosure will reduce the agency conflict.

2.2 Legitimacy Theory

The theory of legitimacy will always be associated with the problems associated with the community or outsiders (social). According Ghozali and Chariri in Paramitha (2014) reveals the definition of the theory of legitimacy as "a condition or status, that is when a company's value system in line with the value system of a larger social system in which the company is a part". Lindblom (1994) explains that the theory of legitimacy attempt to explain why a company makes social and environmental disclosure. A company can be motivated to disclose social and environmental information to legitimize its status in society. Legitimacy theory focuses on the expectations of society at large, while the shareholder theory focuses on the expectations of certain interest groups. Society can be classified as shareholders, creditors, employees, customers, and suppliers, who may be interested in social and environmental activities of the company.

According to Nor Hadi (2014), the theory of legitimacy can be used as a vehicle for the construction of the company's strategy, especially related to efforts to position themselves in the middle of the more advanced society ". Therefore, disclosure of the environment is important and related to the theory of legitimacy, due to the disclosure of environmental management can assure that the activities in accordance with the limits of norms that exist in society as well as the rules and regulations.

2.3 Environmental Disclosure

Awareness and concern to business activities that affect the environment began to emerge and increase in about four decades ago. As Burgwal (2014) awareness and public concern over the environmental impact of business have emerged and increased in about four decades ago. In recent years many companies that disclose information about their environmental performance according to the demands of stakeholders on the environmental responsibility and corporate accountability. Voluntary disclosure of information about the environment of the company has become an increasingly important issue of academic researchers in the field in many countries. Financial accounting standards in Indonesia is not currently require companies to disclose environmental information (Suhardjanto, 2010), so there are still many companies that do not provide disclosure of information on environmental responsibility

In Indonesia, the company's obligation to report on its environmental responsibility, governed by Bapepam in KEP-431 / BL / 2012 Regulation No.

X.K.6 on Submission of Annual Report Issuers or Public Companies. According to Bapepam regulations, the responsibility for the corporate environment must be included in the annual report in the category of Corporate social responsibility (Corporate Social Responsibility), Information on the company's social responsibility includes the policy, the type of program and the costs incurred one of which related aspects of living environment, such as the use of materials and energy environmentally friendly and recyclable, the company sewage treatment systems, certification in the field of environmental owned, and others. The above description shows that the company can not be separated from social conflicts. Therefore today many companies in Indonesia began to develop what is called Corporate Social Responsibility (CSR) includes environmental disclosure or disclosure of environmental information (Suhardjanto, 2010).

The company's obligation to conduct environmental awareness into things that are common among companies. However, it is not supported by any regulations governing the obligation to make environmental reporting, and no threat of penalties on companies that do not conduct environmental reporting. Enviromental Dislcosure itself is part of CSR activities. Disclosure of environmental information or the Environmental Dislcosure intended as a medium between the company, the community and investors that can be used as decision makers of economic, social or political (Paramitha, 2014). Accordingly, the realization of two interests that must be considered by the company, namely the interests of the company's stakeholders (stakeholders) and the interests of social / community, often called the Legitimacy Theory and Agency Theory.

In this study, the company's accounts will be examined regarding disclosure of corporate responsibility towards the environment, a report on sustainability or sustainability report. Sustainability report became public facilities to assess the environmental aspects of corporate responsibility, especially so as to build public confidence. Sustainability report means a report containing information not only financial performance but also non-financial information consists of information social activities and an environment that allows companies to grow sustainably (sustainable performance) ". According to the World Business Council for Sustainable Development (WBCSD) defines "sustainability report as a public statement in which the company gives picture of the position and the company's activities in the economic, environmental, and social to internal and external stakeholders".

2.4 Firm Size

The size of the company or in the study called the firm size is the scale / measurement used to determine the size of a company. Law No. 20 of 2008 describes the criteria again over medium businesses that large businesses, to large businesses are not described specifically total net assets or annual sales for the criteria of big businesses, but this regulation explains that the total net assets or annual sales greater than Medium enterprises, the company that included large enterprise business criteria. Law No. 20 of 2008 article 1, "Big Business is economically productive activities conducted by enterprises with total net assets or annual sales greater than Medium Business, which includes the national efforts of state-owned or private, joint ventures, and foreign business economic activity in Indonesia. Assessment of the size of the companies are different in each country. One regulation that comes from America is the US Small Business Administration explains the business classification by size of company that can be judged from the number of employees, and total sales.

Disclosure of the environment will be mostly done by large companies in terms of turnover (Despina, 2011). It maybe because the company has a large financial performance and intended to improve performance in the public imagination. This is in line with what is observed Brammer (2008), that the disclosure of high quality done by large companies. While Ebiringa (2013) found that large companies do not affect the level of environmental disclosure. Based on the description and then set the following hypotheses environmental disclosure will be mostly done by large companies in terms of turnover (Despina, 2011). Itis possible because the company has a large financial and intended to improve performance in the public imagination. This is in line with what is observed Brammer (2008), that the disclosure of high quality done by large companies. Gunardi et al. (in press) found that companies that have large assets cannot be separated from the demand tohave a good performance. One way to show a good performance is that the companyshould pay more attention to the social environment.While Ebiringa (2013) found that large companies do not affect the level of environmental disclosure. Based on the description then set the following hypotheses :

H_1: There is a significant influence Between Firm Size To The Environmental Disclosure.

2.5 Profitability

The main objective is to acquire a company created profit / profit. There are a variety of views on terms of profitability. Profitability is the company's ability to generate profits or profit during the period (Kashmir, 2015). Suhardjanto (2010) states profitability is an indicator of performance by management in managing the company's fortunes. Measuring the rate of profit (profitability) of a company, used the ratio of profit or profitability ratios. According Weygant (2013) "Profitability ratios or operating income measures the success of a company for a given period of time" when translated loosely means revenue or profitability ratios measure the successful operation of a company for a certain period.

Profitability is an indicator of performance by management in managing the company's assets (Omar, 2014). If it is associated with agency theory, profitability means that the performance assessment agency in fulfilling its responsibilities to the principal can be measured by profitability. Ebrahim (2015) states that ROE affect the environmental disclosure in the banking industry. Similar delivered by Eberinga (2013), Vasanth (2015), that profitability will affect environmental disclosure that will ultimately improve company performance.Gunardi et al. (in press) found that High profitability will encourage managers to provide more detailedinformation, because they want to convince investors to invest in their company. On the other hand, research Burgwall (2014), Emre (2014), Ndukwe (2015) and Daniel Makori (2013) found that profitability does not cause an increase in the environmental disclosure. Based on the above it was determined following research hypothesis profitability as an indicator of performance by management in managing the company's assets (Omar, 2014). If it is associated with agency theory, profitability means that the performance assessment agency in fulfilling its responsibilities to the principal can be measured by profitability. Ebrahim (2015) states that ROE affect the environmental disclosure in the banking industry. Similar delivered by Eberinga (2013), Vasanth (2015), that profitability will affect environmental disclosure that will ultimately improve company performance. On the other hand, research Burgwall (2014), Emre (2014), Ndukwe (2015) and Daniel Makori (2013) found that profitability does not cause an increase in the environmental disclosure. Based on the above it was determined the following research hypothesis:

H_2: There is a significant influence Between Profitability To The Environmental Disclosure.

2.6 Type of Industry

Industry is an organization of activity of processing raw materials or semi-finished goods into finished goods, finished goods that have added value to gain an advantage. The results of the industry not only in the form of goods, but also in the form of services ". Law No. 3 of 2014 on Industry define the industry in Article 1 (2) as follows: "The industry is all forms of economic activity that processes raw materials and / or take advantage of industry resources to produce goods that have added value or benefit higher, including industrial services. "Indonesia Stock Exchange (BEI) classifies the type of industry that was adopted from the Fact Book Idx 2015 as follows: 1) Agriculture, 2) Mining, 3) Basing industry and chemicals, 4) Miscellaneous industry, 5) Consumer goods industry, 6) Property, real estate, and building construction, 7) Infrastructure, utilities and transportation, 8) Finance, and 9) Trade, services and investment.

In general, in previous studies, the type / kind of industry is divided into two, namely industrial high-profile and low-profile as well as research conducted by Stanton (2012), Halil (2014), and Burgwal (2014). In previous studies, many researchers mention that the type of industry is part of the company's characteristics, type of industry or type of industry is categorized into two, namely the high profile and low profile (Hackston & Milne, 1996). Companies with high profile types are an environmentally sensitive company Stanton (2012). Industry type related to the theory of legitimacy, that the company is sensitive to the environment will be considered by the community, government, or other parties. Relating to environmental disclosure Mbekomize (2013) stated that the type of industry is not determining the level of environmental disclosure. Results of other studies state that the type of industry has a significant influence on the disclosure of corporate social responsibility (Hartikayanti, 2015). Based on the explanation then set the following research hypothesis :

H_3: There is a significant influence Between Type of industry to the Environmental Disclosure

2.7 Foreign Ownership

Along with economic growth and investment opportunities that exist in Indonesia and supported by the theory of free trade, the growing number of foreign investors who started to make Indonesia as the land to invest. CSR is used by investors and co-workers to assess the extent to which the company cares about the environment. Investors or colleagues of the most influential in the sustainability of the company include the government and foreign parties (abroad). Foreigners are considered the most attention to the disclosure of a company's social responsibility. With the disclosure of CSR is good, then the parties outside the company want to cooperate.

Foreign ownership are shares owned by foreigners both as individuals and as a corporation (http://www.idx.co.id). During the ownership by a foreign party is a party that is considered concerned about the disclosure of CSR (Sari, 2014). Companies that have foreign ownership tend to provide more extensive disclosure than not. Foreign ownership in Indonesia, Portugal and India do not affect the level of disclosure of a better environment (Jorge H Gracia, 2008; Musfialdi 2015; Silva Monteiro, 2010; Mohammad Badrul, 2012; Ayoib, 2015). While the results of other studies in India and Egypt, ownership in a company's competitiveness affects the level of environmental revelations (Moustafa, 2012; Mejda 2013). Based on the above, it can set the following hypotheses

H_4: There is a significant influence Between Foreign Ownership To The Environmental Disclosure.

2.8 The Influence of Company Characteristics on Environmental Disclosure

Companies have different characters, including the views of company size. Criteria sized businesses large and small can be seen from the total assets of the company. Large companies have big agen.cy costs that led to the disclosure of information required differently even more information that should be disclosed. Associated with agency theory, in which large companies disclose extensive information in order to reduce the agency conflict. As well, large companies will have greater agency costs than small companies (Suhardjanto, 2010). In general, large companies disclose more information than small firms.

Large companies mostly highlighted by the public to full disclosure of information that indirectly it is a political cost reductions in developing companies. Paramitha (2014) also revealed that the company has a larger size have a higher demand on disclosure compared with companies with a smaller size. Large companies will disclose more information reports, compared to smaller companies. The larger the company, the company tends to reveal a lot more information, and allows the company to disclose sustainability report ".

Large companies are under pressure to reveal their activity to legitimize their businesses because large companies make the activity more, have a greater impact to the community, have shareholders who may be concerned with the environmental program conducted by the company, and the annual report is more efficient in communicate that information to stakeholders. So the big companies always encouraged to make disclosure of environmental information. Hackson and Milne (1996) reveals the larger companies conducting activities more anyway so give greater impact to the environment as well, so more are also shareholders and stakeholders who care about environmental programs run by the company. In essence, companies with large size criteria will be more revealing since many environmental responsibility information considered by internal or external stakeholders in accordance with the agency theory and the theory of legitimacy.

Companies that have high levels of profitability are likely to reveal more information because they want to show the public and stakeholders that the company has a high level of profitability compared to other companies ". Emre (2014) reveals the relationship between profitability and disclosure is a reflection that shows that social responses required to make the company a profit. Halil (2014) reveals a company with high profitability ratios reveal more information to prevent negative attention as a result of high profitability and enhance the company's credibility among investors. Based on the above, the company with high profitability, will reveal more information including environmental information as a form of social response and as the form of the establishment of a positive outlook of investors on the company.

Other company's character is the type of industry or type of industry is divided into two, namely the high-profile (usually called the company is sensitive to the environment) and low-profile (company non-sensitive to the environment). Halil (2014) argued firms from revealing sensitive industry more environmental information than companies less pollution, because the company has a significant impact on the environment. According Brammer & Pavelin (2008), and Silva Monteiro and Aibar-Guzmán (2010), an environmentally sensitive industries face the social pressure is greater because it is more related to environmental issues are obvious, such as greenhouse gas emissions, and the risk of natural disasters. In essence the character of the company regarding the type of industry in the disclosure of additional information, including information on its responsibilities to the environment will be different, because the type / types of specific industries affected by many things, especially concerning the legitimacy theory and the agency theory.Companies with the ability to generate high returns (profitability), ability to meet long-term liabilities (liquidity), the ability of financial liabilities for long-term and short-term (leverage), ability in the management of assets (corporate activity), and the size of the company growing would allow for disclose more extensive information. Arekha (2015) revealed that "the disclosure by the company will vary depending on its characteristics". Therefore, the characteristics of the company allegedly has an important role in the disclosure of sustainability report. Based on the arguments of many researchers, that the company has a character that is different among different sizes, the level of profitability is not the same, and the type of industry are manifold causes differences in the information needs to be disclosed, especially the environmental disclosure.

Companies should think about the impact of the company's operations to the environment condition in a way to express what has been done by the company for this purpose. The more disclosure about the environment carried out by the company may be driven by the owner of the company (Kai Chang in 2015, Jorge 2008, Omer 2014, Abu Sufian 2013). Ownership of a Vendor can be grouped into foreign ownership and public ownership. Based on these considerations and the results of previous studies it can be established the following hypotheses

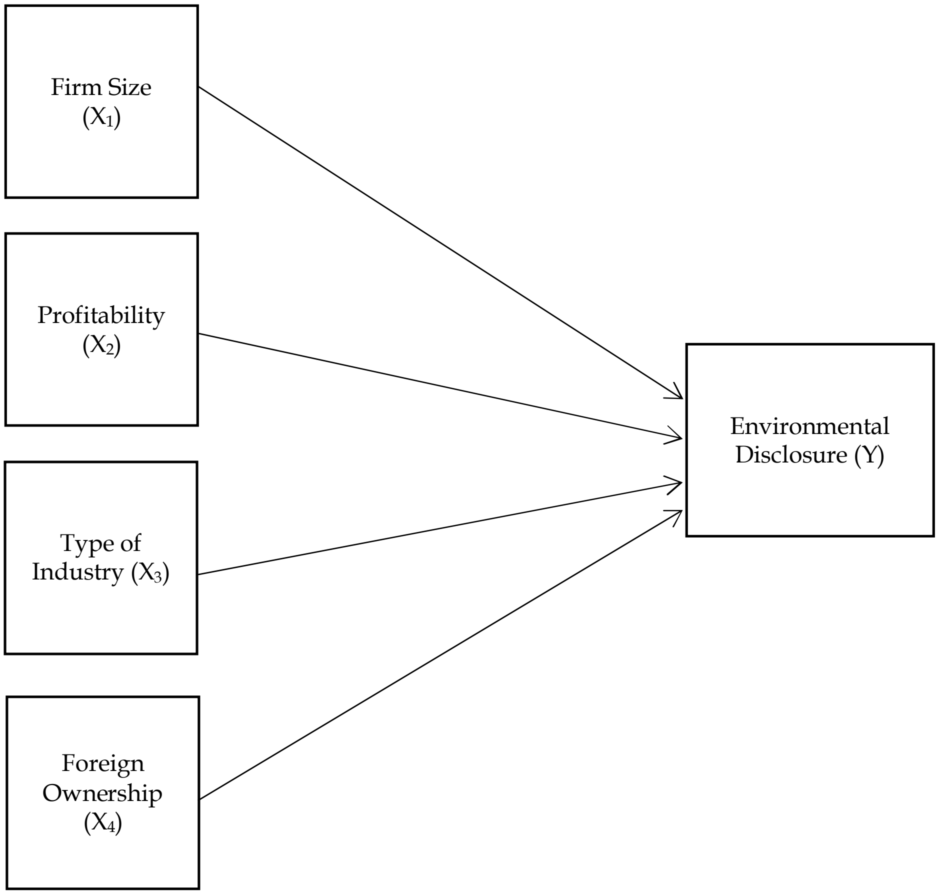
H_5: There is a significant influence between firm size, profitability, type of industry, foreign ownership to environmental disclosure.

3. THE RESEARCH METHOD

The object of this research are Firm Size (company size), profitability, Type Of Industry, Foreign Ownership and Environmental Disclosure.This research was conducted at the participating companies (participants) in Indonesia Sustainability Reporting Award (ISRA) in 2014. The reason for choosing a company registered in ISRA for companies listed in ISRA is the companies that publish sustainability report in accordance with international standards ie GRIG4. This will be a benchmark for other companies to do the revelations environment.

Data were collected from secondary data derived from the annual financial statements and disclosure of environmental sustainability report of the 17 companies participating ISRA 2014. From the data available there are various like banking industry, coal, steel, financial services, contracting, telecommunications, gas and mining. Data were analyzed using classical assumptions and correlation test using SPSS 20.0. Hypothesis testing using multiple regression (Sugiyono, 2013). Multiple regression analysis aims to measure the strength of the relationship between two or more variables, but it also shows the direction of the relationship between the independent variables (Firm Size, profitability, Type Of Industry, Foreign Ownership) with the dependent variable (Environmental Disclosure). The conceptual framework of this study can be described as follows

Figure 1: Conceptual Framework Rese



4. RESULT AND DISCUSSION

The size of companies rated by assets that are transformed into logarithms. Logarithm used is the natural log. The size of the acquired company by calculating the natural log of total assets. Profitability is often used by the principal to find out the picture of company performance by looking at the rate of return funds invested by the principal. Profitability also useful for decision making. In this study the profitability measured by return on equity (ROE). Industry type or better known by the name of the type of industry, is a grouping of Performance Management based on sensitivity to the environment by categorizing companies into two criteria, namely High-Profile (1) and Low-Profile (0). The determination of these criteria are measured based on the type of industrial sector of each company by indicators based Hackston & Milne (1996). Foreign holdings are shares held by foreigners both as individuals and as a corporation Compared to the total number of outstanding shares. Environmental disclosure in this study using indicators presented by international standards ie GRI G4.

Ratings environmental disclosure using dichotomous approach, i.e each item instrument environmental disclosure in the study were given a value of 1 if disclosed, and the value 0 if it does not reveal. Further scores from each item is summed to derive the overall score for each company. Calculation of the overall environmental disclosure further with how manydisclosed items divided by the number of items that should disclosed. Below is the data from all five variables research on company size, profitability, industry type, foreign ownership and environmental disclosure of all companies surveyed : Below is the data from all five variables research on company size, profitability, industry type, ownership foreign and environmental disclosure of all companies surveyed:

Table 1.
Firm Size, Profitability, Type of Industry, Foreign Ownership, and Environmental Disclosure

No.	*Firm*	*ROE (%)*	*Type of Industry (Low (High)*	*Foreign Owner Ship (%)*	*Firm size (Ln asset)*	*Environ. Disclosure (%)*
1.	PT. Adira Dinamika Multi Finance Tbk	19,5	0	31,9	31,028	5,88
2.	PT. Antam (Persero) Tbk	(6,5)	1	8,4	30,704	70,59
3.	PT. Bank Cimb Niaga	8,2	0	97,8	33,079	5,88
4.	PT. Bank Danamon Indonesia Tbk	8,1	0	27,9	32,902	14,71
5.	PT. Bank Internasional Indonesia Tbk (PT Bank Maybank Indonesia)	4,9	0	98,3	32,592	8,82
6.	PT. Bank Negara Indonesia (Persero) Tbk	17,7	0	28,7	33,656	11,76
7.	PT. Bank Rakyat Indonesia (Persero) Tbk	24,8	0	36,0	34,316	32,35
8.	PT. Bukit Asam (Persero) Tbk	23,3	1	13,1	30,262	20,59

Table 1 contd…

9.	PT. Indo Tambang Raya Megah Tbk	22,3	1	90,4	30,400	44,12
10.	PT. Indocement Tunggal Prakarsa Tbk	21,3	1	51,0	30,899	64,71
11.	PT. Perusahaan Gas Negara (Persero) Tbk	25,2	1	35,3	31,951	41,18
12.	PT. Semen Indonesia (Persero) Tbk	22,3	1	38,6	31,008	55,88
13.	PT. Telekomunikasi Indonesia Tbk	24,9	1	38,7	32,552	14,71
14.	PT. Timah	11,4	1	9,0	29,881	35,29
15.	PT. Medco Energi Internasional Tbk	1,4	0	80,4	31,697	58,82
16.	PT. Vale Indonesia	9,6	1	79,5	30,915	50,00
17.	PT. Wijaya Karya (Persero) Tbk	4,7	0	15,6	30,386	17,65

Source : Data that have been processed by researchers from the Financial Statements of the company.

Kolmogorov-Smirnov test results concluded that the five variables in this study had a normal distribution data. All four variables in this study did not have a problemmulticolinearity. Heterocedasticity test result shows that the points spread, does not form a specific pattern, and divided speards between the value on the X axis and Y axis. It can thereforebe concluded that the variables do not have a problem heterocedasticity. Auto correlation test result using Durbin-Watson test in shows the number of Durbin-Wastonat 1.847. This figure is not less than -2 and not more than +2. Therefore it can be concluded thatthe variables are auto correlation trouble-free research.

Influence of Firm Size To Environmental Disclosure Indonesian Sustainability ReportingAwards (ISRA)Participant Companies in 2014.

Company size is a variable that has been widely used as independent variables in various studies. Size companies more tied to the agency theory which states that large companies would require greater disclosure to reduce the asymmetry of information with the principal. The results showed that the Firm size is no significant effect on environmental disclosure. These results are consistent with research conducted by Ebiringa (2013), and Ebrahim (2015). But these results conflict with previous studies that Ndukwe (2015). Despina (2011), Muttanachal (2012), Brammer (2008), Yi An (2011), Omar (2014) and Ayoib (2015), Firm size is a variable that has been widely used as independent variables in various studies. Size companies more tied to the agency theory which states that large companies would require greater disclosure to reduce the asymmetry of information with the principal.

This condition states that the disclosure of the corporate environment is not affected by the size of the company, in which large and small companies, not necessarily doing corporate environmental disclosure broadly. This is because companies do not consider the effectiveness of the company's environmental disclosure, meaning the disclosure of the company's environmental policy has not been considered as having a positive impact for the company in the future. Differences in the size of a company is not a guarantee that a larger company will disclose its responsibilities to the environment more than small ones.

Influence of Profitability To Environmental Disclosure Indonesian Sustainability ReportingAwards (ISRA)Participant Companies in 2014.

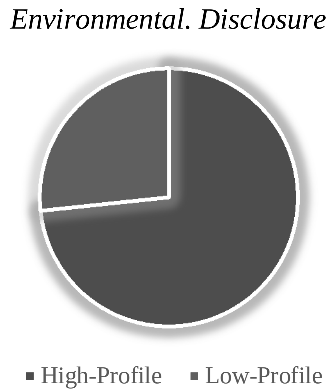
Profitability is a variable that is popularly used in research related to the disclosure or reporting. The test results showed that no significant effect of the profitability on environmental disclosure. The results are consistent with the results of research Paramitha (2014), Suhardjanto (2010), Halil (2014), Burgwal (2014), Ebrahim (2015), Ndukwe (2015), Despina (2011), Daniel (2013), Stanton (2012) and Ayoib (2015). In practice, the high level of profitability is not the reason for the company to do as well as reveal the activity of environmental responsibility, because the company also need to consider the operating costs other than the costs of conducting environmental responsibility. Or it could be otherwise, a company with a low total asset value is not necessarily the disclosure is low; this is due to the implementation of activities and environmental responsibility disclosure is triggered not only from internal factors, but also external factors.

Influence of Type of Industry To Environmental Disclosure Indonesian Sustainability ReportingAwards (ISRA)Participant Companies in 2014.

Industry type or types of industry is often called, is a variable that is used in different countries in various studies. In this study, the type of industry to discuss the influence of the Environmental Disclosure. The results of this study showed that the type of industry a significant effect on Environmental Disclosure. The results of this study are consistent with previous studies which stated that the type of industry a significant effect on Environmental Disclosure namely Halil (2014), Burgwal (2014) and Hartikayanti (2015).

High-profile industry or environmentally sensitive industries will disclose more information about its responsibilities to the environment than non-sensitive industries. Additionally, Hartikayanti (2015) says that the company is classified as a high-profile industry tends to be wider in its social and environmental disclosure when compared with companies with low-profile industry. This is because companies with high-profile has a lot of industrial activity related to the environment and is restricted by law. The above argument to support the theory that the legitimacy of the company's interests with the public interest should be consistent. Below is a comparison average environmental disclosure that are classified by type of industry,

Figure 2. Comparison of average Environmental Disclosure



The graph above illustrates that the company's high-profile more revealing than the company's low-profile responsibility to the environment.

Influence of Foreign Ownership To Environmental Disclosure Indonesian Sustainability Reporting Awards (ISRA) Participant Companies in 2014.

Foreign ownership are shares owned by foreigners both as individuals and as a corporation. During the ownership by a foreign party is a party that is considered concerned about the disclosure of CSR. The test results showed that foreign ownership no significant effect on environmental disclosure. The results are consistent with the results of research Musfialdi (2015), Abu Sufian (2013). In contrast to the results of research Badrul (2012), and Moustafa (2012) which states that foreign ownership encourage pro-environmental disclosure. The lack of foreign investors on environmental disclosure may be caused by several things including his great- ownership and unclear rules applied by the government. Investors basically want a high profit without wanting to be bothered with the obligation that is not a thing that will directly affect the rights of investors to the country in which he invested.

Influence of Firm Size, profitability, Type of Industry and Foreign Ownership to The Environmental Disclosure Indonesian Sustainability Reporting Awards (ISRA) Participant Companies in 2014.

The analysis used to see the effects in this study were multiple linear regression analysis because the number of variables in this study are four variables act as independent variables and one dependent variable. The data in this analysis using SPSS for Windows 20 wherein the regression results are presented in the table below:

Table 2.
Individual Parameter Test Significance Analysis of Firm Size, Profitability, Type of Industry, Foreign Ownership to The Environmental Disclosure Coefficientsa

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	T	Sig.
		B	*Std. Error*	*Beta*		
1	(Constant)	-13.079	124.867		-.105	.918
	Foreign Ownership	5.552	12.360	.089	.449	.661
	Type of Industry	29.460	10.154	.762	2.901	.013
	Return of Equity	-.073	.426	-.036	-.172	.866
	Firm Size	.774	3.893	.052	.199	.846

(a) Dependent Variable: Environmental Disclosure

Source: Data Processing Using SPSS

Based on the regression test has been done, can be composed of multiple regression equation of this study as follows:

$$\boxed{Y = -13{,}079 + 5{,}552\ FO + 29{,}460\ D - 0{,}073\ ROE + 0{,}774\ FS}$$

Directions from the above equation is negative shows that if Firm Size, Profitability (ROE), Type of Industry and Foreign Ownership influence the magnitude of environmental disclosure (Environmental Disclosure) will tend to be negative and declining. Coefficient of determination used to test how much influence the independent variables (Firm Size, Profitability, Type of Industry, Foreign Ownership) on the dependent variable (Environmental Disclosure). based on the results of data processing that has been done, the results of the coefficient of determination are presented in the table below:

Directions of the above equation is negative shows that if Firm Size, Profitability (ROE), Type Of Industry and Foreign Ownership influence the magnitude of environmental disclosure will tend to be negative and declining. Coefficient of determination used to test how much influence the independent variables (Firm Size, Profitability, Type of Industry, Foreign Ownership) on the dependent variable (Environmental Disclosure). Based on the results of data processing that has been done, the results of the coefficient of determination are presented in the table below:

Table 3.
Determination Coefficient Analysisof Firm Size, Profitability, Type of Industry, Foreign Ownershipto the Environmental Disclosure

Model Summary[b]

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*	*Durbin-Watson*
1	.739[a]	.546	.395	15.25021	2.531

(a) **Predictors:** (Constant), Firm Size, Foreign Ownership, Return of Equity, Type of Industry

(b) Dependent Variable: Environmental Disclosure

Source: Data Processing Using SPSS

Based on the data processing that has been specified, the result of the significant test is presented in the folowing table :

Table 4.
Individual Parameter Test Significance Analysis of Firm Size, Profitability, Type of Industry, Foreign Ownership to the Environmental Disclosure Coefficients[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	*t*	*Sig.*
		B	*Std. Error*	*Beta*		
1	(Constant)	-13.079	124.867		-.105	.918
	Foreign Ownership	5.552	12.360	.089	.449	.661
	Type of Industry	29.460	10.154	.762	2.901	.013
	Return of Equity	-.073	.426	-.036	-.172	.866
	Firm Size	.774	3.893	.052	.199	.846

(a) **Dependent Variable:** Environmental Disclosure

Source : Data Processing Using SPSS

F statistical test used to determine how far the influence independent variables together explain variation in the dependent variable. The hypothesis was tested by comparing the F-value is calculated by using the F-

Table with a list of distribution table F. Based on the data processing that has been specified, then the result of the analysis simultaneous regression coeffcients are presented in the following table.

Table 5.
Simultaneous Analysis of Regression Coefficient of Firm Size, Profitability, Type of Industry, and Foreign Ownership to The Environmental Disclosure ANOVA[a]

Model		*Sum of Squares*	*Df*	*Mean Square*	*F*	*Sig.*
	Regression	3356.698	4	839.174	3.608	.037[b]
1	Residual	2790.827	12	232.569		
	Total	6147.525	16			

(a) **Dependent Variable:** Environmental Disclosure

(b) **Predictors:** (Constant), Firm Size, Foreign Ownership, Return of Equity, Type of Industry

Source : Data Processing Using SPSS

From the above test results it can be seen that the value of F is calculated for all the independent variables = 3.608> 3.24 or calculated value of F> F table and a significance value 0.037 <0.05 then H_0 rejected and Ha accepted, meaning that there is significant influence between company size, industry type, profitability and foreign ownership to the environmental disclosure.

Based on the partial results of hypothesis testing that has been done the results shows that type industri has positive and significant impact on environmental disclosure. This shows that companies with high profile industry category have a tendency to do more disclosure of information about CSR. The responsibility of an organization to the impacts of decisions and activities on society and the environment are realized in the form of a transparent and ethical behavior that is consistent with sustainable development. This statement supports the idea that companies with operations that have a high risk both to the environment and the community has a greater responsibility to society. Operating company with a high level of risk that can be seen from the company's own sector or type of industry (industrial profile), which is run by the company. The Company is classified as a high-profile industry tend to be more social and environmental disclosure when compared with companies with low-profile industry. This is because of high profile companies have many industrial activities relating to the environment and restricted by law.

This conclusion supports the theory of legitimacy, where this is done by the company to legitimize the operation and reduce the pressure on social and environmental activist. The theory of legitimacy confirms that companies continue to strive to ensure that they operate within the framework and norms that exist in the community or the environment in which they are, where they are trying to ensure that their activities (the company) is accepted by outsiders as "legitimate" (Deegan, 1992). Due to the influence of the public should be able to determine the allocation of financial resources and other economic resources, then, companies tend to use performance-based environmental disclosure and environmental information to justify or legitimize the activities of companies in the community. The organization aims to create harmony between social values inherent in its activities with the norms that exist within social systems. When the actual and potential misalignment between two value systems, such as environmental damage caused by the operation of the company, or when there is to go the mass media, then most managers will assume the legitimacy of the organization's survival is threatened. Therefore, social and environmental disclosure is the medium used to derive legitimacy from the people. Conclusions supporting the theory of legitimacy, where this is done by the company to legitimize the operation and reduce the pressure on social and environmental activist. The theory of legitimacy confirms that companies continue to strive to ensure that they operate within the framework and norms that exist in the community or the environment in which they are, where they are trying to ensure that their activities (the company) is accepted by outsiders as "legitimate" (Deegan, 1992). Due to the influence of the public should be able to determine the allocation of financial resources and other economic resources, then, companies tend to use performance-based environmental disclosure and environmental information to justify or legitimize the activities of companies in the community. The organization aims to create harmony between social values inherent in its activities with the norms that exist within social systems. When the actual and potential misalignment between two value systems, such as environmental damage caused by the operation of the company, or when there is to go the mass media, then most managers will assume the legitimacy of the organization's survival is threatened. Therefore, social and environmental disclosure is the medium used to derive legitimacy from the people.

This conclusion is also supported by the data descriptive study, in which the population is used as a research subject, the samples showed that 17 companies of the sampled industry with the category of high-profile, in which these companies are composed of industrial sectors such as mining, agriculture, infrastructure and consumer goods industry. Our results support the results of previous studies on the effect of the profile industry disclosure of Corporate Social Responsibility (CSR). Research conducted by Hackston and Milne (1996) found a significant positive relationship between industrial profile with CSR. The results showed a positive and significant effect profile between the industry and the conclusion of CSR disclosure. The results of this study also was supported by the data descriptive strong in this study, where the population is used as a research subject, the samples obtained showed that the industry with the category of high-profile company-the company consists of industrial sectors such as mining, agriculture, infrastructure, and consumer goods industry. The results support the results of previous studies on the effect of the profile industry disclosure of Corporate Social Responsibility (CSR). Research conducted by Hackston and Milne (1996) found a significant positive relationship between industrial profile with CSR.

5. CONCLUSION

This study aims to find out about the effect of corporate characteristics on environmental disclosure. Characteristics of companies used in this study are firm size, profitability, type of industryand foreign ownership . This research was conducted at the participating companies Indonesia Sustainability Reporting Award (ISRA) 2014. Firm size, profitability, industry type and foreign ownership significantly affect environmental disclosure in participating companies Indonesia Sustainability Reporting Award (ISRA) 2014. Partially only type of industry just that affect environmental disclosure significantly.

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