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Determinants of Environmental Disclosure in Indonesia

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Abstract— **Environmental disclosure is the disclosure of information relating to the environment in the company's annual report. This disclosure aim is as a medium among companies, communities and investors that can be used as economic, social and political decision making. Industry type, company size, profitability, liquidity, environmental management systems, taxes, market share, and media coverage were considered to have influences on environmental disclosure. The study used quantitative analysis techniques with multivariate regression. The object of this research was the mining sector. The results showed that media coverage had a positive effect on environmental disclosure. This is because media coverage is a key communication function and is very important for management in CSR disclosure. In fact, communicating CSR through the media will enhance the company's reputation in the eyes of the public. The results of this study also indicated that environmental disclosure by companies in Indonesia was still relatively low. Therefore, companies need to increase their environmental disclosure in the annual report or sustainability report. Environmental disclosure is important for the company because it ensures transparency and accountability for the performance and long-term sustainability of the company.**

Keywords—Environmental Disclosure; Industry Type; Company Size; Financial Performance; Environmental Management System; Political Cost; Media Coverage

I. Introduction

The number of industrial activities that are currently taking place in various countries, causes the environmental balance to begin to change. This is marked by changes in weather or climate that no longer matches the time [1]. Industrialization has penetrated Indonesia and even the pollution does not only occur in industrial areas, but also in the environment of the population. This industrial development itself can have an impact on society, both positive and negative impacts. The development of an industry can provide employment opportunities and help reduce unemployment. Reducing unemployment will increase economic growth in Indonesia [2]. However, the results of the development of the industrial sector will also adversely affect the surrounding environment. Adverse effects that will occur in the development of the industrial sector, such as environmental pollution that causes various kinds of problems. Some of the problems that arise include water pollution due to industrial waste, flooding, landslides, species extinction, reduced soil fertility, disturbed environmental balance and ozone layer perforation [3]. The company does not only pursue profit but also must pay attention to the social welfare of the community and its environment [4].

According to [5], the type of disclosure is divided into two. They are mandatory and voluntary disclosure. The nature of the mandatory is due to government regulations that require companies to disclose social and environmental responsibility. The application of corporate social and environmental responsibility has been regulated by the government through Laws No. 40 of 2007 concerning limited liability companies regarding social and environmental responsibility. While it is voluntary because there are no regulations regarding the standard standards for disclosure of environmental information issued by the government. This makes the disclosure of social and environmental responsibility varied, so that the format, content and extent of the disclosure is still voluntary or in accordance with company policy. Companies that provide more information on the environment, will provide a positive image in the eyes of the community [6]. The benefits to be gained by companies by disclosing environmental information, encourage companies to do environmental disclosure in annual reports or other sustainable reports. Companies must be more transparent in reporting social, economic and environmental related information [7].

In general, companies convey their concern and responsibility for the environment through environmental disclosure. According to [8], environmental disclosure is part of corporate social responsibility (CSR). CSR disclosures consist of economic, environmental and social disclosures. The implementation of environmental disclosure in the company's annual report has been confirmed by the government in Law No. 40 of 2007 which states that the annual report made by the company must at least contain a report on the implementation of social and environmental responsibility.

Many factors that influence the company in conducting environmental disclosure have been done. In this research, aspects that will be discussed are industry type, company size, profitability, liquidity, environmental management system, tax, market share, and media coverage. Of the eight variables are considered to have an influence on environmental disclosure. The object of this research is the mining sector because this sector is a company that receives public scrutiny because its operational activities have a great potential for natural damage.

II. Literature Review

A. *Legitimacy Theory*

Legitimacy theory is a theory related to environmental disclosure. This theory states that the company's business activities are limited to social contracts that are applied by the relationships that occur between government, companies and the community. This research uses the theory of legitimacy, because this theory becomes the basis for companies to pay attention to what is expected by the community and is able to align with the prevailing social norms where companies carry out their business activities [9].

According to [10], the theory of legitimacy encourages companies to ensure that their activities and performance are acceptable to the community. With the acceptance from the community it is expected to increase the value of the company so that it can increase company profits. The more companies play a role in the company's environmental activities, the more companies have to disclose about the environmental performance they do in their annual reports. Companies use their annual reports to illustrate the impression of environmental responsibility, so they are accepted by the community. Legitimacy theory explains that companies operate in a constantly changing external environment and they try to ensure that their behavior is in accordance with the boundaries and norms of society [11].

Companies can disclose information related to social organizations, communities and the environment as needed. Such information can be disclosed in the sustainability report as accountability to the public which aims to gain the legitimacy of the community and explain how the social and environmental impact caused by the company. Legitimacy experiences a shift in line with the shift in society and the environment. Legitimacy can be obtained if there is a match between the existence of a company that does not interfere or in accordance with the existence of a value system that exists in society and the environment. When there is a shift towards discrepancy, then the legitimacy of the company is threatened.

The company must care about the social environment of the surrounding environment because with this concern the company will gain the trust of the community. In addition, the company must also harmonize the values that exist in society. When there is a difference between the values of the company with the values in society, the legitimacy of the company will be in a position of being threatened. These differences are often called the legitimacy gap and can affect a company's ability to continue its business activities [5].

The company must try to monitor the company's values and the social community and identify possible gaps. Based on the theory of legitimacy that has been explained where public perception and recognition is very important for a company to get the legitimacy gap from the community. Environmental disclosure in the company's annual report shows the company's concern for the surrounding community of the existing environment. The impact is that the company will get the attention and recognition of the community and the company is recognized by the community and its activities are supported by the community [7].

B. Agency Theory

Agency theory explains a relationship that occurs between the owner (principal) with other parties, called agents. The owner (principal) is an investor or shareholder, while the agent is the management of the company. In agency theory, agency relationships arise when one or more people (principals) employ another person (agent) to provide a service and then delegate decision making authority to the agent. The relationship between principal and agent can lead to an asymmetrical information condition because the agent is in a position that has more information about the company than the principal.

The purpose of agency theory is first, to improve the ability of individuals (both principal and agent) in evaluating the environment in which decisions must be taken (The belief revision role). Second, to evaluate the results of decisions that have been taken to facilitate the allocation of results between the principal and the agent in accordance with the employment contract (The performance evaluation role). Based on the position, function, situation, objectives, interests and background of the principal and agent are different. This will create conflict with the attraction of interest and the influence of one another. Conflict will arise if both parties act individually to maximize their interests. Based on the owner's authority as a principal, management appointed as an agent is given the right to make business decisions for the benefit of the owner.

In the agency relationship, there are factors that can affect the disclosure of corporate social responsibility. They are supervision costs and contract costs. Agency theory states that companies that face contract costs and low supervision costs tend to report lower profits. In other words, they will incur some costs for the benefit of management (one of the costs that can enhance the company's reputation in the eyes of the public is the costs associated with social responsibility).

In agency relations, there are three factors that influence the disclosure of corporate social responsibility. They are monitoring costs, contracting costs, and political visibility. Companies need costs in order to provide social responsibility information, so that reported profits in the current year are lower. When companies face contract costs and low supervision costs and high political visibility will tend to disclose information on social responsibility. So disclosure of social responsibility information is positively related to social performance, economic performance and political visibility and negatively related to contract and supervision costs [12].

C. Stakeholder Theory

Stakeholder theory emerged in the mid 1980s. The background to the stakeholder approach is the desire to build a framework that is responsive to the problems faced by managers at that time namely environmental change [13]. According to [14], stakeholder theory is used to explain that disclosure of social and environmental responsibility is a reporting effort in order to provide complete information to the parties concerned (stakeholders). Stakeholders are the interested parties in the company including employees, consumers, suppliers, the community, the government as a regulator, shareholders, creditors, competitors and others [15].

The survival of the company depends on stakeholder support and such support must be sought so that the company's activity is to seek that support. Social disclosure is considered a part of the dialogue between the company and its stakeholders [16]. Stakeholders are individuals, groups of people, communities or communities as a whole or partially who have relationships and interests in the company. The company is part of the social value system that exists in a local, national, and international territory. This means that the company is part of the community as a whole [14]. The aim of stakeholder management is to design methods for managing various groups and relationships that are generated by strategic means [13].

In order for a company to be able to develop and last a long time in society, the company needs the support of stakeholders. The company will strive to provide all information needed by the company to seek support from its stakeholders. One of the information is about information relating to corporate social responsibility activities [14].

According to [17], one strategy to maintain relationships with company stakeholders is to carry out CSR. With the implementation of CSR it is expected that the wishes of stakeholders can be accommodated so that it will produce a harmonious relationship between the company and its stakeholders. A harmonious relationship will result in the company can achieve sustainability or sustainability of the company (sustainability).

D. Environmental Disclosure

Environmental disclosure is the disclosure of information relating to the environment in the company's annual report [18]. Disclosure of environmental information or environmental disclosure aims as a medium between companies, communities and investors that can be used as economic, social and political decision making.

[5] state that the type of disclosure itself is divided into two. They are voluntary disclosure and mandatory disclosure. The nature of the mandatory due to government regulations that require companies to disclose social and environmental responsibility. The implementation of corporate social and environmental responsibility has been regulated by the government through Law No. 40 of 2007 concerning social and environmental responsibility. However, the regulations do not mention the requirements regarding the form, format, or content in the social and environmental responsibility report. In the absence of official standards for environmental reporting, the disclosure of environmental information is still voluntary.

Voluntary disclosure (voluntary disclosure) is the delivery of information provided voluntarily by the company besides of mandatory disclosure. Disclosure of information about the environment is voluntary disclosure so the company has an alternative not to disclose environmental information. However, over time, environmental disclosure is a must for companies. Bearing in mind the environmental impact caused by company activities, companies must give responsibility to the environment and society.

According to [7], the number of responsibilities held by companies, the company must align the achievement of economic performance, with social performance and environmental performance. One way to increase corporate accountability is the environment. Environmental disclosure is the most important way to ensure transparency and accountability in company performance.

Environmental disclosure is an embodiment of social responsibility. Through environmental disclosure in the company's annual report, the public can see the activities of the company. Environmental disclosure is part of CSR activities. The standard commonly used by companies in making the environmental disclosure is the Global Reporting Initiative (GRI) standard. GRI is an international non-profit organization whose mission is to make sustainability reports a standardized practice. GRI recommends several environmental aspects that must be revealed in the annual report. There are 30 items recommended by GRI and consist of nine aspects. The nine aspects are material, energy, water, biodiversity, emissions and waste, products and services, compliance and regulations, transportation and overall costs incurred to protect the environment.

Measurement of environmental disclosure in this study is using the Indonesian environmental disclosure index (IER) developed by [19]. This study analyzes the overall press coverage of Indonesia adopting 35 GRI items, these GRI items are financially or non-financially oriented and the conformity of the assumptions of the same weight inherent in the GRI list.

Each newspaper article theme was collected as online evidence from four Indonesian daily newspapers. They are Kompas, Suara Merdeka, Jawa Pos, and Solopos on coverage of environmental issues and then categorized by GRI extensively from 35 environmental reporting items. These newspapers were chosen because they cover environmental issues in all geographical regions of Indonesia. The scope covers all three geographical places; national, provincial and local.

Research conducted by [19] analyzed more than 2000 local, regional and national coverage articles from environmental reporting items to measure press coverage priorities as a weighting mechanism for the benefit of various environmental issues. The results show a very diverse range of 35 Global Reporting Initiative (GRI) items. Thereby providing stakeholder evidence about environmental press coverage that shows very diverse priorities. This finding questions the same weight assumptions for communication studies using GRI. The weighting of very different indices provides more relevant and useful guidance for developing countries who want to take the spirit of global reporting initiatives.

According to [19], GRI environmental items indicate that there are large differences in rankings regarding Indonesia's environmental problems. The impact of water use, incidents and fines and protection programs are very important environmental goods according to Indonesian press coverage. Evidence shows that the Indonesian press is paying more attention to domestic environmental issues. The use of [19] IER index will be more appropriate for measuring environmental disclosure in Indonesia. The following Indonesian Environmental Reporting Index (IER) index is used in this study:

Table 1. Indonesian Environmental Reporting Indeks (IER)

No.	IER items	IER Index (weighted)
1	Impact of Using Water	3,25
2	Incidents and Fines	3,05
3	Programs for Protection	2.27
4	Waste by Type	1,99
5	Impacts of Activities	1,91
6	Materials by Type	1,84
7	Enviromental Expense	1,63
8	Discharges Water	1,58
9	Other Air Emissions	1,54
10	Withdrawals of Ground Water	1,44
11	Land Information	1,43
12	Volume of Water Use	1,41
13	Energy Consumption	1,29

No.	IER items	IER Index (weighted)
14	Performance of Supplier	1,25
15	Impact of Discharges Water	1,05
16	Impacts of Transportation	1,05
17	Impacts of Products	0,95
18	Land for Extraction	0,84
19	Spills of Chemicals	0,76
20	Indirect Energy	0,67
21	Renewable Initiatives	0,59
22	Habitat Changes	0,42
23	Other Indirect Energy	0,41
24	Recycling Water	0,37
25	Hazardous Waste	0,36
26	Impermeable Surface	0,30
27	Affected Red List Species	0,30
28	Impact of Activities on Protected Areas	0,28
29	Wastes of Material	0,20
30	Direct Energy	0,19
31	Greenhouse Gas Emissions (GGEs)	0,14
32	Recycling Materials	0,10
33	Emissions of Ozone Depleting Substances	0,08
34	Other Indirect GGEs	0,02
35	Operations in Protected Areas	0,02
	Mean	1,00

Source: Suhardjanto, et al (2008)

III. METHODOLOGY

A. Population and Sample

The sampling method used in this study was purposive sampling. The sampling process limits the number of samples in accordance with the criteria established by the researcher. The criteria that have been determined in this study are as stated in table 2.

Table 2. Description of Withdrawal of Research Samples

No.	Criteria	Total	Frequency
1.	Mining companies listed on the IDX in 2016	43	100%
2.	Companies with annual reports cannot be accessed	(10)	(23,25)
3.	Companies whose data are incomplete	(4)	(9,3)
The number of companies that become research samples		29	67,45

The following are companies that become research samples as mining companies listed on the Indonesia Stock Exchange. The sample in this study is 29 mining companies. The following are the names of companies that are the objects of this research:

Table 3. Sample List of Mining Companies

No.	Company Code	Company Name
1	ADRO	Adaro Energy Tbk
2	ANTM	Aneka Tambang (Persero) Tbk
3	ARII	Atlas Resources Tbk
4	ARTI	Ratu Prabu Energi Tbk
5	BUMI	Bumi Resources Tbk
6	BYAN	Bayan Resources Tbk
7	CITA	Cita Mineral Investindo Tbk
8	CTTH	Citatah Tbk
9	DEWA	Darma Henwa Tbk
10	DOID	Delta Dunia Makmur Tbk Delta Dunia Propertindo Tbk
11	ELSA	Elnusa Tbk
12	ESSA	Surya Esa Perkasa Tbk
13	GEMS	Golden Energy Mines Tbk
14	HRUM	Harum Energy Tbk
15	INCO	Vale Indonesia Tbk (d.h Inco Indonesia Tbk)
16	ITMG	Indo Tambangraya Megah Tbk
17	KKGI	Resource Alam Indonesia Tbk
18	MBAP	Mitrabara Adiperdana Tbk
19	MEDC	Medco Energi International Tbk
20	MITI	Mitra Investindo Tbk
21	MYOH	Samindo Resources Tbk (d.h Myoh Technology Tbk)
22	PKPK	Perdana Karya Perkasa Tbk
23	PSAB	J Resources Asia Pasific Tbk (d.h Pelita Sejahtera Abadi Tbk)
24	PTBA	Tambang Batubara Bukit Asam (Persero) Tbk
25	PTRO	Petrose Tbk
26	RUIS	Radiant Utama Interinsco Tbk
27	SMRU	SMR Utama Tbk
28	TINS	Timah (Persero) Tbk
29	TOBA	Toba Bara Sejahtera Tbk

Source: Indonesia Stock Exchange (2018)

The above-mentioned company was selected from the existing population based on predetermined criteria using the purposive sampling method. In this study, there were 14 companies that were not included in the sample selection criteria. These companies were Bara Jaya International Tbk, Borneo Lumbung Energy & Metal Tbk, Baramulti Suksessarana Tbk, Alfa Energi Investama Tbk, Garda Tujuh Buana Tbk, Benakat Integra Tbk, Energi Mega Persada Tbk, Kapuas Prima Coal Tbk, Permata Prima Sakti Tbk, Berau Coal Energi Tbk, Cakra Mineral Tbk, Central Omega Resources Tbk, Merdeka Copper Gold Tbk and Setiamandiri Mitratama Tbk.

B. Analysis Techniques

The selection of quantitative analysis techniques is to measure the strength of the relationship between the dependent variable and the independent variables in this study. Quantitative technical analysis is a research based on collected during the research systematically about the facts and properties of the object under study. This technique combines the relationships between the variables involved therein. Then, interpreted based on theories and literature related to environmental disclosure. The multiple linear regression model used in this study is as follows:

$$ED = \alpha + \beta_1 TYPE + \beta_2 SIZE + \beta_3 PROFIT + \beta_4 LIQUID + \beta_5 EMS + \beta_6 TAX + \beta_7 MARKET + \beta_8 MED + e \quad (1)$$

ED = Environmental Disclosure
TYPE = Industry Type
SIZE = Company Size
PROFIT = Profitability
LIQUID = Liquidity
EMS = Environmental Management System
TAX = Tax
MARKET = Market Share
MED = Media Coverage
α = Constant (intercept)
$\beta_1 - \beta_8$ = Regression Coefficient
e = Error

IV. RESULTS AND DISCUSSION

The following partial hypothesis testing results obtained are as follows:

Table 4. Partial Test Results of Significance (t Test)

Coefficients[a]						
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	.346	.449		.770	.450
	TYPE	.008	.025	.073	.319	.753
	SIZE	.004	.014	.058	.253	.803
	PROFIT	.484	.382	.288	1.268	.219
	LIQUID	-.008	.017	-.089	-.462	.649
	EMS	.050	.046	.209	1.073	.296
	TAX	-.015	.010	-.368	-1.594	.127
	MARKET	-.106	.125	-.170	-.851	.405
	MED	.132	.064	.402	2.067	.052

a. Dependent Variable: ED

Source: Data processed, 2018

Based on the results of the t-test statistic, the media coverage variable (MED) shows a significant relationship to the dependent variable (environmental disclosure) with a significance level of 10%.

Industry type has a positive effect on Environmental Disclosure

The results of testing the first hypothesis indicate that the first hypothesis was rejected. The test results show that the type of industry has no effect on environmental disclosure with a significance value of 0.753 where the value is greater than 0.10 (α = 10%) and a beta value of 0.008. So, based on the results of the hypothesis stated that the type of industry has no effect on environmental disclosure.

This study results contradict the research conducted by [7] and [2] which state that the type of industry has a positive effect on environmental disclosure. Industry types are classified into companies that include high-profile and low-profile industries [2]. Industry type is a type of business run by companies according to business sectors. Different types of companies have different types of industries. These differences affect companies to treat and carry out their own social and environmental responsibilities. Companies that are classified as industries that have a large impact on the environment. The environmental disclosure made by the company will also be large compared with industries that have little impact on the environment.

[20] state that companies operating in industries that are environmentally sensitive and potentially harmful to the environment must comply with environmental regulations. The pollution generated from the results of company activities can endanger the environment. In addition, companies will also face greater social pressure because industries with high environmental sensitivity are more related to environmental problems. If the company does not report on social and environmental responsibility, the company will be threatened by the community and the government because it has a negative impact on the surrounding environment.

In accordance with stakeholder theory that most industries are classified in the high-profile category, where the industry will receive various pressures from stakeholders and the public. In addition, the legitimacy theory also states that high-profile industries do more environmental disclosure because the activities of high-profile industries are more related to the environment and are limited by law.

Different types of industries do not necessarily affect the extent of CSR disclosure. The companies that are said to be high profile and low profile are equally trying to make broader disclosures of CSR disclosures to benefit their stakeholders. Based on the results of the TYPE frequency analysis, there were 4 mining sub-sectors in 2016. In rocks companies, there were 2 companies with a percentage of 6.1%; in metal and mineral companies, there were 10 companies with a percentage of 34.4%; in oil and gas companies, there are 4 companies with a percentage of 12.1%; and in coal companies, there are 17 companies with a percentage of 51.5%. This can indicate that the company that has the most coal companies or includes a high profile company, but the highest value of environmental disclosure is the Timah (Persero) Tbk with a value of 0.505, the company is a company that includes other metals and minerals or if in rank includes rank number three. This shows that companies that are classified as high profile may not necessarily disclose broader social responsibility compared to companies that are classified as low profile. It means that the type of industry is not a factor that is a consideration for companies in deciding the level of social responsibility disclosure. In addition, companies in the high profile category assume that their operating activities are not too damaging to the environment or that their operating activities do not have a major impact on the environment. It makes the company has not revealed wider environmental information. Thus, the type of industry does not affect the environmental disclosure.

The first hypothesis (H1) in this study was rejected, meaning that the type of industry had no effect on environmental disclosure. This is because social and environmental activists, as well as the government will put greater pressure on companies engaged in mining which are high profile or low profile companies that do not try to control social and environmental impact. This hypothesis is in line with research conducted by Sari (2012).

Company size has a positive effect on Environmental Disclosure

The results of testing the second hypothesis indicate that the second hypothesis is rejected. The test results show that the size of the company has no effect on environmental disclosure with a significance value of 0.803 where the value is greater than 0.10 (α = 10%) and a beta value of 0.004. Therefore, based on the results of the hypothesis stated that company size has no effect on environmental disclosure. The results of the analysis are consistent with the results of research by [7] and [21] that company size has no effect on environmental disclosure.

This hypothesis contradicts research conducted by [8], [22] and [2] about company size on environmental disclosure, stating that company size has a positive effect on environmental disclosure. This shows that the size of the company will affect the disclosure of corporate social responsibility. The greater the assets owned by the company, the company cannot be separated from the demands to have good performance. One way to be able to show good performance, companies must pay attention to the state of the social environment by making disclosure of corporate social responsibility that is more widespread so that public trust in the company has a good image in the eyes of the community. Thus, if the company conducts corporate social responsibility programs in a sustainable manner, the company will be able to run well. This is in accordance with stakeholder theory, the larger the size of the company, the stakeholder demands for the benefits of the existence of the company, tend to be greater. The larger a company, the disclosure of corporate social responsibility that is made tends to be more extensive.

Based on univariate data about the highest company size in this study is Adaro Energy Tbk with a value of 31,624, but the highest environmental disclosure value is the company named Timah (Persero) Tbk with a value of 0.505. This illustrates that high company size does not necessarily have a high level of environmental disclosure. Large companies are not necessarily doing more social and environmental activities because they consider that the external community does not pay attention to environmental conditions due to company operations. The extent of environmental disclosure is based more on company activities and objectives in order to achieve company goals with high profits. Then, it can be concluded that the size of the company does not affect the company to do environmental disclosure.

This hypothesis is in line with research conducted by [22], [9], [21] and [7] states that profitability has no effect on environmental disclosure. Companies with high profitability do not need to disclose environmental disclosures because the company considers to have good financial performance so it does not require environmental disclosure. The high level of profitability makes companies no longer need to disclose information. The assumption is that shareholders will certainly legitimize the company and assume the company is good for investment.

Profitability has a positive effect on Environmental Disclosure

The results of testing the third hypothesis indicate that the third hypothesis was rejected. The test results show that profitability has no effect on environmental disclosure with a significance value of 0.219 where the value is greater than 0.10 (α = 10%) and a beta value of 0.484. Then, based on the results of the hypothesis stated that profitability has no effect on environmental disclosure.

Environmental disclosure is voluntary disclosure reporting, so companies with high profitability do not necessarily have high environmental disclosures. The company prioritizes mandatory disclosure rather than voluntary disclosure because mandatory disclosure is required by applicable regulations. The company will voluntarily disclose if the benefits obtained are greater than the costs incurred. Profitability is a performance indicator that is carried out by management in managing the company's wealth as indicated by the profits generated.

The results of this study contradict the research conducted by [4], [6] and [8] states that profitability has a positive effect on environmental disclosure. This is supported by the theory of the legitimacy of the community constantly exerting pressure on companies to care about environmental problems. Companies with high profitability will be easier to respond to these pressures because companies have more resources that can be used to prevent these pressures.

Based on univariate data about the company, the one with the highest profitability value is Mitrabara Adiperdana Tbk with a value of 0.233, but the highest environmental disclosure value is the Timah (Persero) Tbk company with a value of 0.505. This illustrates that high profitability may not necessarily have a high level of environmental disclosure. In addition, companies that have high profitability do not necessarily do more social activities. The company is more profit-oriented so that management does not need to provide environmental disclosure because it does not affect the position and the compensation it receives. Disclosure of corporate social responsibility actually provides competitive disadvantages because companies have to incur additional costs to disclose social information. This shows that the high level of profitability, the company does not need to do environmental disclosure. Thus, profitability has no effect on environmental disclosure.

[23] states that if the company gets high profits, the company feels no need to disclose environmental disclosures because the company has obtained financial success. Companies that have low profits prefer to disclose more environment because stakeholder perceptions prefer to read good news about the company's performance in the environmental field.

This hypothesis is in line with research conducted by [22], [9], [21] and [7] which state that profitability has no effect on environmental disclosure. Companies with high profitability do not need to disclose environmental disclosures because the company considers to have good financial performance so it does not require environmental disclosure. The high level of profitability of the company makes the company no longer needs to disclose information. The shareholders will certainly legitimize the company and think the company is good for investment.

Liquidity has a positive effect on Environmental Disclosure

The results of testing the fourth hypothesis indicate that the fourth hypothesis was rejected. The test results show that liquidity has no effect on environmental disclosure with a significance value of 0.649, the value is greater than 0.10 (α = 10%) and a beta value of -0.008. Then, based on the results of the hypothesis stated that liquidity has no effect on environmental disclosure.

Liquidity shows the relationship between cash and other current assets of a company and its current liabilities. Liquidity is an indicator of an entity's ability to pay all short-term financial liabilities at maturity using available liquid assets. Corporate liquidity is a category of aspects of company performance, which are indicators highly considered by users of financial information in decision making.

Companies with high liquidity have good performance. They have the choice to disclose environmental information depending on the profits of the company in the future. While companies with low liquidity reflect poor company performance so companies prefer to do environmental disclosure in the hope of disclosure. This can provide an explanation to convince the users of the information that the company's performance can still be relied upon if it sees other aspects related to the company's activities that are positive as well as improving stakeholder evaluations of under performance.

Based on univariate data about the value of liquidity, the highest was Harum Energy Tbk with a value of 5,066, but the highest environmental disclosure value was the Timah (Persero) Tbk company with a value of 0.505. This illustrates that high liquidity may not necessarily have a high level of environmental disclosure. Companies with high liquidity have good performance. They have the choice to disclose environmental information depending on the profits of the company in the future. Company prefers to pay off its debt rather than doing environmental disclosure that is still voluntary. Therefore, liquidity has no effect on environmental disclosure.

This hypothesis is supported by researches of [7] and [22] that liquidity has no effect on environmental disclosure. The company is more concerned with paying off its debts rather than incurring costs for environmental disclosure and the lack of attention from stakeholders concerned with financial information. The quality of the entity's liquidity ultimately does not greatly affect the extent of CSR disclosure.

The Environmental Management System has a positive effect on Environmental Disclosure

The results of testing the fifth hypothesis indicate that the fifth hypothesis was rejected. The test results show that the environmental management system has no effect on environmental disclosure with a significance value of 0.296 where the value is greater than 0.10 (α = 10%) and a beta value of 0.050. Therefore, based on the results of the hypothesis stated that the environmental management system has no effect on environmental disclosure.

The results of the analysis are not consistent with the results of research conducted by [24] and [7] stating that ISO 14001 has a positive effect on environmental disclosure. This indicates that companies that obtain ISO 14001 have a better environmental management system than companies that do not have ISO 14001, so companies that have ISO 14001 will make higher social responsibility disclosures.

The environmental management system is a framework that can be integrated into existing business processes to recognize, measure, manage and control environmental impact effectively. The environmental management system is measured by ISO 14001 certification. Environmental certification is an award that comes from external and independent parties regarding the company's operational activities that are connected with environmental management. One international certification related to environmental management is ISO 14001, which is an environmental management standard regarding best practices in environmental management systems.

ISO 14001 is a major management system standard that specializes in the requirements for the formulation and maintenance of an environmental management system. ISO 14001 is a standard developed by international organizations ISO (International Organization for Standardization). Companies with a good environmental management system will do a high environmental disclosure to show stakeholders that the company has a better environmental management system. It will improve the company's image. Companies that have ISO 14001 certification show that the company has managed the environment well.

The environmental management system is one of the important steps of the company in achieving business success. The environmental management system is strongly influenced by the extent of the company's drive for environmental management. The company pays attention to the environment as a form of corporate responsibility and care for the environment. Good corporate environmental management does not only pay attention to social aspects and environmental impact, but also includes the safety, health and welfare of employees who work in the company. However, lately the company's environmental performance has also become an important consideration both for potential investors and the surrounding community. In this case, the company is expected to pay attention to the environment as a form of corporate responsibility and care for the environment.

Based on univariate data on the Environmental Management System shows that of the 29 companies only 10 companies received ISO 14001 certification. This shows that the lack of awareness of the company to pay attention to the importance of social and environmental factors in the production process. Of the 10 companies that received ISO 14001 certification, there were four companies that had environmental disclosure values below the average. This shows that companies that received ISO 14001 certification did not necessarily express wider social responsibility than companies that had not received ISO 14001 certification. From that, the environmental management system has no effect on environmental disclosure.

This hypothesis is in line with research conducted by [25] which states that environmental certification has no effect on CSR disclosure. There is no difference in CSR disclosure both for companies that have received environmental certification and companies that have not received environmental certification. Thus, it can be concluded that the environmental management system has no effect on environmental disclosure.

Taxes have a positive effect on Environmental Disclosure

The sixth hypothesis testing results indicate that the sixth hypothesis was rejected. The test results show that the tax has no effect on environmental disclosure with a significance value of 0.127 where the value is greater than 0.10 ($\alpha = 10\%$) and a beta value of -0.015. So, based on the results of this hypothesis states that tax has no effect on environmental disclosure.

The results of the analysis are consistent with the results of [7] study which states that tax has no effect on environmental disclosure, but the results of the analysis contradict research conducted by [26], which states that tax aggressiveness affects CSR. This positive relationship indicates that companies that are aggressive towards taxes will tend to disclose more CSR information because the corporate tax burden that should have been issued will be diverted to CSR expenses.

The company is obliged to pay taxes to the government from the profits. This puts a burden on the company, because the tax payment will reduce the profits earned by the company. The company will find ways to reduce these payments. Companies that make environmental disclosures will incur disclosure costs, which in turn will reduce profits and then pay less tax.

Taxes are mandatory contributions to the state by individuals or entities. Tax in this study is a proxy of the political cost. Companies with high political costs will try to reduce these risks and costs to minimize the company's political visibility. One way is to make disclosures related to the environment. The legitimacy theory states that the greater the company bears great political risk, the greater the pressure from society. The company will incur political costs to reduce the political risks faced by the company. If the company voluntarily discloses environmental information that has a positive nuance, then this action can reduce the risk of reduced prosperity that the company may face in the future. The prosperity is reduced due to pressure from internal and external parties who are trying to lobby to demand a raise, a tax increase or an increase in rent.

Based on univariate data about taxes, the company that has the highest tax is Medco Energi International Tbk with a value of 27,461. However, the highest environmental disclosure value is the company named Timah (Persero) Tbk with a value of 0.505. This means companies that have high tax values do not necessarily need environmental disclosure. Companies prefer to increase disclosures that are mandatory rather than voluntary disclosures. Therefore, taxes do not affect environmental disclosure. This hypothesis is in line with research conducted by [7] which states that tax has no effect on environmental disclosure. This is because the company prefers to disclose other costs that produce competitive advantages for the company.

Market Share has a positive effect on Environmental Disclosure

The seventh hypothesis testing results indicate that the seventh hypothesis was rejected. The test results show that market share has no effect on environmental disclosure with a significance value of 0.405 where the value is greater than 0.10 ($\alpha = 10\%$) and a beta value of -0.106. Then, based on the results of the hypothesis states that market share has no effect on environmental disclosure.

Market share in this study is the company's position in one industry sector. The level of market share of a company shows the mastery of company sales in the industrial sector. Companies that are able to dominate the market, are considered to have high profits due to company sales. These benefits must be proportional to what the company gives to the community as a form of responsibility for the impact caused by the company's activities to avoid public protests so that the company prefers to disclose information related to social and environment in order to avoid public criticism.

Based on the theory of legitimacy which states that companies with high market share have high sales so that it will produce high profits as well. This must be proportional to the reciprocity of the public so as not to cause public protest over these benefits, so the company will make environmental disclosures as an allocation of the political costs of the company.

The amount of political cost depends on the high political visibility. The company's political visibility varies depending on the aspects that cause the visibility, for example, political and social aspects as well as environmental aspects. The company will disclose more information about the environment to avoid political costs stemming from environmental issues [27].

Based on univariate data about market share, it can be seen that the highest market share is Citatah Tbk with a value of 0.807. The lowest company is Toba Bara Sejahtera Tbk with a value of 0,000. From the 29 companies, the average market share value is 0.124. The number of companies that have a market share value above the average is 10 companies, while the companies that have a market share value below the average are 19 companies. This means that there are still many mining companies that have a low market share value. It shows that the level of sales is still low. Therefore, the company does not conduct environmental disclosure. Companies are more concerned with increasing sales to maintain the continuity of the company in the future, than to do voluntary environmental disclosure. Thus, in this hypothesis market share has no effect on environmental disclosure.

This hypothesis is consistent with research results by [7] which states that market share has no effect on environmental disclosure. This means that the high or low market share does not affect the extent of environmental disclosure made by the company.

Media coverage has a positive effect on Environmental Disclosure

The eighth hypothesis testing results indicate that the eighth hypothesis is accepted. The test results show that media coverage has a positive effect on environmental disclosure with a significance value of 0.052 where the value is greater than 0.10 (α = 10%) and a beta value of 0.132. So, based on the results of the hypothesis stated that media coverage has a positive effect on environmental disclosure. The results of these studies contradict the research conducted by [6], where media coverage has no effect on the quality of environmental disclosure.

The communication function becomes a very important point in the management of CSR disclosures. The media is the center of public attention about a company. The media is a resource for environmental information. Communication of CSR through the media will enhance the company's reputation in the eyes of the public. Companies can disclose CSR activities through various media. The media has a role as a company tool to encourage management to disclose CSR and companies that want to gain trust from the public. This statement can be explained by stakeholder theory that in carrying out its operations the company must consider the interests of all parties involved. The company must have the capacity to meet stakeholder needs and communicate effectively through the web.

Based on univariate data about companies that get media coverage about the environment, only as many as four. Media coverage in this study was obtained from several websites such as Tribun News, Nusantara News, VOA Indonesia, and Mong Abay. This shows that the existence of media coverage about the environment is an external attribute of the company that can influence the public's view of the company's commitment to the environment. Therefore, media coverage will shape stakeholder legitimacy. In addition, media coverage is also a primary communication function and is very important for management in CSR disclosure and CSR communication through the media will enhance the company's reputation in the eyes of the public. Thus, media coverage is the determinant of environmental disclosure.

The results of the hypothesis in this study are in line with research conducted by [26], [8], stating that media coverage influences environmental disclosure. This shows that media coverage in the business environment is one of the dominant factors in efforts to build public opinion on the activities or activities carried out by the company. Media coverage received by the company is a medium for the public in monitoring the company's environmental performance. In line with [28] that this is done because various features of news and financial information will be very easy to reach by users without geographical barriers. Besides being relatively easier to implement, the internet also provides convenience in terms of access, relatively lower costs, and speed of updating information. Distribution of information through the internet media makes the company enable to exploit the use of this technology to be more open (transparency aspect) and to inform the report (disclosure aspect) more timely [28]. The template is used to format your paper and style the text. All margins, column widths, line spaces, and text fonts are prescribed; please do not alter them. You may note peculiarities. For example, the head margin in this template measures proportionately more than is customary. This measurement and others are deliberate, using specifications that anticipate your paper as one part of the entire proceedings, and not as an independent document. Please do not revise any of the current designations.

V. Conclusion

Based on the discussion on the influence of industry types, company size, financial performance, environmental management systems, political costs and media coverage on environmental disclosure, it is concluded that, First, the type of industry has no effect on environmental disclosure. This shows that companies that are classified as high profile may not necessarily disclose broader social responsibility compared to companies that are classified as low profile, so that the type of industry is not a factor that is a consideration for companies in deciding the level of social responsibility disclosure. Second, company size has no effect on environmental disclosure. This is because large companies will disclose environmental information if the company's operational activities have a high impact on the environment and corporate environmental disclosure is not influenced by the size of the company where large or small companies do not necessarily make widespread environmental disclosure. Third, profitability has no effect on environmental disclosure. This is because of the high level of profitability of the company, so companies no longer need to disclose information, because the shareholders will certainly legitimize the company and think the company is good for investment. Fourth, liquidity has no effect on environmental disclosure. That is because companies are more concerned with paying off their debts rather than incurring costs for environmental disclosure and the higher or lower level of company liquidity does not affect the level of environmental disclosure disclosure.

The fifth, the environmental management system has no effect on environmental disclosure. That is because there is no difference in CSR disclosure both for companies that have received environmental certification and companies that have not yet received environmental certification. Sixth, taxes do not affect environmental disclosure. This is because the company prefers to disclose other costs that produce competitive advantages for the company. In addition, companies prefer to increase disclosures that are mandatory rather than voluntary disclosures. Seventh, market share has no effect on environmental disclosure, because based on the results of the analysis there are still many companies that have a low market share value, this shows that the level of sales within the company is still low. Therefore, the company does not conduct environmental disclosure. Companies are more concerned with increasing sales to maintain the continuity of the company in the future than to do voluntary environmental disclosure. Eighth, media coverage has a positive effect on environmental disclosure. This is because media coverage is a key communication function and is very important for management in CSR disclosure, and communicating CSR through the media will enhance the company's reputation in the eyes of the public.

For companies, the results of this study indicate that environmental disclosure by companies in Indonesia is still relatively low. Therefore, companies need to increase their environmental disclosure in the annual report or the sustainability report. Environmental disclosure is important for the company because it ensures transparency and accountability for the performance and long-term sustainability of the company. Companies in increasing environmental disclosure can pay attention to factors in research.

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