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The Effect of Environmental Performance, Firm Size, and Profitability on Environmental Disclosure

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ABSTRACT

These studies aims to examine and analyze the effect of environmental performance, firm size, and profitability on environmental disclosure in mining companies, participating in PROPER Program and are listed on the Indonesia Stock Exchange (IDX) period 2012-2015. This study is an explanatory study using quantitative approach. The sample consists of 52 respondents from 13 companies x 4 (period 2012-2015). There were 4 outlier data obtained, therefore the final sample used is 48 selected using a purposive sampling technique. The data were analyzed using a classical assumption test and multiple linear regression analysis. The results show that environmental performance and firm size have positive effect on environmental disclosure, while profitability has no effect on environmental disclosure. This study has limitations on the number of samples, because there are still many companies that have not participated in the PROPER program. It can be implied that this study illustrates that the companies to be more concerned about the environment. Therefore, it is recommended that further research use more research samples.

ABSTRAK

Penelitian ini bertujuan untuk menguji dan menganalisis pengaruh kinerja lingkungan, ukuran perusahaan, dan profitabilitas terhadap pengungkapan lingkungan di perusahaan pertambangan yang berpartisipasi dalam Program PROPER dan terdaftar di Bursa Efek Indonesia (BEI) periode 2012-2015. Penelitian ini merupakan explanatory research dengan menggunakan pendekatan kuantitatif. Jumlah sampel penelitian adalah 52 yang terdiri dari 13 perusahaan x 4 (periode 2012-2015). Jumlah data outlier yang diperoleh adalah 4, sehingga sampel akhir yang digunakan adalah 48 sampel yang dipilih menggunakan teknik purposive sampling. Teknik analisis data yang digunakan dalam penelitian ini adalah uji asumsi klasik dan analisis regresi linier berganda. Hasil penelitian ini menunjukkan bahwa kinerja lingkungan dan ukuran perusahaan berpengaruh positif terhadap pengungkapan lingkungan, sedangkan profitabilitas tidak berpengaruh terhadap pengungkapan lingkungan. Penelitian ini memiliki keterbatasan pada jumlah sampel, karena masih banyak perusahaan yang belum berpartisipasi dalam program PROPER. Penelitian ini memiliki implikasi yang dapat memberikan gambaran kepada perusahaan untuk lebih peduli terhadap lingkungan. Dengan implikasi ini, disarankan agar penelitian lebih lanjut menggunakan lebih banyak sampel penelitian.

INTRODUCTION

This study discusses the disclosure of corporate responsibility towards the environment, or it is well known as environmental disclosure. Environmental disclosure has become a crucial topic along with the increasing public awareness of the environment which requires all parties to care more about it. Environmental problems frequently in Indonesia are such as deforestation, environmental degradation, critical land, land slide, depletion of the ozone layer, global warming, oil spills in the sea, and dead fish in tributaries due to chemicals. PT Freeport Indonesia is one of the companies

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that contribute to the environmental problems, because in its operation, this company disposes of its waste into rivers around the mine in Papua (kompasiana.com).

Recently, the problems of environmental pollution in Indonesia have increased. This can be seen from the phenomena that occur regarding environmental pollution by mining companies, including the impact on the environment. Various disasters that have arisen in Indonesia as a result of environmental pollution include flash floods in Java and Sumatra, forest fires in several protected forests in Kalimantan, mudflows mixed with sulfur gas in Sidoardjo, East Java and others. This proves that the company's awareness and concern for the environment is still relatively low.

The increasing level of environmental pollution is also caused by the company's activities in managing and processing the required materials and the results obtained from the company's production process. This is due to the company which tries to gain profits in increasing production by exploiting the land resources. In general, companies only focus on the level of profit that they want to achieve. Therefore, it makes them get difficulty to develop because they do not pay attention to environmental and social aspects.

So far, it has been noted that environmental disclosure is part of Corporate Social Responsibility (CSR) so that companies are advised to disclose their environmental information to maintain environmental quality and quantity. Based on Law No. 32 of 2009, environmental protection and management is a systematic effort to preserve the environment and to prevent pollution and environmental damage. This is in accordance with Government Regulation (PP) No. 27 of 2012 concerning environmental permits. In the regulation, it is explained that the activities planned by the company are required to have environmental protection and management permits (menlh. go.id).

In completing the existing regulations, the Indonesian government not only provides solutions in terms of prevention through law, but also appreciates the environmental performance assessment program (in Indonesia it is known as *Program Penilaian Kinerja Lingkungan / PROPER*). The ranking criteria of the environmental performance assessment program consist of five color levels: gold, green, blue, red, and black. Gold is for the best ranking and black is for the worst ranking.

This study tries to determine the effect of environmental performance, firm size, and profitability on the level of environmental disclosure made by the company. A study by Aulia & Agustin (2015) and Nofianti, et al (2015) states that environmental performance has an influence on environmental disclosure. Beside that, according to the research by Nugraha & Kowanda (2015), environmental performance also has insignificant effect on environmental disclosure. Research conducted by Aulia & Agustin (2015), Hadjoh & Sukarta (2013) and Efendi, et al (2012) states that firm size has a significant effect on environmental disclosure

THEORETICAL BASIS

Stakeholder Theory

The term stakeholder was first introduced by the Stanford Research Institute (RSI) in 1963 (Freeman, 1984: 31). Freeman (1984: 25) explains that stakeholders are groups or individuals influenced by achieving the organizational goals and in turn it can affect the achievement of the goals. In addition, Chariri and Ghozali (2007) also argue that a company is not a stand-alone entity and operates for its own interest, but the company must provide benefits to stakeholders. This theory focuses on the ability of companies to meet and monitor the needs of stakeholders.

Legitimacy Theory

Legitimacy theory focuses on interactions between companies and society. The theory states that an organization is part of society and, therefore, the organization must pay attention to social norms in the community. By doing so, they get their legitimacy. According to Dowling and Pfeffer (1975), legitimacy is an important element for the organization. Limits emphasized by social norms and values as well as reactions to these limits encourage the importance of analyzing organizational behavior by paying attention to the environment.

TEORETICAL FRAMEWORK AND HYPOTHESIS

Environmental Disclosure

Environmental disclosure, according to the Ministry of Environment, is a term often used by a company or organization to disclose data relating to the environment, audited or not. It also regards the environmental risks, environmental impacts, policies, strategies, targets, costs, liabilities, or environmental performance to parties with their interests related to information that aim to improve relations with institutions or organizations (menlh.go.id). Environmental disclosure is not compulsory program for every company but company managers will try to disclose information about environmental management in order to add value to the company in the future.

Environmental Performance

Environmental performance is an assessment of the company's activities in an effort to improve and maintain environmental sustainability. In addition, environmental performance also serves an assessment of the company's responsibility for the environment. One of the methods taken by the Ministry of Environment so that companies disclose information on environmental management is by using Environmental Performance Assessment Program **(**PROPER). Activities they can do are such as : (a) motivating the company to follow the existing regulations, and (b) motivating the company by giving good rating in its environmental performance if it does not pollute the environment (Ministry of Environment, 2011).

The criteria used to measure environmental performance are based on PROPER. It starts from the best ranking to the worst ranking in company performance. The assessment uses color symbols so that it is easier to read and understand, such as:

1. Gold: very-very good (score 5)
2. Green: very good (score 4)
3. Blue: good (score 3)
4. Red: bad (score 2)
5. Black: very bad (score 1)

Firm Size

Assets owned by a company can be used to measure the size of the company. These assets are the sources, expected to be useful for the company in the future. In that, the greater the assets owned by the company, the greater the size of the company. Luo, et al (2013) in Nugraha and Agung (2015), states that companies that have large amounts of assets will get great pressure from the public and stakeholders have high expectations regarding management practices. However, according to Hadjoh (2012), several companies provide voluntary disclosures to gain legitimacy from the public.

Profitability

Profitability is a measure used to determine the company's ability to generate profits. The more detailed information conveyed by managers to stakeholders, the higher the level of profitability. This is intended to convince stakeholders regarding the condition of the company. According to Nugraha and Agung (2015), environmental issues are sensitive matters that can affect a company's ability to generate profitability.

The Effect of Environmental Performance on Environmental Disclosure

Environmental damage issues have increased along with the demands of the company on how business operations have an impact on the environment (Sarumpaet, 2009). Research on the relationship between environmental performance and environmental disclosure has different results. For example, a study by Aulia and Agustina (2015) and Clarckson et al. (2006) show that there is a positive relationship between environmental performance and environmental disclosure. However, a study by Nugraha and Kowanda (2015) shows that there is no relationship between environmental performance and environmental disclosure.

The Effect of Firm Size on Environmental Disclosure

Firm size is measured by total assets, number of sales, average total sales, and average total assets. A research by Aulia and Agustina (2015), Hadjoh & Sukarta (2013) and Effendi et al (2012) shows, that the firm size has a significant positive effect on environmental disclosure. It can be said that large companies have higher information than small companies.

The Effect of Profitability on Environmental Disclosure

Environmental issues are the factors that can affect a company's ability to generate profitability (Nugraha and Agung, 2015). Research by Aulia and Agustina (2015) shows, that profitability has a significant and positive effect on environmental disclosure. In this case, profitability is often used as a benchmark for carrying out environmental responsibilities. The framework underlying this research is shown in Figure 1.

Research Hypotheses

H1: *Environmental Performance has a significant effect on Environmental Disclosure*.

H2: *Firm size has a significant effect on Environmental Disclosure*.

H3: *Profitability has a significant effect on Environmental Disclosure*

RESEARCH METHOD

Sample Classification

This study has a population consisting of the companies that participate in PROPER Program and are listed on the Indonesia Stock Exchange (IDX). The samples are mining companies that participated in PROPER Program and are listed on the IDX. The sample was selected using a purposive sampling method based on the following criteria:

1. Mining companies listed on the IDX consecutively during the period 2012-2015
2. Mining companies, participating in the PROPER program, listed on the IDX for the period 2012-2015.
3. Companies that published annual reports consecutively during 2012-2015
4. Companies that published environmental disclosures consecutively during 2012-2015
5. Companies that used dollar (USD) in their financial statements.

Research Data

The study used secondary data but they were judged from their characteristics, type they used as the quantitative data. The data were collected by using documentation method, which is secondary data retrieval from the annual reports of the companies to be investigated which are obtained from www.idx.co.id. The data are related to environmental disclosure, company profits, and total assets owned by the company.

Research Variables

The independent variables used in this study are environmental performance, firm size, and profitability, while the dependent variable used is environmental disclosure.

Operational Definition and Measurement of Variables

Dependent variable

***Environmental disclosure* (ED)**

Environmental disclosure is the disclosure of information about the environment (in Indonesia it is still voluntary) which can be seen in the company's annual report. The level of corporate environmental disclosure based on GRI version 4.0 disclosure items can be calculated or measured using the following formula:

$$\text{ED} = \frac{\text{The total items disclosed by the company}}{\text{Total GRI disclosure items}}$$

Independent Variables

1. Environmental performance

Environmental performance is an assessment of the company's activities to improve and maintain environmental sustainability and as a form of assessment of the responsibility of companies to the environment. PROPER is an assessment program for the company's environmental performance by giving ratings using color symbols to each company. The color and ordinal scale used in grouping and measuring the sample Environmental Performance is that companies that get the gold rank (the best) are given a score of 5, green rank with a score of 4, blue rank with a score of 3, red rank with a score of 2 and black rank (the worst) with a score of 1.

2. Firm size

Firm size is an indicator or scale that can show the size and condition of a company. The calculation of firm size can be formulated as follows:

Firm Size = *L*n Total Assets

3. Profitability

Profitability can be defined as the company's ability to generate profits in order to increase value for shareholders. This study uses ROA as a measure of profitability variable. The calculation of ROA can be formulated as follows:

$$\text{ROA} = \frac{\text{Net profit after tax}}{\text{Total assets}}$$

Data Analysis Technique

A research tested using regression tests must be free from classical assumptions. Classic assumption tests carried out include normality test, autocorrelation test, multicollinearity test, and heteroscedasticity test. The regression equation used in the study is as follows:

$$\text{ED} = \alpha + \beta_1\text{EP} + \beta_2\text{SIZE} + \beta_3\text{PROF} + \epsilon$$

Where:

ED = Environmental Disclosure

EP = Environmental Performance

PROF = Profitability (ROA)
SIZE = Firm Size
β_1,β_2,β_3 = regression Coefficient
ϵ = Error

RESEARCH RESULTS AND DISCUSSION

Based on the criteria set, the following is the details of the research sample based on the purposive sampling method (Table 1).

1. Descriptive Statistics Test

The descriptive analysis is used to provide an explanation of the dependent variable and independent variables during the study period. Based on Table 2, the results of the descriptive statistical test, it can be seen that environmental disclosure has a mean value of 0.2886029. This shows that the average sample company has made environmental disclosures of 28.8% from 100% with total disclosures of 34 items from the total GRI disclosure items. From these results, it can be concluded that the awareness of companies to conduct environmental disclosures is still low. The standard deviation value is 0.14015802. When compared with the mean value, it can be seen that the standard deviation value is lower than the mean value of environmental disclosure. This means that research data related to environmental disclosure is still less varied (Homogeneous). The results of the descriptive statistical test show that the average variable of environmental performance of the sample company is 3.5, or greater than the standard deviation value of 0.684. This shows the range of data between variables, which means that the level of variation of the data is homogeneous or the level of variation in environmental performance data is relatively small.

Based on the results of the descriptive statistical test, the variable of firm size has a maximum value of 22.625 and a minimum value of 18.4, with a standard deviation value of 1.18 which is smaller than the mean value of the variable of firm size of 20.67. These results are the results of the total assets of the company which have been logged. The large difference between the standard deviation value and the mean value indicates that the variation level of the data is homogeneous or the level of variation of firm size data size of is relatively small.

The variable of profitability which is measured using ROA has a minimum value of -16,271, which means that there is a sample company that experiences losses. The company that suffered a loss of up to -16,271 was PT. Bayan Resources Tbk in 2014. This proves that the company's total assets do not provide profits, so the company experiences losses and inhibits the growth.

Table 1
Research Sample Criteria

No.	Sample Criteria	Number	Accumulation
1.	Mining companies that are listed on the Stock Exchange consecutively during the period 2012-2015	61 x 4 years	244
2.	Mining companies that did not participate in the PROPER program and listed on the IDX during the period 2012-2015	30 x 4 years	(120)
3.	Companies that did not publish annual reports consecutively during the period 2012-2015	14 x 4 years	(56)
4.	Companies that did not provide environmental disclosures consecutively during the period 2012-2015	0	(0)
5.	Companies that did not use dollar (USD) in their financial statements	4 x 4 years	(16)
	Number of sample companies	13 x 4 years	52
6.	Data outlier		(4)
Number of sample companies		-	48

Source: Data Processe

Table 2
Results of Descriptive Statistics Test

	N	Minimum	Maximum	Mean	Std. Deviation
Environmental Disclosure	48	.14706	.82353	.2886029	.14015802
Environmental Performance	48	3.00000	5.00000	3.5208333	.68384344
Firm Size	48	18.40599	22.62478	20.6686221	1.18325781
Profitability	48	-16.27135	19.40250	2.7512048	6.43304727
Valid N (listwise)	48				
Valid N (listwise)					

Source: Data Processed

Classical Assumption Test

Normality Test

Table 3
Normality Test Results

	Unstandardized Residual
N	48
Kolmogorov-Smirnov Test	0.109
Asymp. Sig. (2-tailed)	0.200

Source: Data Processed

The results of the normality test indicate that the value of Kolmogorov Smirnov is 0.109 and the value of Asymp. Sig. (2-tailed) is 0.200. This means that the data used in the study are normally distributed because the significant value is above 0.05. The initial data of the sample, when the normality test was performed, were not normally distributed, so the data outliers were carried out in this study.

The results of the first normality test show a significant value of 0.000 (0.000 < 0.05). This means that residual data is not normally distributed. Since the residual data is not normally distributed, the researcher conducts re-testing by removing the outlier data to get a fit or normally distributed result. Table 4 shows that the researcher conducts outliers two (2) times, so that the sample data that is ready to be tested is 48 data samples with a significant value of 0.200. This means that the value is greater than 0.05 or in other words 0.200 > 0.05.

Autocorrelation Test

The results of autocorrelation test in table 5 show that the value of d (Durbin - Watson) is 1.805. The value of d is then compared with the values of dU and dL from the Durbin-Watson table with a significance value (α) of 5%, the number of samples = 48 (n), and the number of independent variables = 3 (k = 3). This result shows that the value of dL (lower limit) = 1.4064 and the value of dU (upper limit) = 1.6708.

Because the value of d (Durbin-Watson) is 1.805 which is greater than the upper limit value (dU) of 1.6708 and is less than 4-1.6708 (4-dU) = 2.3292, or in other words, the value of Durbin-Watson located between dU (upper limit) and 4-dU (1.6708 <1.805 <2.3292), it can be concluded that there is no negative or positive autocorrelation.

Multicollinearity Test

The results of the multicollinearity test on Table 6 show that none of the independent variables has a tolerance value of less than 0.10. The Variance Inflation Factor (VIF) value indicates that all the independent variables have no VIF (Variance Inflation Factor) value that is greater than 10. From these results, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

Heteroscedasticity Test

Based on the results of heteroscedasticity test using the glejser test, it can be seen that there is one independent variable that is statistically significant affecting the dependent variable with absolute value. Table 7 shows the results of the glejser test, where the variable of environmental performance has a significance value of 0.000. So it can be concluded that the variable of environmental performance is statistically significant affecting the dependent variable, because the probability of its significance is below the confidence level of 5%. The variable of firm size (X2) has a significance value of 0.099 and the variable of profitability (X3) has a significance value of 0.746. This means that the variable of firm size (X2) and the variable of profitability (X3) have a probability of significance value above the confidence level of or 5%. Heteroscedasticity occurs when the variance of any confounding error is not constant.

Hypothesis Test

F Test

The results of the F statistics test or ANOVA test in table 8 show a significant value of 0.001. This means that the probability value is ≤ 0.05, so H0 is rejected and H1 is accepted. This can be concluded that statistically the independent variables consisting of environmental performance (X1), firm size (X2), and profitability (X3) have an effect on environmental disclosure. The results of the feasibility test indicate that the regression equation model is said to be fit, or in other words the model has been worth testing.

Coefficient of Determination (R2)

The results of the coefficient of determination (R2) test on Table 9 show that the adjusted R2 value is 0.258. This means that 25.8% of the variation of the dependent variable (environmental disclosure) can be explained by the variations of the three independent variables (environmental performance, firm size, and profitability), while the remaining 74.2% (100% - 25.8% = 74.2%) is explained by other variables outside the model studied.

Multiple Linear Regression Analysis

Based on the results of multiple linear regression analysis, the equation it can be obtained as follows:

ED = -0,822 + 0,070EP + 0,042SIZE + 0,000PROF + ϵ

The explanation of the equation is as follows:

1. The constant (α) value is -0.822. This means that if the value of independent variable (environmental performance, company size and profitability) is 0, then environmental disclosure will decrease by -0.822.
2. The regression coefficient value of environmental performance (X1) is 0.070. This shows that environmental performance has a positive effect on environmental disclosure, which means that the better the environmental performance the company performs, the higher the environmental discourse (an increase by 0.070).
3. The regression coefficient value of firm size (X2) is 0.042. This shows that firm size has a positive effect on environmental disclosure, which means that the greater the firm size, if other variables are considered constant, the higher environmental disclosure (an increase by 0.042).
4. The regression coefficient value of profitability (X3), which is measured using Return on Assets (ROA), is 0.000. This shows that Return on Assets (ROA) has a positive effect on environmental disclosure, which means that any increase in ROA (1%) will increase the price by 0.000.
5. "ϵ" shows the confounding variables outside the variables of environmental performance, firm size, and profitability.

The Effect of Environmental Performance on Environmental Disclosure

The results of the model test using multiple linear regression analysis indicate that there is a significant influence on environmental disclosure. The PROPER program made by the Ministry of Environment, which is used to measure environmental performance, has a significant influence on environmental

Table 5
Durbin-Watson Analysis Results

D-W	K	N	Du	4-du	dl	4-dl	Conclusion
1.805	3	48	1.6708	2.3292	1.4064	2.5936	No Autocorrelation

Source: Data Processed

Table 6
Results of Multicollinearity Test

$ED = \alpha + \beta_1 EP + \beta_2 SIZE + \beta_3 PROF + \epsilon$

Collinearity Statistics		Kriteria Bebas Multikolinearitas	Conclusion
Tolerance	VIF		
0.912	1.097	Tolerance > 0,1 dan VIF < 10	Free from Multicollinearity
0.946	1.057	Tolerance > 0,1 dan VIF < 10	Free from Multicollinearity
0.962	1.039	Tolerance > 0,1 dan VIF < 10	Free from Multicollinearity

Source: Data Processed

disclosure. Companies that take part in the PROPER program have shown that the companies have paid attention and cared for the environment, so that they receive positive value from investors or stakeholders. This shows that the better the environmental performance, the better the level of environmental disclosure made by mining companies.

In the environmental performance percentage diagram in the descriptive analysis, it can be seen that even though the company gets the "good" award or a "blue" rating in PROPER assessment of 59%, it can affect the increase in environmental disclosure annually. If the company's environmental performance is good, it will be a consideration for investors in investing in the company. Company's environmental performance has an effect on investor valuation toward the company, where the company is able to provide maximum value in the market. Companies that make environmental disclosures in their annual reports show that the companies have realized the importance of disclosing information voluntarily.

The results indicate that environmental performance has an influence on environmental disclosure. These results are reinforced by the legitimacy theory and stakeholder theory that when the company's value system is in line with the valuation system in the company, the community environment will recognize the authority and policies of the company. Environmental disclosure is important in the legitimacy of an industry, so that an industry or company is required to conduct good environmental performance in order to produce good environmental disclosures and be able to meet the needs of stakeholders.

The results are also in line with those conducted by Aulia & Agustin (2015) and Nofianti, et al (2015) that environmental performance has an influence on environmental disclosure. Whereas according to the results of the study conducted by Nugraha & Kowanda (2015), environmental performance has insignificant effect on environmental disclosure.

The Effect of Firm Size on Environmental Disclosure

The t-test results show that firm size has a significant effect on environmental disclosure, and it can be said that hypothesis 2 (H2) is accepted. From the hypothesis it can be concluded that, as presented in the diagram in the descriptive analysis, even though the firm size gets an increase or a decrease, the average level of firm size is still relatively high, so that it has an effect on any increase or decrease in environmental disclosure.

It can be said that small companies and large companies are obliged to disclose environmental responsibility, because the activities carried out by the company have an impact on the environment around the company. Large companies have higher information than small companies. This is in line

Table 7
Results of Heteroscedasticity Test Using Glejser Test

		$ED = \alpha + \beta_1 EP + \beta_2 SIZE + \beta_3 PROF + \epsilon$		
Variable	Coefficient	T	Sig.	Conclusion
Constant	-0.496	-3.257	0.015	-
EP	0.052	3.892	0.000	There is heteroscedastidity
SIZE	0.020	2.562	0.099	There is no heteroscedasticity
PROF	0.000075	0.054	0.746	There is no heteroscedasticity

Source: Data Processed

Table 8
Results of F Statistics Test

Model	F	Sig.
Regression	6.459	0.001

Source: Data Processed

Table 9
Results of Coefficient of Determination (R2) Test

Model	Adjusted R^2
1	0.258

Source: Data Processed

Table 10
Results of Multiple Linear Regression Analysis

Variable	$ED = \alpha + \beta_1 EP + \beta_2 SIZE + \beta_3 PROF + \epsilon$		
	Coefficient	T	Sig.
Constant	-0.822	-2.665	0.011
EP	0.070	2.577	0.013
SIZE	0.042	2.713	0.009
PROF	0.000	-0.066	0.948

Source: Data Processed

with stakeholder theory because stakeholders have the opportunity to be able to control the resources owned by the company. Companies that have more stakeholders will tend to be more able to satisfy their stakeholders so that the company can continue to operate.

The results are in line with the previous ones such as those by Aulia & Agustina (2015), Hadjoh & Sukarta (2013) and Effendi, et al (2012) that firm size has a significant positive effect on environmental disclosure. However, the results of this research are not in line with the results of the research conducted by Heni Nurani Hartikayanti, M. Ryan Trisyardi & ER Budhi Saptono (2016) which states that firm size has no significant effect on environmental disclosure.

The Effect of Profitability on Environmental Disclosure

The results of the t-statistic test show that profitability has no significant effect on environmental disclosure, and it can be said that hypothesis 3 (H3) is rejected. The results of this study are not in line with the results of the research conducted by Aulia & Agustina (2015) which state that profitability has a significant influence on environmental disclosure. The test results that reject the third hypothesis indicate that large or small profitability does not affect the environmental disclosure carried out by the company.

The results indicate that the company's decision to conduct environmental disclosure is not only influenced by stakeholders who are said to have an influence on the company, but based on positive accounting theory. It can also be influenced by management's interests (self-interest). The average profitability in this study experienced an increase in 2013 by 6.019, and then a decrease in 2014 and 2015. While the average environmental disclosure showed an increase in environmental disclosure. This indicates that the increase or decrease in ROA does not have an association with environmental disclosure. The decrease in ROA is due to the necessity of companies to incur high costs to promote environmental disclosure in the company's annual report.

Research conducted by Aulia & Agustina (2015), states that profitability measured using Return on Assets (ROA) has a significant positive effect on environmental disclosure. The results of research conducted by Aulia & Agustina (2015) are not in line with the results of this study. Whereas, the results of research conducted by Effendi, et al (2012) states that profitability has a significant negative effect on environmental disclosure. However, the results of this study support the results of research conducted by Heni Nurani Hartikayanti, M. Ryan Trisyardi & ER Budhi Saptono (2016) which states that firm size has no significant effect on environmental disclosure.

CONCLUSION, LIMITATION, SUGGESTION, AND IMPLICATION

Conclusion

This study is concerned with the effect of environmental performance, fir size, and profitability on environmental disclosure in PROPER program, it is specifically for the mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2012-2015, it can be concluded as follows:

1. Environmental performance has a positive effect on environmental disclosure. Therefore, the hypothesis which states that environmental performance influences environmental disclosure is accepted. This is evidenced by a significance value of 0.013 which is smaller than 0.05 (0.013 < 0.05).
2. Firm size has a positive effect on environmental disclosure. Thus the hypothesis which states that firm size has a positive effect on environmental disclosure is accepted. This is evidenced by a significance value of 0.009 which is smaller than 0.05 (0.009 > 0.05).
3. Profitability has no effect on environmental disclosure. Thus the hypothesis which states that profitability has an effect on environmental disclosure is rejected. This is evidenced by a

significance value of 0.948 which is greater than 0.05 (0.948> 0.05).

Research Limitation

There are some limitations found in this study, such as:

1. The number of samples in this study is only 13 companies because there are still many companies that have not participated in the PROPER program. Besides that, there are difficulties in obtaining data in the form of company annual reports.
2. In this study there are several data outliers which cause the achievement of results to be less than optimal.
3. The dependent variable used in this study is environmental disclosure. This variable is measured based on the perceptions of each researcher because measurements of environmental disclosure are subjective. This results in differences in the value of the variable of environmental disclosure in the same company.
4. In heteroscedasticity testing using the glejser test, heteroscedasticity occurs in the independent variable of environmental performance with a significance value of 0.000, or under $\alpha = 0.05$.

Suggestion

It is advisable for some parties related to this study and, therefore, the researchers can put forward as follows:

1. It is recommended that further research extend the observation period to get better results.
2. It is recommended that further research be able to determine the criteria of the research sample better so that there is no need to do too many outliers. This is intended to get maximum results as expected.
3. It is recommended that further research look at the sustainability report of the companies sampled to be a reference in assessing and measuring the environmental disclosure made by each company.
4. It is recommended that further research extend the research period and add to the type of industry or company so that heteroscedasticity does not occur.

Research Implication

This study has limitations on the number of samples because there are still many companies that have not participated in the PROPER program. However, this study can provide an illustration to companies to be more concerned about the environment. For that reason, it is expected that further research can involve more research samples.

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