

ABSTRACT

This study examines the effect of profitability and firm age on the disclosure of corporate social responsibility in the annual report. Companies that obtain high profit disposed assume does not require reporting that can interfere information about financial succes of the company, so that its not optimal in expressing social responsibility in its annual report. On one side, of the company that has long standing have more experience in publishing financial statements. With the experience that it will be more aware of the needs of information fo the company.

The sample in this study was 113 annual reports of basic and chemical industry companies listed in Indonesia Stock Exchange during 2010-2012. Data processing using multiple linear regression with profitability and firm age as the independent variable and the disclosure of corporate social responsibility as the dependent variable. In this study using 3 control variables are firm size, leverage, and capital intensity.

The results showed that the company age has no effect on the disclosure of corporate social responsibility while profitability adversely affect the disclosure of corporate social responsibility and justify the concept of legitimacy theory.

Keywords : disclosure of corporate social responsibility, legitimacy theory, profitability and company age.