CHAPTER V

CONCLUSION

5.1. Conclusion

In this study, data collection, processing, analysis, and interpretation have been conducted to examine the influence of leverage, profitability, firm size, and capital expenditure on the level of carbon emission disclosure in mining companies listed on the Indonesia Stock Exchange (BEI) during the period of 2017-2021. Based on the conducted study, the following research conclusions were obtained:

1. Based on the results of first hypothesis test (H1), it was found that leverage (DER) has an effect on the extent of carbon emissions disclosure (CED) of the company. The leverage variable (DER) has a beta coefficient of -2.395 with a significance level of 0.021. This indicates that the level of leverage has a negative effect on the extent of carbon emissions disclosure (CED) of companies in Indonesia.
2. Based on the results of the hypothesis testing two (H2), it was found that profitability (ROA) does not have a significant effect on the extent of carbon emission disclosure by companies (CED). The profitability variable (ROA) has a beta coefficient of -1.187 with a significance level of 0.241. This indicates that the level of ROA does not affect the extent of carbon emission disclosure (CED) by companies in Indonesia.
3. Based on the results of the testing of hypothesis three (H3), it was found that company size has an effect on carbon emission disclosure (CED). The variable of company size has a beta coefficient of 2.849 with a significance level of 0.007. This indicates that the size of the company has a positive

effect on the extent of carbon emission disclosure (CED) by companies in Indonesia.

4. Based on the results of the hypothesis testing four (H4), it was found that capital expenditure does not have a significant effect on the extent of carbon emission disclosure by companies (CED). The capital expenditure variable has a beta coefficient of -0.169 with a significance level of 0.866. This indicates that the level of capital expenditure does not affect the extent of carbon emission disclosure (CED) by companies in Indonesia.

5.2. Implications

The implications of this research can be used as a means to invest funds in companies that are more environmentally conscious in order to preserve nature. In facing the problem of climate change, global warming has become an increasingly widespread issue and attracted international attention. Therefore, by prioritizing investment in environmentally friendly companies, we have demonstrated our concern for the environment. In addition, financial institutions can create more supportive policies and provide ease to companies that are striving to maintain and improve the quality of the environment from activities that endanger it due to pollution and carbon emissions. By supporting these companies, the borrower's perspective will change in reaching their debt repayment target, so they will be more concerned about environmental sustainability. Ultimately, the balance between the three pillars of business that includes profit, people, and the planet can be achieved.

5.3. Limitation

The limitations of the conducted research are as follows:

1. The study sampled only 10 companies over a five-year observation period from 2017 to 2021.

2. In assessing the carbon emission disclosure index, the researcher only conducted a personal assessment and did not perform any peer review. This means that the assessment of whether a company's carbon emission disclosure can be counted as a point in the index is based solely on the researcher's opinion.
3. Based on the coefficient of determination test results, it was found that the carbon emission disclosure variable can only be explained up to 26.9%. This indicates that there are other variables that influence a company's carbon emission disclosure beyond the study's model.

5.4. Suggestion

Based on the results, discussion, and conclusions of this study, the researchers can provide the following recommendations:

1. In assessing carbon emission disclosure, future researchers can conduct peer reviews to ensure that assessments are reliable and conducted properly. Peer review will improve the validity of carbon emission disclosure assessments in the study.
2. Future studies should add or replace other variables that may affect corporate carbon emission disclosure practices.