

Media Exposure, Environmental Performance, Company Size And Its Influence On Carbon Emission Disclosure

Dyah Aruning Puspita¹, Christa Delvia², Djoko Sugiono³

^{1,2,3} Faculty of Economic, STIE Malangkucecwara,

dyahap70@stie-mce.ac.id

christadelvia986@gmail.com

djokosugiono@stie-mce.ac.id

Article Info

Received July 31, 2024

Revised September 20, 2024

Published October 18, 2024

Keywords : Media exposure, environmental performance, company size, and carbon emission disclosure

Abstract

This study aims to determine the influence of media exposure, environmental performance, and company size on mining companies listed on the Indonesia Stock Exchange. This study has the quantitative nature of causality. The population contained in this study is companies in the mining sector listed on the Indonesia Stock Exchange which were then obtained as many as 36 companies. The technique used in the sampling process in this study was purposive sampling which in the end obtained 12 companies that had met the criteria. The method that researchers use is to use the PLS method to test the influence of research variables using SmartPLS 4 software. This result shows that media exposure has a significant effect on carbon emission disclosure, environmental performance has a significant effect on carbon emission disclosure, and company size has a significant effect on carbon emission disclosure.

INTRODUCTION

Climate change has become a serious problem and an important concern for several countries (Cakrawati Sudjoko, 2021). This is in line with what the Minister of Finance Sri Mulyani Indrawati said in her material presentation to CEO Networking, Tuesday, 16 November 2021, which stated that; “As we discuss economic recovery and protecting our communities, we see a new, real threat, namely climate change. Based on data from the 2017 National Greenhouse Gas Inventory and MRV Report, accessed from: <http://ditjenppi.menlhk.go.id/>, it states that climate change is caused by an increase in the concentration of greenhouse gases (GHG) in the atmosphere caused by human activities , such as burning fossil fuels and other activities.

Indonesia's economic conditions are experiencing very rapid development along with globalization. Not only Indonesia, but the whole world is experiencing the same rapid development as well. Because of this, companies will increasingly be required to be able to take various ways to balance and also survive against other companies. Along with this, the impact can be clearly seen on the environment, where in increasing the scale of company productivity, forest exploitation is carried out openly and on a large scale, without considering the impacts that will occur in the future. where forests absorb carbon gas. Of course, the level of carbon emissions is getting higher and the level of absorption of carbon gas is also getting lower because of this.

Disclosure of carbon emissions is part of CSR (Corporate Social Responsibility) in the type of environmental disclosure. Disclosure of carbon emissions is still voluntary (voluntary disclosure), which means it gives companies the freedom to convey information related to accounting and other company information that can support the company in adopting policies as stated in the annual report (Septriyawati & Anisah, 2019). In carbon emission disclosure have examined the factors that influence carbon emission disclosure (Suhardi & Purwanto, 2015). In this research, researchers used three variables, namely media exposure, environmental performance and company size.

Media exposure is currently considered important for stakeholders, because it acts as a provider of information provided to the public regarding company activities, including disclosure of carbon emissions. With media supervision, companies will minimize the mistakes they make in order to maintain their reputation with the public. By disclosing carbon emissions, companies will gain legitimacy from the public (Sukmawati, 2021). that media exposure has an influence on Carbon Emission Disclosure (Ferdiani & Susi Dwi Mulyani, 2023). In contrast to research which shows different results, namely media exposure has a negative influence on carbon emission disclosure (Loru, 2023).

Environmental performance is also an aspect that can influence carbon emissions disclosure. Companies that have good environmental performance will feel motivated to improve the environment and have a commitment to the environment (Amaliyah & Solikhah, 2019). The company has a social contract with the community, so it is expected to align its operational activities with community values and norms, such as preserving the surrounding environment. The better the

environmental performance, the higher the company will gain legitimacy from society. Research that shows the results that environmental performance has a positive influence on environmental disclosure is related to greenhouse gas emissions (Loru, 2023). Companies with a high proper rating do not need to disclose carbon emissions, so carbon emissions disclosures are only made by companies with a low proper rating (Sukmawati, 2021).

Company size is a ratio used to determine the size of the company expressed by total assets or total net sales (Nastiti & Hardiningsih, 2022). Every company, whether small or large, has a role in contributing to carbon emissions (Septriyawati & Anisah, 2019). However, large companies receive more attention from the public because their presence is easily visible, so that large companies will receive many demands from the public to disclose carbon emissions (Septriyawati & Anisah, 2019). The next research states that company size has a positive effect on carbon emissions disclosure (Sekarini & Setiadi, 2022). Contradictory results show company size has a negative and significant effect on carbon emissions disclosure (Melja et al., 2022)

Researchers conducted research on mining companies listed on the Indonesia Stock Exchange for the 2021-2023 period. The reason for choosing mining companies as research objects is to examine the factors that influence mining companies in Indonesia in an effort to reveal carbon emissions amidst international pressure over the issue of climate change and global warming and mining companies have direct contact with the environment, such as producing toxic gas emissions and house gas emissions. glass, dust particles that pollute the air, disrupt air quality, and have the potential to endanger human and animal health, for which companies must be responsible for the environment where the company's activities take place. Apart from that, mining activities are often in the media spotlight because of their significant impact on the environment and society.

Media Exposure has a significant effect on Carbon Emission Disclosure

The media has an important role in providing information to the public. Information about a company's activities is also something that can be provided by the media. Companies need to be aware of the media that monitors their activities because this determines the company's value and reputation in the eyes of the public. With the monitoring role of the media, companies will try their best to carry out their social and environmental responsibilities. As the media becomes more

active in monitoring a country's environment, companies will be increasingly motivated to reveal their activities in order to appear capable of carrying out their obligations well (Sandi et al., 2021). Legitimacy theory broadly examines the role that media news plays in the increased pressure resulting from public demands on companies. The media has an important role in social mobilization movements, for example groups interested in the environment. Information regarding company activities is also included in information that can be communicated to the public. The more the media actively monitors a country's environment, the more motivated companies will be to reveal their activities (Sandi et al., 2021). Media Exposure has a positive effect on the Carbon Emission Disclosure value (Ferdiani & Susi Dwi Mulyani, 2023). In contrast to the results of other studies, it is revealed that Media Exposure has no effect on Carbon Emission Disclosure (Sandi et al., 2021).

H1: Media Exposure has a significant effect on Carbon Emission Disclosure.

Environmental Performance has a significant effect on Carbon Emission Disclosure

Environmental performance is the company's performance in creating a good environment (Putri et al., 2022). Companies that have good environmental performance will make disclosures about the environment which will later gain legitimacy from the public. Environmental performance measurement can be based on PROPER or ISO 14001 (Putri et al., 2022). Legitimacy theory says that companies will try to convince the public that their activities are still within the scope of what is acceptable to society. Companies that have good environmental performance will disclose more carbon emissions. The research results show that Environmental Performance has a positive and significant effect on carbon emissions disclosure (Melja et al., 2022). Meanwhile, other research says that Environmental Performance has no effect on Carbon Emission Disclosure (Putri et al., 2022).

H₂ : Environmental Performance has a significant effect on Carbon Emission Disclosure.

Company size has a significant effect on Carbon Emission Disclosure

Company size is a description of the size or size of a company which can be measured from total assets, number of sales, average total sales, and average total assets (Nuranisa, 2020). A company with a large size means that the company has larger operational activities and even indicates the environmental impact that will

result from these activities. The larger the company size, the greater the public's attention to the company's activities (Nuranisa, 2020). So companies will get pressure from society to emit carbon to gain legitimacy from stakeholders. Large companies have greater pressure from environmental problems so they tend to increase their response to the environment. Large companies are more encouraged to provide quality voluntary disclosures to gain legitimacy. Company size has a positive effect on carbon emissions disclosure (Sekarini & Setiadi, 2022) Meanwhile, research conducted (Melja et al., 2022) states that the company size variable has a negative and significant effect on carbon emissions disclosure.

H3: Company size has a significant effect on Carbon Emission Disclosure.

RESEARCH METHODS

This type of research is quantitative where the aim is to explain the relationship between research variables with a population of 76 companies. Then a sample of 36 companies from mining companies listed on the Indonesia Stock Exchange was obtained, taken using the purposive sampling method. The data collection process uses documentation studies in the form of secondary data obtained from the official website of the Indonesia Stock Exchange, namely www.idx.co.id for the period 2020 – 2022.

RESULTS AND DISCUSSION

Outer Model Test

1. Convergent Validity

Convergent validity testing can be seen from the loading factors for each construct indicator. The ideal loading factor value is > 0.7 which shows the validity of the indicator for measuring the construct formed. Convergent validity can be fulfilled when each variable has an AVE value above 0.5, with the loading value for each item also having a value more than 0.5.

2. Reliability Test

The test results based on table 1 show that all research variables have Cronbach's alpha and composite reliability values greater than 0.70. Thus, all the constructs in this research model, namely the Media Exposure, Environmental Performance, Company Size and Carbon Emission Disclosure (CED) variables

have met the reliability requirements.

Inner Model Test

Inner model test is carried out by looking at the R-Square value. The R-Square value is used to measure the level of variation in changes in the independent variable. From table 2 above, it can be explained that the model for the influence of Media Exposure, Environmental Performance and Company Size on Carbon Emission Disclosure (CED) has an R-Square value of 0.629. It can be interpreted that the variability of the Carbon Emission Disclosure (CED) construct which can be explained by the construct variables Media Exposure, Environmental Performance and Company Size is 62.9% and is included in the moderate category, the meaning is that the variability of the construct Media Exposure, Environmental Performance and Company Size influences Carbon Emission Disclosure (CED) while the rest is influenced by other variables or variables that were not studied.

Hypothesis Test

Based on table 3, the test results for each hypothesis are as follows:

1. Media Exposure (X1) has a significant effect on Carbon Emission Disclosure in mining companies listed on the Indonesia Stock Exchange (BEI) for the period 2021 – 2023. The calculation results using SmartPLS 4.0 show that media exposure has a significant effect on carbon emission disclosure (CED) with an original sample (O) value of 193.111, which shows that the direction of the relationship between media exposure and carbon emission disclosure (CED) is positive and the T-Statistics is equal to $2,159 > 1.96$ and P Values of $0.000 < 0.05$. So the first hypothesis (H1) states that the influence of media exposure on carbon emission disclosure is acceptable.
2. Environmental Performance (X2) has a significant effect on Carbon Emission Disclosure in mining companies listed on the Indonesia Stock Exchange (BEI) for the period 2021-2023. The calculation results using SmartPLS 4.0 show that environmental performance has a significant effect on carbon emission disclosure (CED) with an original sample (O) value of 7.031, which shows that the direction of the relationship between environmental performance and carbon emission disclosure (CED) is positive and the T-Statistics is equal to $1,753 > 1.96$ and P Values of $0.001 < 0.05$. So the second hypothesis (H2) states that the influence of environmental performance on carbon emission disclosure is acceptable.

3. Company size (X3) has a significant effect on Carbon Emission Disclosure in mining companies listed on the Indonesia Stock Exchange (BEI) for the period 2021 – 2023. The results of calculations using SmartPLS 4.0 show that company size has a significant effect on carbon emission disclosure (CED) with an original sample (O) value of 7,751, which indicates that the direction of the relationship between company size and carbon emission disclosure (CED) is positive and the T-Statistics is equal to $2,237 > 1.96$ and P Values of $0.001 < 0.05$. So the third hypothesis (H3) states that the influence of company size on carbon emission disclosure is acceptable

DISCUSSION

1. The original sample value which is positive indicates that the company must pay more attention to media exposure, because the media is a tool to control the activities carried out by the company, media coverage can influence public attitudes towards the company which in turn can influence stakeholders. This media exposure plays a very important role in providing an image that the company website has been used well as a means of communicating environmental reporting. By improving environmental reporting information on the company website, it can improve the value of the company's image and the public can easily find information about the company. Based on legitimacy theory, companies must continuously ensure whether they have operated within the norms upheld by society and ensure that their activities are accepted by outsiders (Triani, 2023). The application of this theory to media exposure is very necessary because if the company has more concern for the environment then this will create a good image from the surrounding community.
2. The original sample value which is positive indicates that the company must pay more attention to the implementation of environmental performance, because the application of environmental performance plays a very important role in providing an overview of the company in realizing sustainable development so that the company can continue to improve the influence of current human welfare and in the future. For companies, currently environmental performance is an alternative for companies to gain a positive image from the public and stakeholders (Nuranisa, 2020). The existence of

environmental performance assessments by government institutions, especially in Indonesia, carried out by the Ministry of Environment and Forestry, is an opportunity for companies to obtain awards in the environmental sector apart from their main operational activities. A reflection of the results of environmental performance can be presented in the company's environmental disclosure which is used as a communication tool to the public regarding its responsibility towards the environment (Nuranisa, 2020). Based on legitimacy theory, it explains that if there is a misalignment between the company's value system and society's system, the company will lose its legitimacy or reputation, thereby threatening the sustainability of the company's business itself (Triani, 2023).

3. The original sample value is positive, indicating that the size of the company indicates a large number of assets owned by the company. Companies with large assets reflect that the company carries out more operational activities in order to generate high profits so that the company will tend to make disclosures. This indicates that large companies should care more about environmental issues. Based on legitimacy theory, large companies will be the main focus of society, because the activities carried out by the company have an impact on the environment (Fatkhudin, 2017). The greater the company's operational activities, the greater the impact resulting from these activities. So large companies are under greater public pressure to show environmental social responsibility compared to small companies. Large companies are assumed to be able in terms of the availability of resources to meet the costs associated with disclosing carbon emissions, while smaller companies tend not to disclose carbon emissions. This is because small companies have limited funds which becomes an obstacle for companies to disclose information related to carbon emissions (Fatkhudin, 2017).

CONCLUSION

1. Media exposure has a significant effect on carbon emission disclosure.. Media exposure plays a very important role in providing an image that the company website has been used well as a means of communicating environmental

reporting. By improving environmental reporting information on the company website, it can improve the value of the company's image and the public can easily find information about the company.

2. Environmental performance has a significant effect on carbon emission disclosure. Environmental performance is an alternative for companies to gain a positive image from the public and stakeholders (Nuranisa, 2020). The existence of environmental performance assessments by government institutions, especially in Indonesia, carried out by the Ministry of Environment and Forestry, is an opportunity for companies to obtain awards in the environmental sector apart from their main operational activities. A reflection of the results of environmental performance can be presented in the company's environmental disclosure which is used as a communication tool to the public regarding its responsibility towards the environment (Nuranisa, 2020).
3. Company size has a significant effect on carbon emission disclosure. Companies with large assets reflect that the company carries out more operational activities in order to generate high profits so that the company will tend to make disclosures. The greater the company's operational activities, the greater the impact resulting from these activities. So large companies are under greater public pressure to show environmental social responsibility compared to small companies. Large companies are assumed to be able in terms of the availability of resources to meet the costs associated with disclosing carbon emissions, while smaller companies tend not to disclose carbon emissions. This is because small companies have limited funds which becomes an obstacle for companies to disclose information related to carbon emissions (Fatkhudin, 2017).

For the next researchers it is recommended to add variables to provide variation for the topic to be researched, such as adding carbon policy, carbon mitigation and panel model variables.

REFERENCES

- Cakrawati Sudjoko. (2021). Amaliyah, I., & Solikhah, B. (2019). Pengaruh Kinerja Lingkungan dan Karakteristik Corporate Governance Terhadap Pengungkapan Emisi Karbon. *Journal of Economic, Management, Accounting*

- and Technology*, 2(2), 129–141. <https://doi.org/10.32500/jematech.v2i2.720>
- Cakrawati Sudjoko. (2021). Strategi Pemanfaatan Kendaraan Listrik Berkelanjutan Sebagai Solusi Untuk Mengurangi Emisi Karbon. *Jurnal Paradigma: Jurnal Multidisipliner Mahasiswa Pascasarjana Indonesia*, 2(2), 54–68.
- Fatkhudin, M. I. (2017). Pengaruh Leverage, Profitabilitas, Ukuran Perusahaan, Kinerja Lingkungan, dan Kepemilikan Manajerial terhadap Pengungkapan Emisi Karbon. *Skripsi Univeritas Negeri Semarang*, 1–125. <http://lib.unnes.ac.id/id/eprint/29901>
- Ferdiani, A. M., & Susi Dwi Mulyani. (2023). Pengaruh Social Performance, Media Exposure, Dan Sistem Manajemen Lingkungan Terhadap Pengungkapan Emisi Karbon. *Jurnal Ekonomi Trisakti*, 3(2), 3373–3382. <https://doi.org/10.25105/jet.v3i2.18015>
- Loru, T. S. (2023). Pengaruh Tipe Industri, Media Exposure Dan Kinerja Lingkungan Terhadap Pengungkapan Emisi Karbon. *Jurnal Akuntansi Bisnis*, 16(1), 66–82. <https://doi.org/10.30813/jab.v16i1.3838>
- Melja, A., Murhaban, Mursidah, & Yusra, M. (2022). Pengaruh Profitabilitas, Ukuran Perusahaan dan Kinerja Lingkungan Terhadap Pengungkapan Emisi Karbon Pada Perusahaan Pertambangan Subsektor Batu Bara Yang Terdaftar di Bursa Efek Indonesia Tahun 2018-2021. *Jurnal Akuntansi Malikussaleh*, 1(3), 332–346. <https://ojs.unimal.ac.id/jam/article/download/8722/4438>
- Nastiti, A., & Hardiningsih, P. (2022). Determinan Pengungkapan Emisi Karbon. *Jurnal Ilmiah Akuntansi Dan Keuangan*, 6(4), 2668–2681. <https://doi.org/10.20885/ncaf.vol5.art26>
- Nuranisa, I. (2020). *Pengaruh Karakteristik Perusahaan, Sertifikasi Iso 14001, Liputan Media, Dan Kinerja Lingkungan Terhadap Pengungkapan Lingkungan (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2016-2018)*. 2507(February), 1–9.
- Putri, N. A., Pamungkas, N., & Suryaningsum, S. (2022). Pengaruh Kepemilikan Institusional, Kinerja Lingkungan, Profitabilitas, dan Pertumbuhan Terhadap carbon emission disclosure. *Jurnal Akuntansi Bisnis*, 20(2), 183–199. <https://doi.org/10.24167/jab.v20i2.4826>
- Sandi, D. A., Soegiarto, D., & Wijayani, D. R. (2021). Pengaruh Tipe Industri, Media Exposure, Profitabilitas Dan Stakeholder Terhadap Carbon Emission Disclosure (Studi Pada Perusahaan Yang Terdaftar Di Indeks Saham Syariah

- Indonesia Pada Tahun 2013-2017). *Accounting Global Journal*, 5(1), 99–122. <https://doi.org/10.24176/agj.v5i1.6159>
- Sekarini, L. A., & Setiadi, I. (2022). Pengaruh Leverage, Profitabilitas, Ukuran Perusahaan Dan Kinerja Lingkungan Terhadap Pengungkapan Emisi Karbon Perusahaan (Studi Empiris Pada Perusahaan Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Periode 2014-2018). *Kompartemen : Jurnal Ilmiah Akuntansi*, 19(2), 83. <https://doi.org/10.30595/kompartemen.v19i2.8627>
- Septriyawati, S., & Anisah, N. (2019). Pengaruh Media Exposure, Ukuran Perusahaan, Profitabilitas dan Leverage Terhadap Pengungkapan Emisi Karbon pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2014-2018. *SNEB : Seminar Nasional Ekonomi Dan Bisnis Dewantara*, 1(1), 103–114. <https://doi.org/10.26533/sneb.v1i1.417>
- Suhardi, R. P., & Purwanto, A. (2015). Analisis Faktor-Faktor Yang Mempengaruhi Pengungkapan Emisi Karbon Di Indonesia (Studi Pada Perusahaan Yang Terdaftar di Bursa efek Indonesia Periode 2010-2013). *Diponegoro Journal of Accounting*, 4(2), 1–3. <http://ejournal-s1.undip.ac.id/index.php/accounting>
- Sukmawati, Y. T. (2021). *Pengaruh Media Exposure Dan Kinerja Lingkungan Terhadap Pengungkapan Emisi Karbon*.
- Triani. (2023). *Pengaruh Penerapan Green Accounting Dan Kinerja Lingkungan Terhadap Sustainable Development Dengan Profitabilitas Sebagai Variabel Moderasi*.