

## **ABSTRACT**

*This study examines the impact of Environmental, Social, and Governance (ESG) disclosure on firm value. In addition, this study examines firm reputation and competitive advantage in mediating the relationship between ESG disclosure and firm value.*

*The sample of this study is 42 non-financial companies in Indonesia during the period 2015-2021 with a total of 252 observations. Furthermore, the data were estimated using PLS-SEM with the assistance of WarpPLS 8.0 to test hypotheses and draw conclusions.*

*The findings show that ESG disclosure does not affect firm value in Indonesia. However, when firm reputation and competitive advantage is included as a mediating variable between the two relationships, the results show a significant positive direction toward firm value.*

*Not only that, the results of this study have strengthened impression management theory, namely that disclosing ESG is able to build a positive impression and image for the company. In addition, this finding supports the resource-based view theory which states that ESG disclosure can be one of the company's resources. This finding also supports the sinyal theory which considers that companies disclosing ESG can positively impact firm reputation and competitive advantage and in turn provide a positive sinyal on firm value. Finally, these findings may increase the understanding of management and stakeholders regarding the impact of ESG disclosures on firm value mediated by firm reputation and competitive advantage, especially in non-financial companies in Indonesia.*

*Keywords: ESG disclosure, firm value, firm reputation, competitive advantage, size, leverage, profitability, non-financial firm.*