

ABSTRACT

This study aims to examine the impact of environmental, social and governance (ESG) disclosures and firm value (FV), and demonstrate the role of audit quality (AQ) as a moderating variable on that impact; where the authors hypothesize that AQ moderates the relationship between ESG disclosures and FV.

This study uses regression analysis and a sample of non-financial companies listed on the KOMPAS100 index of the Indonesia Stock Exchange for the period 2018 to 2022. Furthermore, using purposive sampling in sample selection, until 249 research samples were obtained for a span of five consecutive years (2018-2022).

This study uses a sample of companies listed on the KOMPAS100 index of the Indonesia Stock Exchange, empirical evidence and non-financial companies listed in 2018 to 2022. The findings of this study indicate ESG has a significant effect on firm value (FV) and audit quality (AQ) has a significant effect, as a moderating variable on ESG disclosure and FV.

Keyword: environmental disclosure, social disclosure, governance disclosure, audit quality, stakeholder theory, legitimacy theory