

ABSTRACT

The concept of firm value was originally seen as a value closely related to shareholders and over time, this concept has evolved so that other stakeholders are also involved. However, companies tend to ignore the interests of other parties. The neglect of these interests will then lead to the failure of stakeholder fulfillment by the company and the non-achievement of company value. Therefore, disclosure of non-financial information, namely ESG, is required. This study aims to investigate the effect of ESG in total score and dimension score on firm value. This study also examines firm size and audit quality as moderation in the relationship between these variables.

This study obtained data from the Bloomberg database on companies listed on the SRI-KEHATI index from 2018 to 2022 and obtained 91 samples. The use of the moderated regression analysis method aims to analyze the relationship between ESG scores and firm value, as well as the moderating role of firm size and audit quality.

The results show that the total ESG score, environmental score, governance score have no effect on firm value, while social score has a significant effect on firm value. This study also found a moderating effect of audit quality on the relationship between total ESG score and firm value, but the dimension score has no effect. Meanwhile, there is no moderating effect of firm size on the relationship between total and dimensional ESG scores and firm value.

Keywords: ESG disclosure score, firm value, firm size, audit quality.