

ABSTRACT

This study aims to investigate the influence of the environmental, social, and governance (ESG) disclosure score and its constituent pillars on firm value in the ASEAN region, while also examining the moderating effects of firm size and profitability on this relationship. The research covers the 2021–2024 period, using a sample of 51 nonfinancial companies selected through purposive sampling, resulting in 204 observations. The data analysis method employed is panel data regression with Robust Standard Error procedures to address heteroscedasticity issues.

The results show that the ESG disclosure score and all of its pillars, Environmental (ENV), Social (SOC), and Governance (GOV), have a positive and significant effect on firm value as measured by Tobin's Q ratio. Firm size (SIZE) is found to moderate the influence of environmental (ENV) and governance (GOV) disclosure on firm value, but does not moderate the influence of aggregate ESG or social (SOC) disclosure. Meanwhile, profitability, as measured by ROA, is found to moderate the influence of ESG, ENV, and GOV on firm value, while no strong evidence is found for the SOC pillar.

These findings underscore the importance of ESG disclosure in enhancing firm value in emerging markets, particularly in Southeast Asia. This study also highlights that large scale and highly profitable companies can optimize environmental and governance disclosure as a strategy to enhance firm value from an investor's perspective. Meanwhile, smaller companies are advised to implement ESG practices gradually, focusing on aspects that are relatively affordable and easy to execute.

Keywords: *ESG Disclosure Score, Firm Value, Firm Size Moderation, Profitability Moderation, ASEAN.*

