

ABSTRACT

This study aims to analyze the effect of environmental, social and governance (ESG) disclosure on firm value. In addition, this study also aims to analyze the effect of board characteristics on governance as represented by board size, women on the boards and independent boards on the relationship between Environmental, Social and Governance (ESG) disclosure on firm value. Around the world, many companies voluntarily disclose sustainability reporting. Given the issues related to environment, social and governance (ESG) have become a new instrument for stakeholders in assessing company performance. Thus, through the disclosure of ESG performance, it is hoped that it can increase the company's value in the long term, thereby attracting investors to invest.

This study used descriptive research design with secondary data. The population in this study are all companies listed on the Indonesia Stock Exchange and the ESG disclosure scores at the Bloomberg Terminal during the period 2015 to 2018. The total number of samples in this study were 200 companies. This study uses Moderated Regression Analysis.

The results showed that Environmental, Social and Governance (ESG) disclosure had no effect on firm value. In addition, board size can significantly and positively influence the relationship between ESG disclosure and firm value. Meanwhile, women on the boards and independent boards cannot moderate the relationship between ESG disclosure and firm value.

Keywords : ESG, firm value, board size, women on the boards, independent boards